



Kgalagadi Relief Trust: Annual Report for the financial year ended 28 February 2022

1. Introduction

The main aim of the Kgalagadi Relief Trust (KRT) is to compensate claimants who have a defined asbestos related disease (ARD) because of exposure to asbestos (either environmentally or occupationally) arising from operations owned by or associated with Kuruman Cape Blue Asbestos (KCBA) and Danielskuil Cape Blue Asbestos (DCBA) from 1952-1981.

The KRT was established voluntarily in 2006 by Becon AG, as daughter company of the original Swiss company that had an interest in KCBA and DCBA between 1 January 1952 to 30 September 1981.

It is important to distinguish the voluntary nature of the KRT when compared to so-called “settlement trusts” such as the Hendrik Afrika Trust, Q(h)ukeka Trust, the Asbestos Relief Trust, and the Tshiamiso Trust, which were established following out-of-court settlements between various mining companies and ex-miners who had been exposed occupationally to harmful dusts and fibres.

The KRT has outsourced day-to-day claims administration to the Asbestos Relief Trust (ART), which was established in 2003. There are significant benefits to using the ART’s well-established medical surveillance and claims management resources, including that many claimants will have worked at or lived near mines covered by both trusts (so-called “dual claimants”). The trusts collaborate on community outreach and social projects in the Northern Cape and North West Provinces.

As of the financial year ended February 2022 the ART and KRT had, since inception, jointly received enquiries from 18 991 prospective claimants, of whom 16 623 registered claims against one or both trusts. Many claimants were helped with the claim application process by ART/KRT trust agents or staff.

Approximately 36.5% of claimants who underwent a medical examination paid for by the trusts after lodging a claim were diagnosed with a compensable asbestos related disease.

To the extent that their occupational or environmental exposure could be traced to a qualifying mine during the qualifying period defined in the Trust Deed, the KRT has paid total benefits of R114 971 035 to 1 520 claimants (of whom 84% were occupationally exposed and 16% environmentally exposed to asbestos).

For the financial year ended 28 February 2022, a total of R2 365 988 was paid to 18 KRT claimants compared to R4 512 491 paid to 26 claimants in the previous financial year. The benefits paid included an inflation-based increase of 5% to the compensation benefits, effective

from 1 March 2021. At the financial year end, total funds available for the payment of future claims, administration and social projects amounted to R49 926 160.

At the time of writing the trustees are confident that there are sufficient funds to compensate a further ~ 50 (mainly mesothelioma) claims that are anticipated by the end of the 2026 financial year when the trust is scheduled to be wound up.

2. Claim Statistics for the Financial Year

2.1. Grant Applications Received

Eight new grant applications (claims)¹ were received by the trust in the financial year, compared to nine in the previous year. Of these, four were for occupational exposure and four for environmental exposure.

2.2. Claims Paid by Category

Of the 18 claimants paid in the financial year; 10 were ARD4 (mesothelioma) payments, compared to 15 for the previous year. Four of the ARD4 claims paid were for environmental exposure, while six were due to occupational exposure. ARD4 claims accounted for 56% of the claimants and 70% of the benefits paid in the financial year².

Compensation Category (explained in footnote) ³	Number of Claims Paid	R-amount paid
ARD1	2	R26 200
ARD2	1	R28 077
ARD3	5	R650 539
ARD4	10	R1 661 172
	18	R2 365 988

2.3. Claims Evolution

Of the 18 claimants compensated during the financial year, four had previously lodged a claim with the KRT that had not been accepted as there was no indication at the time of a qualifying medical condition. Their medical certification changed on receipt of new information as follows:

Previous Medical Certification	New Medical Certification	Number of Claims	R-amount paid
No ARD	ARD1	2	R26 200
No ARD	ARD2	1	R28 077

¹This figure excludes claims received from beneficiaries who previously applied and either did not qualify to receive a grant or, were compensated for asbestosis and subsequently developed a compensable asbestos related cancer and qualify to receive a second grant.

² The trustees have planned for an average 12-14 successful ARD4 (mesothelioma) claims a year for the remaining life of the trust until 2025.

³ ARD1 = Asbestos dust disease (pneumoconiosis) with mild-moderate lung function impairment; ARD2 = Asbestos dust disease (pneumoconiosis) with severe lung function impairment; ARD3 = Asbestos related lung cancer; ARD4 = Mesothelioma.

No ARD	ARD3	1	R335 040
		4	R389 317

3. Dual Claims

Where an occupational or environmental claimant was exposed to asbestos at or near mines that qualify in terms of both the KRT and ART Trusts Deeds, the trusts will apportion the compensation payable to the claimant according to a formula agreed between the trusts.

