

LABOUR-MINING
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SIMMERS TO LAY OFF 865 WORKERS: UNION

JSE-listed Simmer & Jack Mines will lay off 865 workers at its Buffelsfontein gold mine (BGM), trade union Solidarity said on Tuesday.

"The majority of the employees who could be affected by the planned retrenchments work at BGM's No 10 shaft complex," Solidarity said in a statement.

It said it was issued with a Section 189 notice by Simmers on Friday.

However, Simmer & Jack Mines' human resources executive Vic Hoops said Solidarity's statement was "not 100 percent correct."

He said that although a Section 189 notice had been issued, this did not mean 865 workers would be retrenched.

"We have indicated to organised labour that we are going to close Shafts 10 and 12 and in that process jobs will be affected.

"However, we have started negotiations and consultations exploring all avoidance measures to obviously try to minimise and even prevent retrenchments."

He said one of the solutions would be to replace contractors with employees.

In its statement, Solidarity said the latest retrenchments would not be the first at the mine and that Simmers had initiated a large-scale process of retrenchment there over the past year.

In August 2009, the company had announced its plans to lay off 2500 employees.

"Although these retrenchments could have been limited to a large extent, 130 permanent employees, 222 contract workers and 565 employees of labour hire employees were laid off in the process," said Solidarity spokesman Jaco Kleynhans.

The union said the continual retrenchments and plans for retrenchments at BGM had put employees under immense pressure.

"The employees work in extremely uncertain circumstances and since the mine went into liquidation in 2005, they have not had long-term security in spite of Simmers' takeover of the mine,"

Kleynhans said.

In the meantime, the union cautioned that Simmers' loyalty to its older assets was waning.

"The former chief executive officer Gordon Miller stated that the incorporation of the Tau Lekoa Mine into the group last year would improve BGM's risk profile significantly and double production for the group."

However, Solidarity said it appeared that this asset was acquired at the expense of older assets at Buffelsfontein and the employees would now have to pay the penalty for the acquisition.

"Furthermore, bearing the high gold price in mind, it is time for gold producers to share in the prosperity," Kleynhans said.

He said it was "not the time" to get rid of skilled employees.

According to Solidarity, Simmers blamed the cost of mining material, the rising cost of electricity and the impact of lost production owing to Section 54 closures for the planned retrenchments.

The company planned to implement the retrenchments by the end of July and the first consultation round was held on Tuesday, Kleynhans said.