

# **SOCIAL IMPACT ASSESSMENT FOR THE EXPANSION OF RAILWAY LOOP AT THABAZIMBI, FERROGATE AND NORTHAM IN LIMPOPO PROVINCE**



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## Executive Summary

The proposed development entails the expansion of railway loops at Thabazimbi, Ferrogate and Northam located within Thabazimbi Local Municipality in Limpopo Province.

The expansion will entail the following:

- The development of two railway loops of approximately 3.4km, crewing facilities, seven (7) culverts and associated infrastructure adjacent the existing railway line at Thabazimbi;
- The expansion of the existing railway network of approximately 3.7km and five (5) culverts at Ferrogate; and
- The extension of the existing loop by approximately 3.4km and two (2) culverts at Northam.

Market Demand Strategy (MDS) requires Transnet Freight Rail to increase its volumes to 350 Mtpa. It is expected that unlocking the Waterberg and eventually the Botswana coal field, will contribute significantly to the targeted MDS volumes. The development of the Waterberg to Gauteng and Richards Bay corridors, will strengthen the favourability of using the Southern route rather than alternative routes to Mozambique.

Therefore, the expansion in rail capacity has been identified as a strategic initiative and received much focus from Government as a key drive for the South Africa's economy. In line with these strategic priorities for the country, Transnet has developed a programme for expansion of railway infrastructure between Lephalale in Limpopo and Pyramid South in Gauteng provinces. The expansions will feed the heavy haul coal line for increased coal exports through the Port of Richards Bay and also deliver coal to several power stations along the existing rail route.

The Social Impact Assessment Report serves to support the environmental authorisation process in accordance with 2014 Environmental Impact Assessment (EIA) Regulations under the National Environmental Management Act, 1998 (Act 107 of 1998).

The key objectives of the social Impact Assessment is to:

- Understand and assess the current social situation along the proposed development area.
- Determine the zones of influence with consideration of social and physical boundaries.
- Understand the social and economic aspects of the project.
- Determine and assess the changes, risks and impacts that are likely to occur with and without the project.

- Develop mitigation measures and management plans to enhance the project's impact on the social situation, during construction and operation without compromising the economic and natural environment.
- Develop mitigation measures and management plans to avoid, minimise and/or off-set the project's potential negative impacts, during construction and operation on the social situation without compromising the economic and natural environment.

Key social-economic impacts identified in this study include:

- Negative livelihood impacts due to land take from business activities taking place within the loop;
- Negative impacts pertaining to access to school; and
- Positive impacts as a result of increased local opportunities at supply chain level.

The recommendation following this study is that consultation and communication is critical with main business that has been affected in the area which are Prof. Erasmus Livestock Auction site, the Waste Recycling Site and the Dragonbundu Hotel to be removed close to informal trading area. The informal traders will also need to be provided with alternative area along the loop.

Influx is also a considerable concern, and expectations regarding benefits and employment on the project will need to be managed from early on to ensure the receiving community is not pressurised by influx of jobseekers and employees of the project.

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## **1. INTRODUCTION**

Cort & Fred Consulting Engineers (Pty) Ltd was requested by Nsovo Environmental Consulting to undertake the Social Impact Assessment (SIA) for the proposed expansion of railway loops at Thabazimbi, Ferrogate and Northam in Limpopo Province. The SIA will form part of the Environmental Authorisation for the proposed project.

Transnet has appointed Nsovo Environmental Consulting to undertake environmental authorisation process in accordance with 2014 Environmental Impact Assessment (EIA) Regulations under the National Environmental Management Act, 1998 (Act 107 of 1998). Part of this authorisation requires a Social Impact Assessment to determine the anticipated impacts and changes that will be brought about by the expansion of railway loops.

This report describes the proposed activities for the expansion of railway loops; discusses the social impact apparent in the project area; provides an assessment of the changes and impacts of the proposed activities on the social conditions; and finally, the social management.

## **2. SOCIAL IMPACT ASSESSMENT APPROACH**

Cort & Fred Consulting Engineers (Pty) Ltd has been appointed by Nsovo Environmental Consulting to undertake Environmental Impact Assessment which forms part of the specialist studies required for environmental authorisation of the proposed expansion of the railway loop at Thabazimbi, Ferrogate and Northam in Limpopo Province.

The approach and objective of the social impact assessment are as follows:

### **2.1. Objectives**

The social baseline and impact information was obtained through both a desktop baseline study and primary data collection via focus group meeting (Prof. Erasmus representing BOERNOR (Edms) Bpk) and stakeholder engagement feedback (telephone). Baseline information was required in order to develop an appropriate understanding of the social context, identify and assess potential impacts of the planned activities with confidence, develop applicable management measures, and monitor and evaluate changes and impacts after project implementation.

The objectives of the social impact assessment were therefore to:

- Understand and assess the current social situation along the proposed development area.
- Determine the zones of influence with consideration of social and physical boundaries.
- Understand the social and economic aspects of the project.
- Determine and assess the changes, risks and impacts that are likely to occur with and without the project.
- Develop mitigation measures and management plans to enhance the project's impact on the social situation, during construction and operation without compromising the economic and natural environment.
- Develop mitigation measures and management plans to avoid, minimise and/or off-set the project's potential negative impacts, during construction and operation on the social situation without compromising the economic and natural environment.

## 2.2. Methodology

Cort & Fred Consulting Engineers employed impact assessment methodologies that align with local legal requirements. For this specific project, both primary and secondary data was used to meet the objectives of the SIA.

The methodology for this project included:

- A review of the project description;
- A review of secondary data including sources from:
  - South African Census 2011 (Statistics South Africa);
  - Relevant municipal documents (Including District and Local IDP's); and
  - The stakeholder comments and responses for the project.
- Primary data collection during a focus group meeting on the 27<sup>th</sup> March 2017 with affected farmer representing Boernor (Pty) Ltd, Prof. Erasmus.
- Telephone calls discussion with affected business owners namely Sishen Iron Ore (Pty) Ltd; Rooidam Familie Trust; Bosveld Diensteraad; Waste Management Site; Provincial Government Department of Public Works; DragonBundu Hotel and Provincial Government Department of Public Works
- The collation of primary and secondary information in the rating of impacts.

### **3. PROJECT DESCRIPTION**

#### **3.1. Project Location**

The proposed expansion of railway loops is situated in Limpopo Province and falls within Thabazimbi Local Municipality and Waterberg District Municipality. Thabazimbi municipality is located in the South-western part of Limpopo Province, situated in Waterberg District. The municipality is 320 km from Polokwane and 260 from Johannesburg.

