



Kgalagadi Relief Trust (KRT) Annual Report for the financial year ended 28 February 2023

1. Introduction

The primary object of the KRT is to make payment of grants to beneficiaries as fully, fairly and effectively as its means allow, subject to the qualifications and limitations of the trust deed and the schedule of grants.

Grants are payable to persons who lived at or near and/or were employed at any qualifying operation, at any time during the qualifying period, and who had significant exposure to asbestos dust and/or fibre at that time and place, and who have contracted an asbestos related disease (ARD).

Grants are also payable to the dependents of such persons, who died of asbestos related lung cancer or mesothelioma but who did not receive a grant during their lifetimes.

The qualifying operations and period are the asbestos mining and milling operations in South Africa owned and/or operated by the Asbestos Investment Group at any time in the period 1 January 1952 to 30 September 1981.

The KRT was established in 2006 with an anticipated life of 20 years.

The current trustees of the Trust are Dr Markus Heitz, Richard Spoor and me, Brian Gibson, who currently serves as chairperson of the board of trustees.

The trust has no employees. The day-to-day administration of the Trust is outsourced to the Asbestos Relief Trust (ART). The ART pays benefits to persons who contracted an ARD in consequence of exposure to asbestos at or near the asbestos mining or milling operations covered by that trust.

Where a claimant qualifies for a benefit from both the ART and the KRT, which is a regular occurrence, the costs of the benefit are shared between them¹. Since the establishment of the KRT in 2006, approximately 64% of grants were paid to claimants with “dual” exposure. The ART and KRT collaborate on social projects.

Since its inception the KRT has made 1533 grant payments to the value of R118 537 168 to 1474 claimants, 59 of whom received a second payment when their disease progressed. 84% of all successful claimants had occupational exposure and 16% had environmental exposure to asbestos.

The successful environmental claimants have experienced either “domestic” exposure (e.g. from a relative who was exposed at a qualifying operation); or “vicinity” exposure (e.g. they lived at or near a qualifying mine), during the qualifying period.

The KRT will be wound up in February 2026 unless, as allowed in the trust deed, there are extraordinary reasons to extend its life (by up to a maximum of five years).

¹ Where there is dual exposure the cost of compensation is shared between the trusts. The apportionment of the grant is based on the claimant’s relative work exposure at the mines covered by the respective trusts, or, in the case of cancers, the apportionment is 50/50.

Over the past decade there has been a steady decline in the number of claims being registered and adjudicated, with nine claims being processed in the past financial year.

Among the factors to be considered in planning for the future workload and obligations for the trust is that an estimated 95% of the ~18 000 potential occupational claimants for whom the KRT has records have already registered with the trust.

Another factor is that the average age of successful claimants to date against the KRT was 68 and the estimated age of surviving occupational claimants is now well over 70. The likelihood of competing causes of disease and/or mortality increases with age. That said, the average age of successful claimants to date against the KRT with mesothelioma was only 63.

There is also a degree of uncertainty about the likely number of future claims for diseases associated with environmental exposure to asbestos pollution at or near the qualifying operations.

The historical data suggest that the trustees should anticipate having to compensate 15-16 successful occupational and environmental claimants a year over the remaining three years of the trust.

Out of an abundance of caution - and recognising the need to preserve the scarce diagnostic and administration resources currently available to the trust - the trustees will provide for up to 20 successful claims a year.

Given that the qualifying period for claims against the KRT ended more than forty years ago, future claims will most likely be for asbestos related cancers that have a long latency period after exposure, namely lung cancer and mesothelioma. The KRT grant currently payable to a successful claimant with lung cancer is R394 000 and for mesothelioma it is R525 541.

Due mainly to the satisfactory investment returns on the initial capital (R150 million) donated by the founder, funds available at the financial year end for the payment of future grants, medical and administration costs, and social projects, totalled R48 542 020.

Based on the above, the trustees are satisfied that the Trust can continue to meet its obligations over the remaining life of the Trust. According to the trust deed, any residual funds must then be donated to a suitable charity serving the needs of the KRT beneficiaries and their communities.

