

R30m acquisition creates benefits for all

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Features Reporter

For a BEE mining company that has long had a focus on graduating from ore-extracting activities to mining-construction operations, the purchase of a stake in one of South Africa's most reputable shaft-sinking firms has been the start to the realisation of that goal.

Mmakau Mining CEO **Bridgette Radebe** enthuses about the possibilities the 25%, R30-million acquisition offers the company.

"Our partnership with Shaft Sinkers will be successful because there is synergy and a flow of knowledge and skills between the two companies," Radebe assures.

"We had a two-year record of tendering together, so we are well accustomed to their method of operation," she says.

Radebe informs that, of all the companies that approached Mmakau to embark on BEE partnerships, Shaft Sinkers was her first choice primarily because of its exceptional safety record.

Added to that was a well-above-industry-par training centre – the training programme of which is to become the first offered by a contracting company to receive Mining Qualifications Authority accreditation – and a management style that aims to embrace the goals of the new Mining Charter meaningfully.

Fate, too, may have played a role, as Radebe reveals that, two years before discussion of the partnership was initiated, she had unknowingly met a senior director of Shaft Sinkers' UK principal, with whom she had spent a few pleasant hours becoming acquainted.

She lauds the foreign investors as seasoned financial and coal-mining experts, and hopes that benefits will be reaped through this association as well.

"Together with our partner's wealth of experience in projects throughout Africa and its UK links, we look forward to the prospect of establishing our own international presence and eventually building up a local coal business," Radebe



The shaft-sinking company's premises

forecasts.

In the spirit of engaging with the shaft-sinking partner, Radebe, as a newly-appointed member on its board of directors, sits on the transformation committee, offering expertise in the delegation of subcontracted activities to stakeholders living in the region of mining operations.

"In terms of social commitments to community upliftment, a local participant should preferentially procure the contracts to build schools or road infrastructure – for example – so that the wealth generated can be poured back into the immediate community," Radebe explains.

When local skills do not meet requirements, she encourages subcontractors to buy local materials, such as bricks, to impart as much benefit to the community as possible.

"We now have the opportunity to tackle the unfortunate legacy of our past, and must redress the social ills created by mineworkers having to leave their wives and children for extended periods."

Radebe is positive about the pace of transformation, saying that the mining industry has committed itself to Aids-awareness and affordable-drug campaigns, and that she is comforted by the level of involvement and exposure of mining participants to different policies of procurement.

"Many companies take the initiative to develop in-house charters that go substantially

beyond the criteria for procurement, which shows a commitment to the Charter's aims."

The goals, she points out, are all in line with the triple-bottom-line sustainability principles.

The Shaft Sinkers-Mmakau partnership is a role model for the benefits two companies can impart to each other, Radebe believes.

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"BEE transactions should always be marriages of value-adding, where a technical partner can provide specialised expertise and develop the skills of the BEE company's staff, while the BEE company should provide an indigenous knowledge as well as its core activity services," she proclaims.

Radebe warns against the hurried



Bridgette Radebe has her eyes set on steering the company's direction towards specialised mining services

and meaningless transactions between companies going out on tenders that do not meet procurement criteria, and the first BEE company they encounter.

"It does not make sound business sense to dilute your shares to a BEE company which brings no wealth of any form to your company," she warns.

Similarly, she cautions BEE companies against engaging in 'marriages of convenience' with partners who offer no services that can help empower the skills and knowledge of their employees.

"A partner not involved in mining can sell the rights to mine, and the money that would have arisen for social development is lost to other activities," she laments.

She suggests better management of how BEE procurement contracts are obtained, to encourage selection of beneficial, and not incidental, partnerships.

Despite these issues, Radebe is adamant the industry has come a long way, and sets a fine example for all other

sectors in the country.

As the first black-owned mining operation to buy into the shaft-sinking industry, and the first South African-based shaftsinker to form a partnership with a black-owned company, the historic union aims to continue to set the standards in securing a sustainable mining future in the country.

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