Thabazimbi Local Municipality (TLM) covers an area of 11 190 km<sup>2</sup> and an estimated population of 96232 in the 2016 census. The project area at

- The development of two railway loops of approximately 3.4km, crewing facilities, seven (7) culverts and associated infrastructure adjacent the existing railway line at Thabazimbi. The project at Thabazimbi will affect Sishen Iron Ore;
- The expansion of the existing railway network of approximately 3.7km and five (5) three culverts at Ferrogate. The area to be affected include Sishen Iron Ore and farm by Roodam Familie Trust; and
- Northam, covers a portion of 3.4 km along the existing railway line with two (2) culverts and mainly affects few business activities, informal trading, schools: Northam Laerskool and Northam Comprehensive and houses which belong to Transnet.

See Figures 3.1 to 3.7 that indicate the proposed areas for expansion loops.

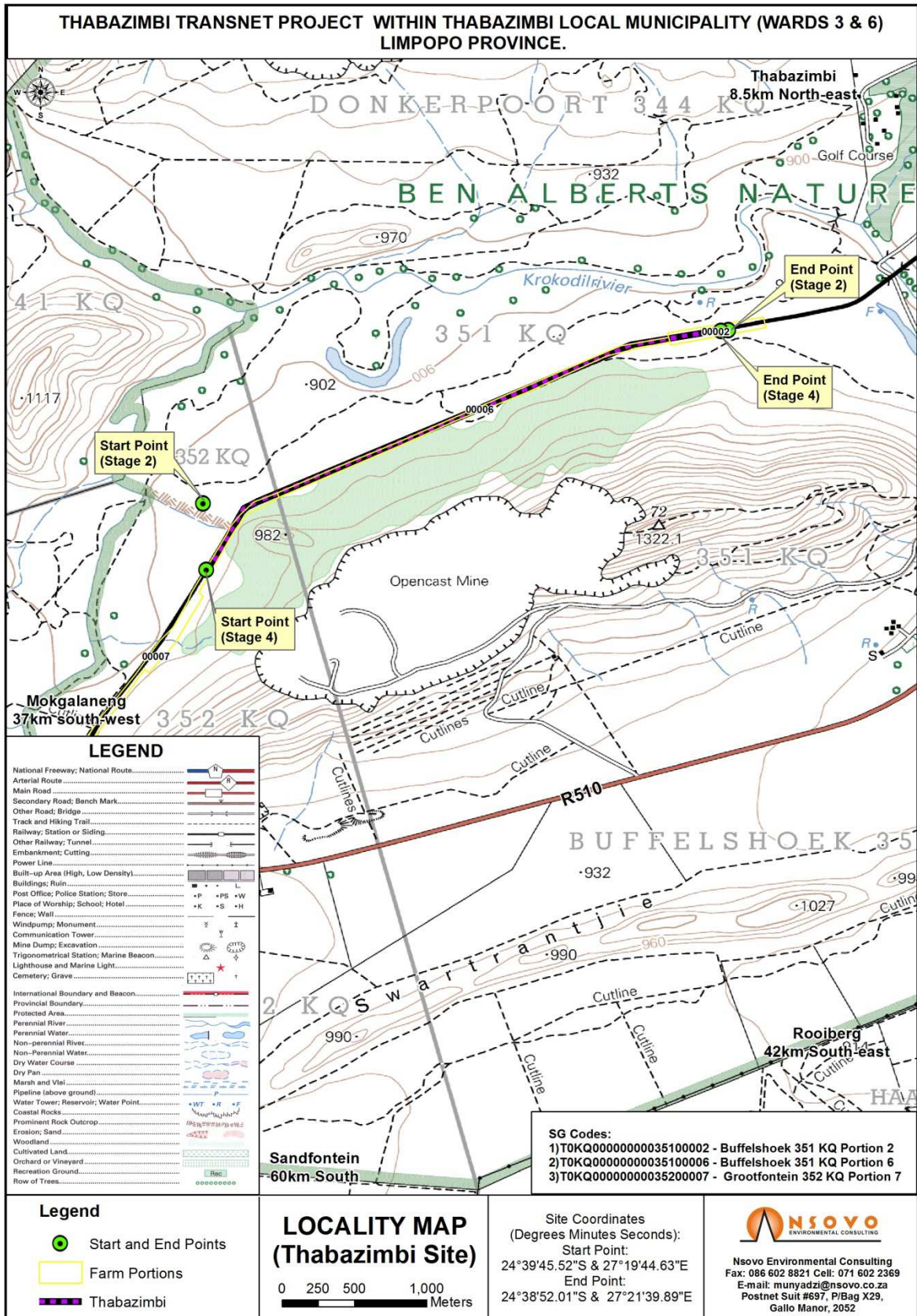


Figure 3-1: Proposed Expansion of Loop at Thabazimbi (Source: Nsovo Environmental Consulting)