2. Claim Statistics for the Financial Year

2.1. Claims Paid

During the year under review, the KRT paid grants to the value of R3 566 133 to 13 claimants. This compares to R2 365 988 paid to 18 claimants in the previous financial .

Effective 1 March 2023 the trustees resolved to increase by the rate of inflation the benefits stipulated in the schedule of grants by 5,7%.

2.2. New Claims Registered

Five new grant applications² were received by the trust in the financial year, compared to eight in the previous year. Of these, two were for occupational exposure and three for environmental exposure.

²This 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 therefore qualified to receive a second grant.

2.3. Claims Paid by Category

Of the 13 claimants paid in the financial year; nine were ARD4 (mesothelioma) payments, compared to 10 for the previous year. Three of the ARD4 claims paid were for environmental exposure, while six were due to occupational exposure. ARD4 claims accounted for 69% of the claimants and 93% of the benefits paid in the financial year.

Compensation Category (explained in footnote ³)	Number of Claims Paid	Amount paid
ARD1	3	R61 946
ARD2	0	0
ARD3	1	R175 382
ARD4	9	R3 328 805
	13	R3 566 133

2.4. Claims Evolution

Of the 13 claimants compensated during the financial year, four had previously lodged a claim that had not been accepted as there was no indication at the time of a qualifying medical condition. Their medical certification later changed on receipt of new medical information as follows:

Previous Medical Certification	New Medical Certification	Number of Claims	Amount paid
No ARD	ARD1	2	R49 970
No ARD	ARD4	2	R966 250
		4	R1 016 220

2.5. Dual Claims

During the year under review 31% of the claims paid by the KRT were “dual” claims and the payments accordingly apportioned with the ART.

3. Social Projects

In terms of the KRT Trust Deed, part of the interest accrued on the trust funds may be used, by the Trustees to undertake or commission special projects, investigations or programmes that will be of direct benefit or advantage to the communities affected by asbestos mining and milling activities of the Asbestos Investment Group.

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.

Over the past 17 years, the KRT spent R11,9 million on social projects. During the financial year under review, the KRT spent R1 134 584 on such projects. These included the provision of funding for:

- **The Asbestos Interest Group (AIG)**, whose community engagement programme ensures that residents are educated about the dangers of environmental asbestos exposure and that prospective claimants are informed about the work of the trust. The AIG annually hosts more than 25 community information sessions at schools and villages in the Kgalagadi district. Community education and outreach programs will be intensified in the remaining years of 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. In addition, the Palliative Care team support the AIG's community engagements events.
- **The Cancer Charity Workers (CCW)** organisation in Kuruman, which has an active education and support programme for all cancer sufferers.
- **Medical Support for ARD2/3/4 Sufferers**, where the trust funds extra health check-ups (consisting of a medical exam, chest x-ray and lung function test) and supportive or palliative treatment for claimants who suffer from and ARD2/3/4.
- **Continuing Professional Education Workshops** in the greater Kuruman area aimed at improving the ARD diagnostic ability of local medical health professionals.

4. Engagement with Medical Bureau for Occupational Diseases (MBOD) and Compensation Commissioner for Occupational Diseases (CCOD)

The trust continues to collaborate with State actors to help ensure that qualifying claimants receive the statutory compensation to which they are entitled. This includes information sharing on claimant data bases, community outreach programmes and cross-referral of potential claim applications.

5. Financial Results

Trust income on cash balances and investments for the year amounted to R4 102 357 (2022: R3 483 583), the 18% increase being mainly due to an improvement in the investment climate.

Annual operating expenditure, including expenses related to claims management, increased by 6% to R1 984 163 (R1 864 090 in the previous year). This was attributable to inflationary increases. The major cost items during the year under review were trustee fees (R713 280), administration and medical charges (R685 412), and investment portfolio management (R189 472).

6. Conclusion

As always, I am grateful to the medical and administrative teams that work diligently to assist and support the intended beneficiaries.

My thanks also go to ART trustees, who have been committed partners over these past 17 years, and to my fellow KRT trustees for their support and guidance.

Brian Gibson

Chairman