During the year under review, 83% of the claims paid by the KRT were “dual” claims. Since the establishment of the KRT in 2006, ~ 64% of payments were to claimants with “dual” exposure.

4. Social Projects

In terms of the KRT Trust Deed, part of the investment income may be distributed to social projects at the discretion of the trustees.

Since the start of the trust, R10 771 456 had been invested in social projects.

During the financial year under review, the KRT spent a further R1 032 459 on social projects, some of which were supported in collaboration with the ART.

These included funding for:

- The **Asbestos Interest Group (AIG)**, which does important outreach in the greater Kuruman area and claims handling work for the trust.
- The **Kuruman Palliative Care Project**, where full time trust employees, Sister Phemelo Magabanyane and Sister Gomolemo Moetsi, continue to offer a compassionate and effective service to cancer sufferers. In addition to their palliative care, the trust representatives help prospective claimants with their applications, facilitate hospital and clinic visits, including transport, counsel ex-workers and their families and interact with local NGOs and CBOs.
- The **Cancer Charity Workers (CCW)** in Kuruman, which has an active education and support programme for all cancer sufferers.
- **Medical Support for ARD2/3/4 Sufferers** - given that claimants who receive financial compensation continue to suffer the ill-effects of their health conditions with only limited access to medical facilities, the KRT funded extra health check-ups (consisting of a medical exam, chest x-ray and lung function test) and supportive or palliative treatment for ARD2/3/4 sufferers; and
- **Continuing Professional Education Workshops** in the greater Kuruman area aimed at improving the ARD diagnostic ability of medical health professionals.

Other projects under consideration at the year-end included the feasibility of:

- an **Asbestos Virtual Library (AVL)**. The trustees identified a risk that important documentation relating to South Africa’s asbestos legacy is likely to be lost unless it is stored electronically. These documents could be an important

source of information for public health professionals, including policymakers, researchers and medical practitioners. Over the past few months, specialist archivists have been commissioned to investigate the practicality of digitising various asbestos archives. At the time of writing the trustees were considering the cost-benefit of the project scoping exercise and the estimated cost.

- **Genetic Testing for Mesothelioma Sufferers and Close Blood Relatives.** The trustees investigated the possibility of offering genetic testing to claimants newly diagnosed with mesothelioma (the “index” patients) to decide if they or their relatives might carry the BAP1/ CDKN2A genes, which predisposes to mesothelioma after asbestos exposure. This information would be used to alert families to their inherent mesothelioma risk profile. After consulting with geneticists it was decided not to proceed with this project due to overwhelming technical and ethical challenges.

5. Engagement with Mining Bureau for Occupational Diseases (MBOD) and Compensation Commissioner for Occupational Diseases (CCOD)

With the facilitation of the Deputy Minister of the National Health Department (NDOH), Dr Sibongiseni Dhlomo, representatives of the KRT and ART have been liaising with the MBOD and CCOD - and with the representatives of other “settlement trusts” - to seek ways in which the overall compensation regime in South Africa, including the statutory compensation system, can be strengthened. The aim of the trustees is to do everything possible to ensure that qualifying claimants receive the compensation they are entitled to, and that their families and communities are supported to the extent allowed by the Trust Deed. The trust’s cooperation with public and private sector actors extends to information sharing on claimant data bases, community outreach programmes and cross-referral of potential claim applications.

6. Financial Results

Trust income on cash balances and on investments for the year amounted to R3 483 583. The 10% decline on investment income from the R3 871 594 in the previous year was attributable in the main to the direct and indirect impact of the Covid-19 pandemic on financial markets.

Annual operating expenditure, including expenses related to claims management, increased by 10% to R1 864 090 (R1 692 486 in the previous year). The bulk of the increased expenditure (67%) was for consulting fees paid to the trustees because of numerous engagements with public and private sector actors on strengthening the national compensation regime for ex-mineworkers.

7. Conclusion

The number of claims currently being processed is low when compared to the early days of the trust. Administrative operations have therefore been scaled back. The remaining staff, supported by the trustees as required, are coping well with the administrative workload. The trustees find themselves more engaged than ever on complex issues relating to collaboration with other stakeholders on the national compensation regime while preserving the trust’s independence, and early planning for the eventual closure of the trust.

I am grateful to the ART trustees and operational staff, to the independent medical office personnel and to my fellow KRT trustees for their continued support and diligence.

Brian Gibson
Chairman