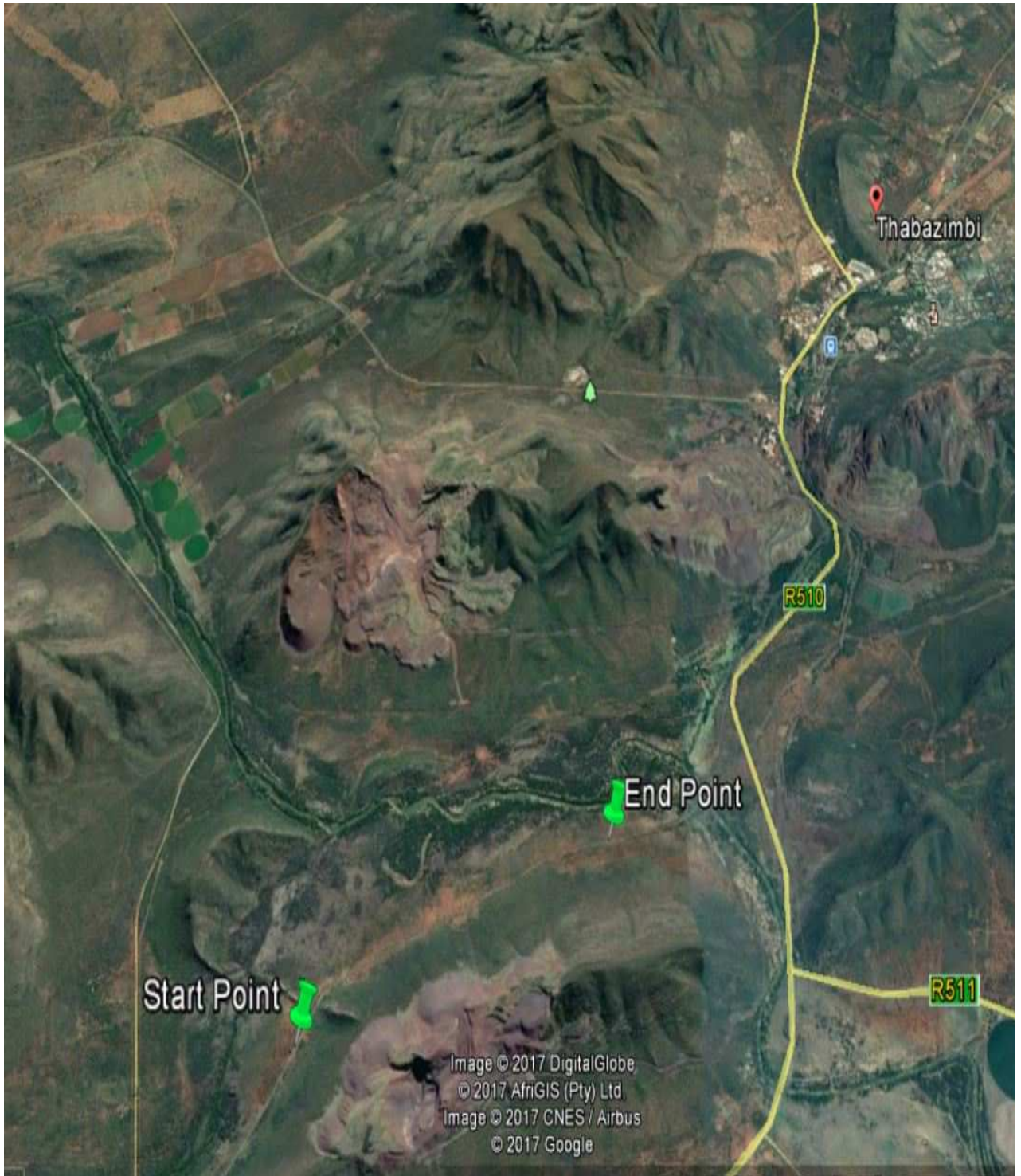


Figure 3-2: Thabazimbi Proposed Expansion Loop Points (Source: Google Earth)

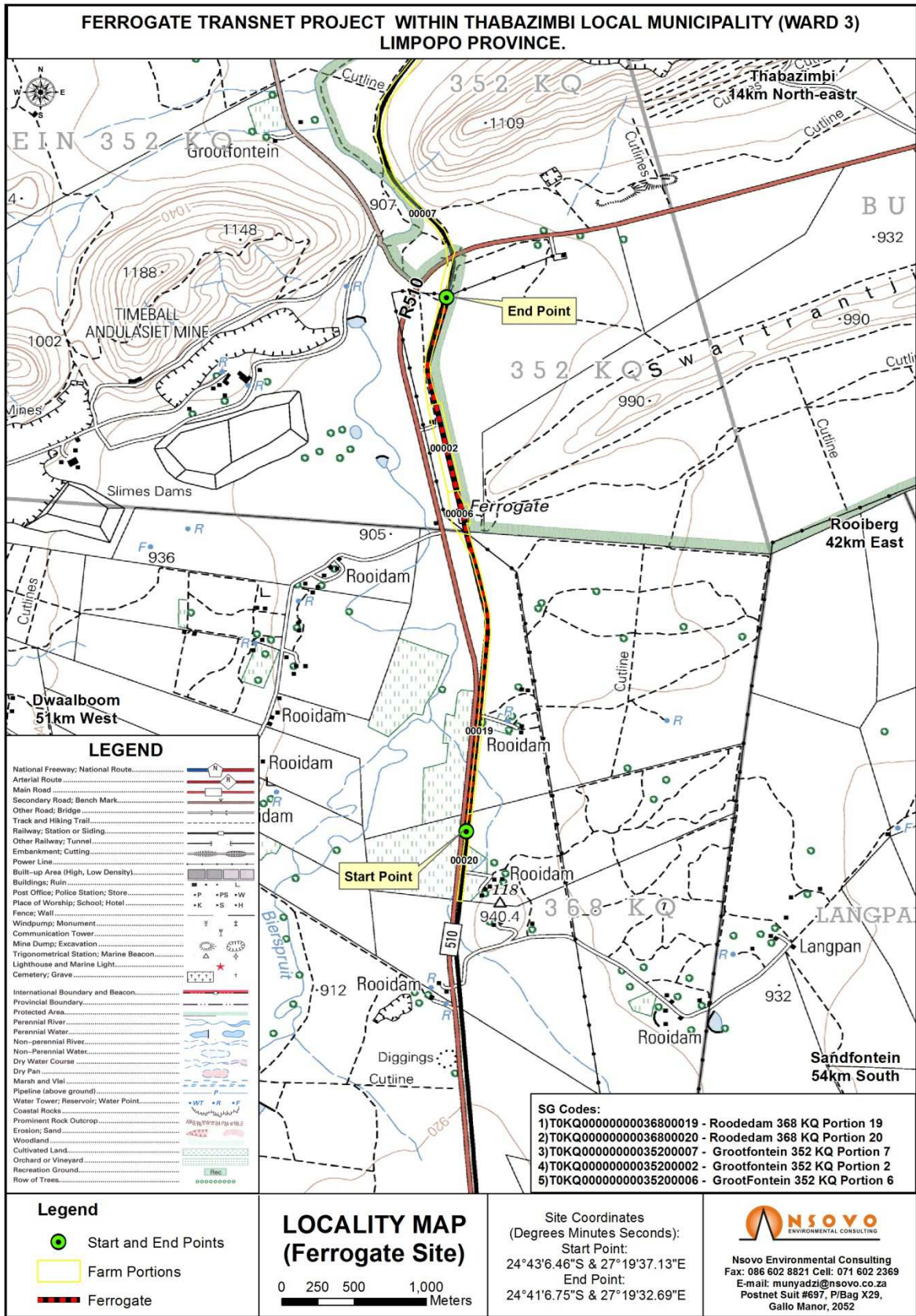


Figure 3-3: Proposed Expansion Loop at Ferrogate (Source: Nsovo Environmental Consulting)



**Figure 3-4: Ferrogate Proposed Expansion Loop Points (Source: Google Earth)**



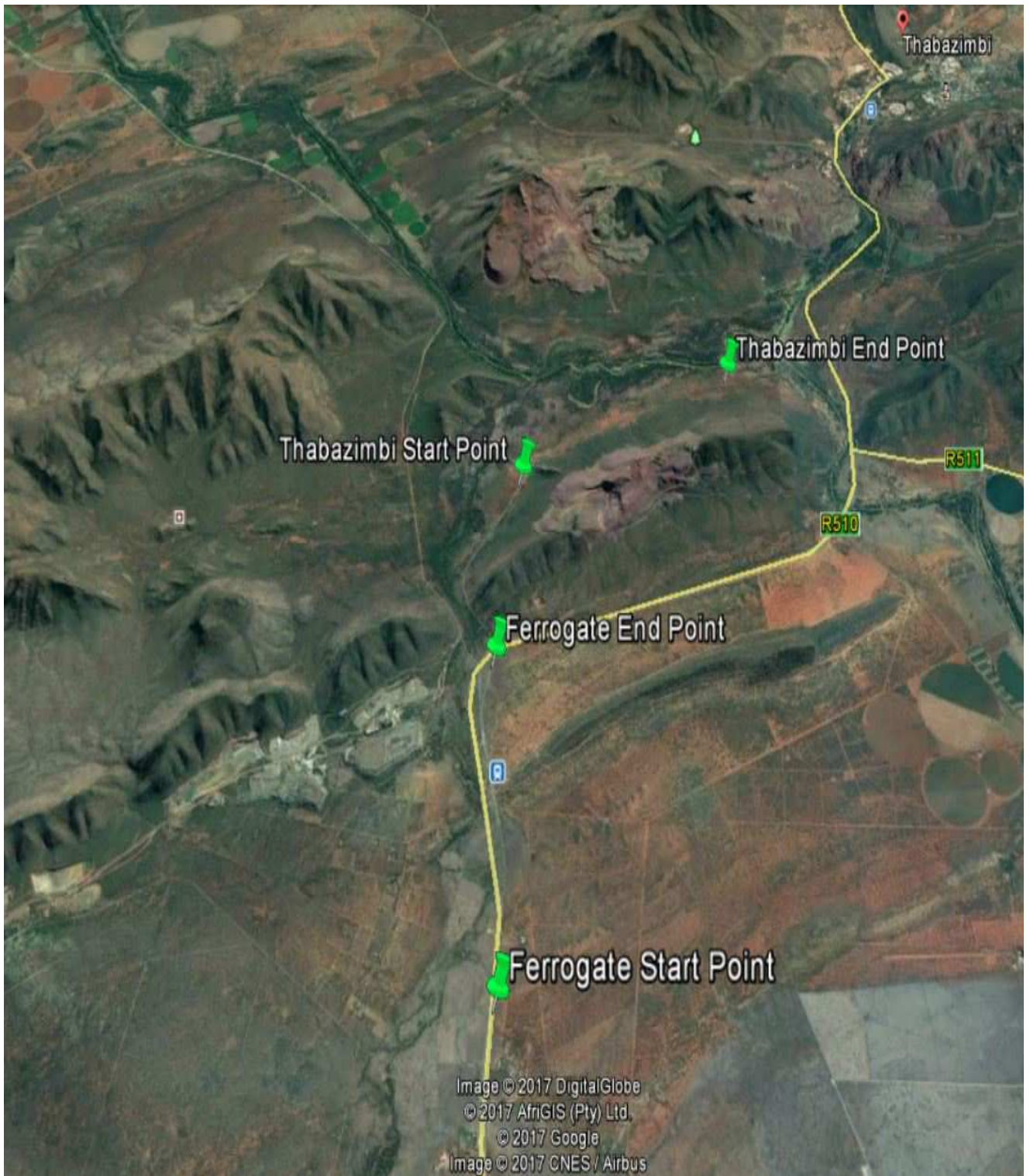


Figure 3-5: Ferrogate and Thabazimbi Proposed Expansion Loops Points (Source: Google Earth)

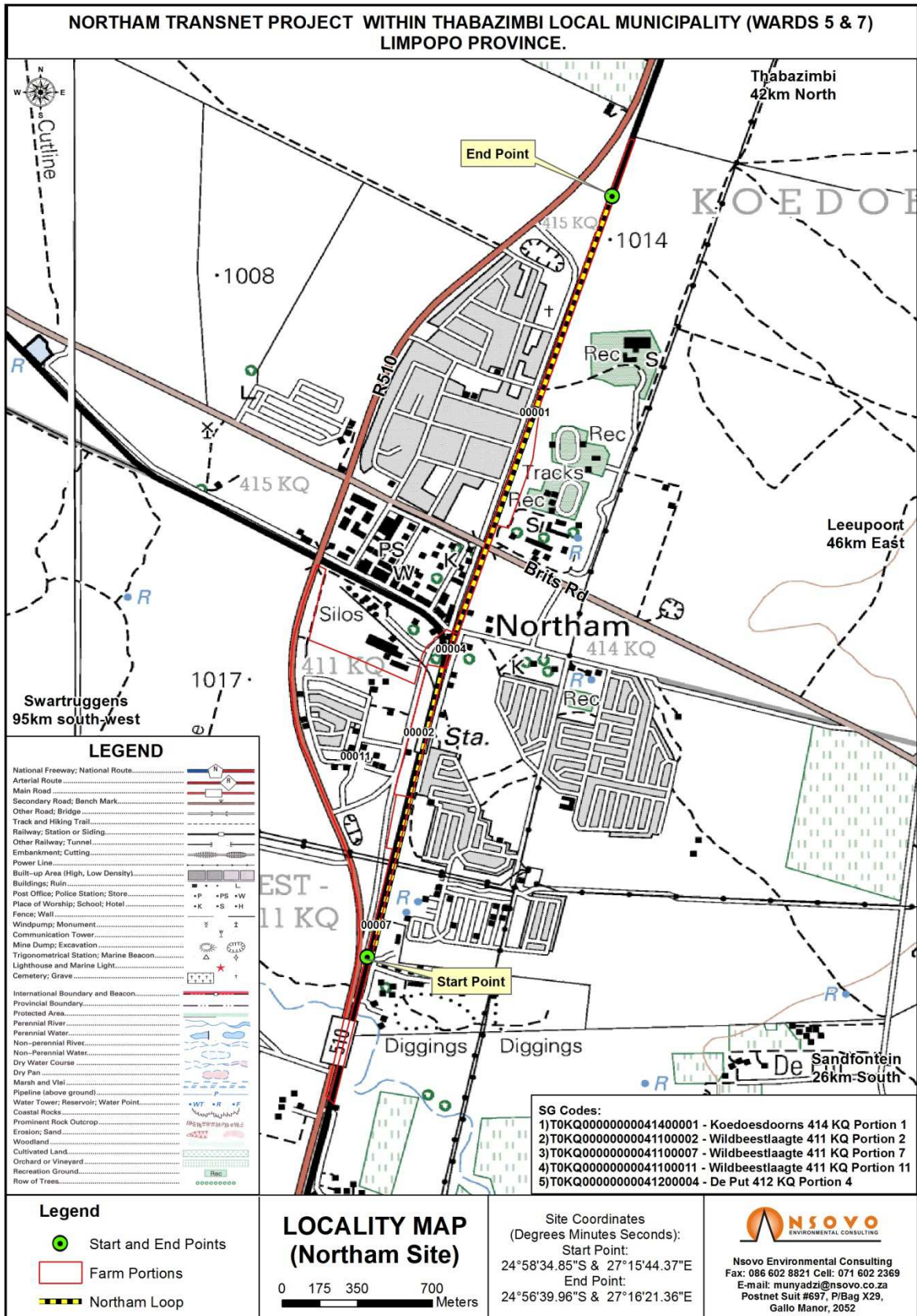


Figure 3-6: Proposed Expansion Loop at Northam (Source: Nsovo Environmental Consulting)

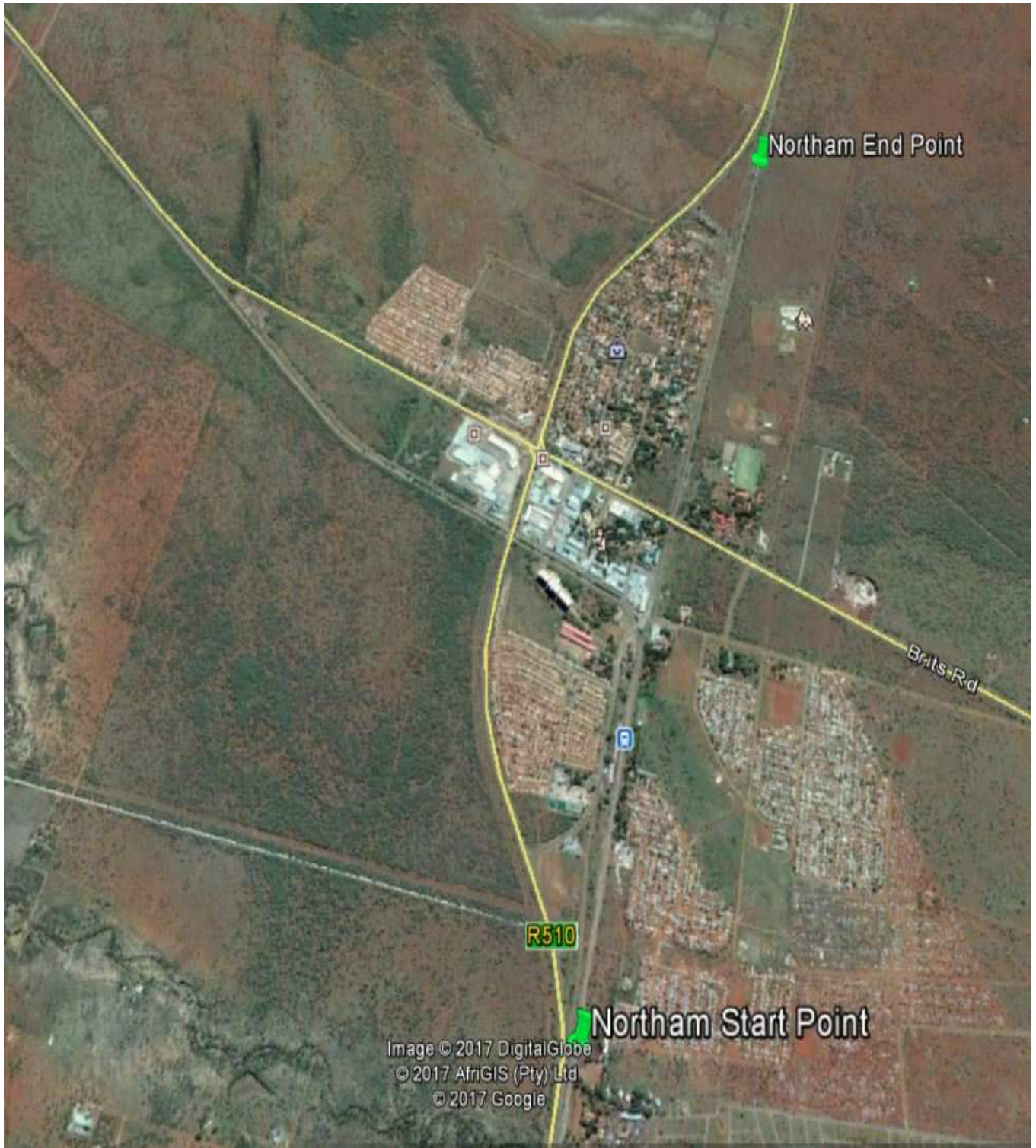


Figure 3-7: Northam Proposed Expansion Loop Points (Source: Google Earth)

### **3.2. Proposed Activities**

The proposed development entails the expansion of railway loops at Thabazimbi, Ferrogate and Northam located within Thabazimbi Local Municipality in Limpopo Province.

The expansion will entail the following:

- The development of two railway loops of approximately 3.4km, crewing facilities, seven (7) culverts and associated infrastructure adjacent the existing railway line at Thabazimbi;
- The expansion of the existing railway network of approximately 3.7km and five (5) culverts at Ferrogate; and
- The extension of the existing loop by approximately 3.4km and two (2) culverts at Northam.

The social Impact Assessment was conducted only for Northam extension of the existing loop.

### **3.3. Social Aspects of the Project**

Understanding social aspects, which include the affected communities and businesses, is important in identifying potential impacts for the proposed expansion railway loops. The social aspects were identified with consideration of the project description and stakeholder engagement. These aspects inform the identification and assessment of the potential direct and indirect social impacts of the Project. This section discusses the social impact on the businesses both positive and negative impact. Finally, the findings of the SIA will be outlined and discussed

#### **3.3.1. Impact on Businesses**

The following business will be affected by the expansion Loop:

- Sishen Iron Ore Co. Pty Ltd - Farm
- Rooidam Familie Trust Farm
- Boernor Farm – Livestock Auction Kraal
- Dragonbundu Hotel
- Waste Management Site
- Informal Market

These businesses will be affected on various degrees from the fence at Kraal, to partly relocation or entire relocation of business for Dragonbundu Hotel, Informal Market (Street Vendors) as well as wall of the Waste Management Site.

Other concerns include noise, restriction of access to site and influx of people during construction.

### **3.3.2. Impact on Informal Traders**

There are street vendors selling vegetables and other sellable goods that will need to be moved to the nearby area which needs to be prepared for them. The traders have built structures which can be easily relocated to the alternative locations in the nearby area.

### **3.3.3. Impact on Schools**

The loop will impede the mobility of school learners of Northam Laerskool and Northam Comprehensive who are from the nearby community to access the school particularly during the operational phase when the train is parked at the loop.

### **3.3.4. Impact on the communities**

The parking of the 200 locomotive train will impede the movement of people on both sides of the railway line.

### **3.3.5. Employment**

The project is expected to create temporary jobs during construction. The construction of the loop will require specialised skills and some general labour. The employment opportunities might be limited to general work during construction phase. However, permanent jobs will be limited during the operational phase of the loop.

## **4. SOCIAL BASELINE**

Social and economic characteristics of the potentially affected communities are described in this section to inform the impact assessment. The three sites of the project, namely Thabazimbi, Ferrogate and Northam are all under Thabazimbi Local Municipality under Waterberg District Municipality in the Limpopo province of South Africa.

The broader provincial and municipal context followed by the situation prevalent in the project area is discussed in this section

### **4.1. Institutional Context**

Thabazimbi Local Municipality is one the six local municipalities that makes up the Waterberg District Municipality in Limpopo Province. The other local municipalities are Bela-Bela Local Municipality, Lephalale Local Municipality, Mookgophong Local Municipality, Modimolle Local Municipality and Mogalakwena Local Municipality. Thabazimbi Local Municipality consists of 12 wards in which each has an elected Councillor.

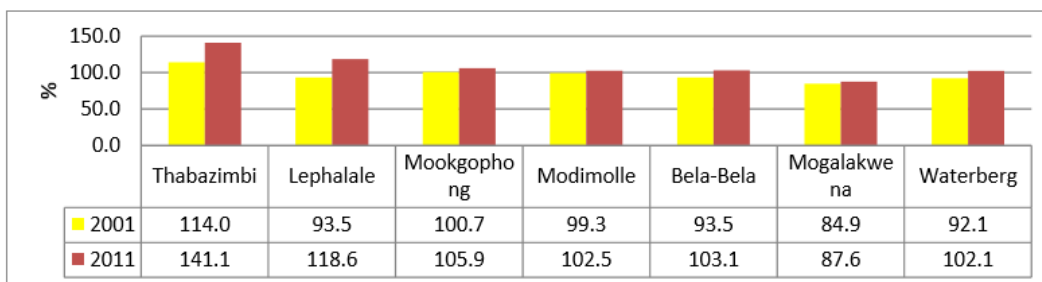
### **4.2. Municipal Context**

This section discusses the key baseline information specific to the Thabazimbi Local Municipality. Socio-demographic Profile

In Waterberg District, Thabazimbi is the third largest Local Municipality in terms of population. In the Waterberg there is currently a fraction more males than females, because of the presence of job opportunities that attract men from other areas in the country and outside. This is because of impact of the mines in Thabazimbi as well as Medupi Power Station and coal mines in Lephalale

Table 4-1: Sex ratio (males per 100 females)

**SEX RATIO (MALES PER 100 FEMALES)**



SOURCE: Census 2011

Summary of the key socio-economic demographic indicators for Thabazimbi Local Municipality:

Table 4-2: Socio-economic demographic indicator

Indicators	2011	2016
Population Size	85234	96323
Males per 100 females ratio	141	147
Households	25080	35463
Female headed households ratio	25	23

A review of key socio-demographic indicators and sources suggest that:

- Population increase of 11.5%
- Just 4% of increase in male ratio. Thabazimbi has the highest male ratio to female than all other local municipalities with Waterberg District (Waterberg District Municipality 2016/17 IDP)
- Households increase of 29.3%
- The Black population is the highest of all population groups.
- Youth population counts the highest of all population groups.
- Thabazimbi Municipality counts third within Waterberg District in terms of population figures, the highest being Mogalakwena Municipality, followed by Lephalale Municipality

### 4.2.1. Socio-Economic Profile

Thabazimbi was mined since the 1930's when iron and steel production started. The town was proclaimed in 1953. Thabazimbi Kumba Iron Ore mine used to be the main source of Iron Ore but is currently decommissioned. Apart from Iron Ore, the Thabazimbi Municipality is surrounded by Platinum producing areas such as: Northam Platinum mine, Anglo, i.e. Amandelbult and Swartklip mines. Other minerals produced in the area include Andalusite, which is mined by Rhino Mine and limestone for the production of cement by Pretoria Portland Cement (PPC). Agriculture has also proven, in addition to mining, to be the strong economic sector in the municipality. Agricultural commodities produced wheat, beans and maize.

Summary of the key socio-economic indicators for Thabazimbi Local Municipality are highlighted in the tables below:

Table 4-3: Population of workings age (15-65) by employment

<b>Indicators</b>	<b>Numbers</b>
Employed	32 918
Unemployed	8 562
Discouraged work-seeker	1 236
Other not economically active	22 438
Total	65 154
Unemployment rate	20.6%
Youth unemployment rate	26.9%

Source: Census 2011

A review of key socio-economic indicators and sources suggest that:

- Unemployment rate is relatively high at 20.6% and even slightly higher for youth at 26.9%

Table 4-4: Household Services ratio

<b>Indicators</b>	<b>Ratio (%)</b>
Flush toilet connected to sewage	63.1
Weekly refuse removal	60.4
Piped water inside dwelling	47.3
Electricity for lighting	76.8

Source: Census 2011

A review of key socio-economic indicators on essential services suggests that:

- Thabazimbi local municipality is well develop with essential services averaging above 60%



Table 4-5 Education Ratio

Indicators	Ratio (%)
No Schooling	8.8
Matric (Grade 12)	26.1
Higher Education	8.1

Source: Census 2011

A review of key socio-economic indicators on education suggests that:

- There are relatively high percentage of population with Grade 12
- There is a low percentage of people with higher education qualifications

The infrastructure and services at Thabazimbi local municipality is summarised as follows:

Table 4-6 Infrastructure and Services

Infrastructure & Services	Status
<b>General</b>	Main hub of the Municipal area. It has a well-established business and industrial area with sizable residential developments. It provides the majority of services to the rest of the municipal area.
<b>Water</b>	Water is supplied by Magalies Water (7 MI/day) and additional supply from 6 boreholes (Five of the boreholes are owned by Kumba Iron Ore and located within their property, while the sixth one is located at Thaba Sports ground and owned by the local Municipality). Water is pumped from boreholes to pump stations for chlorination. There are five Reservoirs in Thabazimbi: 1 with a capacity of 4,5ML and 4 with a capacity of 2,3ML.
<b>Railway line</b>	The railway line through Thabazimbi has been found to have the following main impact: <ul style="list-style-type: none"> <li>• Additional to the width of the railway line, servitude and building of 8m either side of the servitude, available land for development is further sterilised.</li> <li>• A railway line negatively affects neighbouring land due to the noise levels created.</li> <li>• A railway line acts as a physical barrier due to limited crossing.</li> </ul>
<b>Waste Management</b>	The municipality provides waste collection in all settlements which include both informal settlements and formal settlements within the jurisdiction and also services the mining residences and Marakele National Park and management of landfill sites. The Draft Integrated Waste Management Plan is in place.
<b>Electricity</b>	Thabazimbi local municipality is connected to ESKOM Grid electricity which is supplied from Matimba Station power station at Lephalale.
<b>Roads and Stormwater</b>	Stormwater is channelled through Thabazimbi town along the Rooikuil Spruit through Thabazimbi Extension 6 and 8.

## 5. STAKEHOLDER ENGAGEMENT

The following business will be affected by the expansion Loop:

- Sishen Iron Ore
- Rooidam Familie Trust Farm
- Bosveld Diensteraad
- BOERNOR (Edms) Bpk
- DragonBundu Hotel
- Waste Management Site

The main concerns were raised by the businesses owners that will be affected by the proposed expansion loop.

The following are concerns raised by the business owners:

Concerns raised by Prof. Erasmus representing Boernor (Edms) Bpk are as follows:

- He indicated that the starting point of the loop (Master pole 200/17) is very close to his kraal, therefore he suggested that the loop be moved 100/200m towards the North
- He highlighted their long term plans which included building a wall for safety purposes. The owner enquired if they should continue with their project as planned.
- He also indicated that there is a portion that is available for sale just adjacent his portion which he is not sure if it will be impacted
- He mentioned that there is water pipeline (underground) that might be impacted by proposed project
- He raised that the proposed loop will be constructed on the service road that the community is currently using.

Transnet engaged with Prof. Erasmus on points above and came up with the following were resolutions:

- The drawings details indicate that the kraal is not being impacted were provided to Prof. Erasmus.
- In terms of building wall for security it was agreed that he will invest on the wall and electric fence as planned.
- On the property on sale. There is current access road servitude to the property (currently sub-divided into 4) that needs to be moved into the new servitude.
- On water pipeline it was identified and noted. The coordinates are LAT (-24.974099) & LONG (27.263029).

- There is current access road servitude to the property (currently sub-divided into 4) that needs to be moved into the new servitude. Prof. requested to consider relooking at alternative access to the community adjacent to his property, will need to talk to legal regarding the implication of alternative access road



Photo 5-1 Northam Boerevereniging (Prof. Erasmus)

Concerns raised by Qudi Solly Lee of Bundu Hotel:

- He indicated that he has over 100 rooms and the area is a prime spot for business
- He indicated that if the project will require his business to relocate it will affect his business opportunities



Photo 5-2 Bundu Hotel situated on the loop

Concerns raised by Mr. Mthakhathi Sebeko of Waste Management Site:

- He indicated that the site is closer for people who bring waste to his site for recycling
- He also indicated that if the loop affect him that it will need relocation his compaction plant will need electricity
- He indicated willingness to be relocated if the need arise and there are potential sites that can be suitable for his business.

Concerns raised by the informal traders:

- They indicated willingness to be relocated, however the new location must still be close railway line



Photo 5-3 Informal traders in close proximity to railway.

Concerns raised by Mr. Piet van Rensburg of Bosveld Diensteraad:

- He indicated that the municipality area affected is a sports field which will not be a minimal impact
- He raised a concern that the municipality does not know about the project and areal extent of the area to be affected and who will be affected.
- He requested that plans of the proposed project must be submitted to the municipality

Concerns raised by Mr. van der Merwe of Rooidam Familie Trust Farm:

- He requested the plan of the project in order to have an understanding of the areal extent of the loop on the farm
- He also wanted to know the plans that Transnet have on the loop in terms of other infrastructure that will be built such as housing for employees
- He indicated that the proposed project will affect access to his site because the loop pass through his property and therefore some of the locomotives will be parked on his farm or in close proximity to his farm

Concerns raised by Mr. Fouche of Sishen Iron Ore Farm:

- No concerns were raised during the consultation except that he needed confirmation from Transnet on the project and consultant appointed for project.

## **6. SOCIAL IMPACT ASSESSMENT**

This section identifies and assesses the social impacts that could be experienced as a result of this proposed expansion of railway loop at Thabazimbi, Ferrogate and Northam, with consideration of the social baseline and the project activities. The assessment of potential social impacts is introduced with a definition of a social impact assessment and an explanation of the impact assessment method utilised to assess impacts.

### **6.1. Definition of SIA**

SIA is defined as “the processes of analysing, monitoring and managing the intended and unintended social consequence, both positive and negative, of planned interventions (policies, programmes, plans and projects) and any social change processes invoked by those interventions” (IAIA, Vanclay, 2003,). The intention of an SIA is to maximise positive impacts and to avoid and/or minimise negative impacts.

A distinction is made between impacts (consequences) and change processes. An impact is felt on a physical/cognitive/perceptual/emotive level, which happens as a result of a change.

Changes and impacts affect the ways in which people live, work, play, relate to one another, organise to meet their needs, and cope with the stress of society. The ways in which these changes are perceived, “given meaning to and valued” depend on the social context and the various social groups impacted and affected.

Change processes and resultant impacts could include socio-demographic, socio-economic, psycho-social, socio-cultural, institutional and biophysical spheres and could involve individuals, specific groups of people and communities, and the broader population.

### **6.2. Impact Assessment Method**

The impact assessment is divided into three parts:

- Issue identification: The social changes arising from the project description and activities are identified;
- Impact definition: positive and negative impacts associated with these issues and changes are then identified. The definition statement includes the activity (source of impact), change and receptor as well as whether the impact is direct, indirect or cumulative; and

- Impact evaluation: Impacts are evaluated, and the process is not a purely objective and quantitative exercise. It has a subjective element, often using judgement and values as much as science-based criteria and standards.

### 6.2.1. Impact Significance Rating

The impact significance rating process serves two purposes: firstly, it helps to highlight the critical impacts requiring consideration in the management process; secondly, it serves to show the primary impact characteristics, as defined above, used to evaluate impact significance. The impact significance rating system is presented in Table 6-1 and involves three parts:

- Part A: Define impact consequence using the three primary impact characteristics of severity of impact, spatial scope of impact and duration of impact;
- Part B: Define impact likelihood using the two primary impact characteristics of frequency of activity/duration of aspect and frequency of impact; and
- Part C: Use the matrix to determine the significance impact rating

Table 6-1 Methodology for rating significance of impacts

<b>PART A: DEFINING CONSEQUENCE IN TERMS OF MAGNITUDE, DURATION AND SPATIAL SCALE</b> <i>Use these definitions to define the consequence in Part B</i>		
<b>Impact characteristics</b>	<b>Definition</b>	<b>Criteria</b>
<b>MAGNITUDE</b>	Major -	Substantial deterioration or harm to receptors; receiving environment has an inherent value to stakeholders; receptors of impact are of conservation importance; or identified threshold often exceeded
	Moderate -	Moderate/measurable deterioration or harm to receptors; receiving environment moderately sensitive; or identified threshold occasionally exceeded
	Minor -	Minor deterioration (nuisance or minor deterioration) or harm to receptors; change to receiving environment not measurable; or identified threshold never exceeded
	Minor +	Minor improvement; change not measurable; or threshold never exceeded
	Moderate +	Moderate improvement; within or better than the threshold; or no observed reaction
	Major +	Substantial improvement; within or better than the threshold; or favourable publicity
<b>DURATION</b>	Short term	Up to 18 months.
	Medium term	18 months to 5 years
	Long term	Longer than 5 years
<b>SPATIAL SCALE</b>	Site or local	Site specific or confined to the immediate project area
	Regional	District area, Provincial, Catchment
	National	Nationally

<b>PART B: DETERMINING CONSEQUENCE RATING</b>					
<i>Rate consequence based on definition of magnitude, spatial extent and duration</i>					
		<b>SPATIAL SCALE</b>			
		Site or Local	Regional	National	
<b>MAGNITUDE</b>					
<b>Minor</b>	<b>DURATION</b>	<b>Long term</b>	Medium	Medium	High
		<b>Medium term</b>	Low	Low	Medium
		<b>Short term</b>	Low	Low	Medium
<b>Moderate</b>	<b>DURATION</b>	<b>Long term</b>	Medium	High	High
		<b>Medium term</b>	Medium	Medium	High
		<b>Short term</b>	Low	Medium	Medium
<b>Major</b>	<b>DURATION</b>	<b>Long term</b>	High	High	High
		<b>Medium term</b>	Medium	Medium	High
		<b>Short term</b>	Medium	Medium	High

<b>PART C: DETERMINING SIGNIFICANCE RATING</b>				
<i>Rate significance based on consequence and probability</i>				
		<b>CONSEQUENCE</b>		
		Low	Medium	High
<b>PROBABILITY (of exposure to impacts)</b>	<b>Definite</b>	Medium	Medium	High
	<b>Possible</b>	Low	Medium	High
	<b>Unlikely</b>	Low	Low	Medium

### 6.2.2. Management recommendations/mitigation measures

Management/mitigation measures to address identified impacts are then consolidated to inform the development of a construction and operations management plan.

### 6.3. Social Impacts

The social impacts of the associated with the expansion of the railway loop are regarded as low to medium based on the area that will be affected. However, the loop will affect few businesses due to land take which will result in other businesses sites being taken partially or whole. These include both formal and informal businesses. These impacts are summarised as follows (table 6-2):



Table 6-2 Summary of the Social Impact for the proposed expansion Railway Loop

<b>Driver</b>	<b>Project Phase</b>	<b>Impact Description</b>	<b>+/- Impact</b>	<b>Significance Rating before management</b>	<b>Significance Rating after management</b>
Site Establishment	Construction	As a result of perceptions around job creation, increased expectations around employment opportunities may be created	-	Medium	Low
Site Establishment	Construction	Influx as a result of expectations around job and supply chain opportunities, resulting in pressure on land, social services, relationships and other social infrastructure	-	Medium	Medium
Site Establishment	Construction	Access to private businesses site will be made easier due of people during construction, resulting in potential criminal intrusion, including theft, on private area	-	Medium	Medium
Construction of the railway loop	Construction	Potential to result in land take and thus potential loss of property and economic livelihoods	-	High	Medium
Construction of the railway loop	Construction	Compromised access across landscape to businesses, schools, work and others, impacting on the way in which people use their land	-	Medium	Low
Construction of the railway loop	Construction	As a result of construction of the railway loop, supply chain opportunities will be created that could benefit local suppliers	+	Low	Medium
Operation of the railway loop: Economic and employment expectations	Operation	As a result of perceptions around job creation, increased expectations around employment and supply chain opportunities may be created	-	Medium	Medium
Operation of the railway loop: Economic and employment expectations	Operation	Influx as a result of expectations around job and supply chain opportunities, resulting in pressure on land, social services, relationships and other social infrastructure	-	Medium	Medium
Operation of the railway loop: Economic and employment expectations	Operation	Influx of people may lead to increase in social challenges such as crime, prostitution and illegal business operation	-	Medium	Low

### 6.3.1. Driver 1: Economic and Job Opportunities: Construction of the railway loop resulting in economic and job expectations.

**Impact:** As a result of perceptions around job creation, increased expectations around employment opportunities may be created.

#### Stakeholder issues:

- Local communities are expecting that the construction of the loop will bring employment opportunities during construction which might require general labourers and this will improve their lives in terms of employment and poverty alleviation.

#### Description of impact:

This project is of specialised task and requires skills and competency to construct railway line. While it is expected that construction phase jobs will be available, it is possible that construction will be contracted out and as a result construction workers may be brought in by contractors from outside of the project area. Thus, while some new temporary employment may be created during construction at a regional level, opportunities at local level might be minimal to none. The combination of expectations for jobs, limited skills levels, high unemployment rates and growing levels of poverty, may require management as a result of the limited ability to meet expectations.

#### Impact rating:

	Magnitude	Duration	Scale	Consequences	Probability	Significance	+/-	Confidence
<b>Before Management</b>	<i>Moderate</i>	<i>Medium term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>
<b>Management Measures:</b> <ul style="list-style-type: none"> <li>Management of employment expectations through distribution of appropriate and timely information</li> <li>Communication with community and job-seekers regarding actual project start dates and available job opportunities;</li> <li>Undertake a skills assessment of the local area to ascertain the employability of locals;</li> <li>Ensure there is an employment procedure in place and known to work seekers;</li> <li>For general labourers make preferential recruitment regarding the employment of local versus regional workers; and</li> <li>Ensure that contractors adhere to Transnet employment standards.</li> </ul>								
<b>After Management</b>	<i>Moderate</i>	<i>Short term</i>	<i>Site/local</i>	<b>Low</b>	<i>Possible</i>	<b>Low</b>	-	<i>Low</i>

**Impact: As a result of construction of the railway loop, supply chain opportunities will be created that could benefit local suppliers.**

**Stakeholder issues:**

- No stakeholder issues were raised relating to supply chain opportunities on the Project.

**Description of impact:**

As a result of construction of the railway loop, it is possible that supply chain opportunities will be created that could benefit local suppliers. It is understood that Transnet will provide new supply chain opportunities and new contracts, which will range from unskilled to very specialist supplier requirements. Unskilled opportunities could exist in security, cleaning, clearing of ground and food supply for example, while specialist requirements may include the manufacture and supply of materials and metals to construct the railway. The positive impact of supply chain procurement can be optimised by communicating opportunities in advance, using the suppliers list and specifying requirements.

**Impact rating:**

	<b>Magnitu de</b>	<b>Duration</b>	<b>Scale</b>	<b>Conseque nces</b>	<b>Probabili ty</b>	<b>Significa nce</b>	<b>+/-</b>	<b>Confide nce</b>
<b>Before Managem ent</b>	<i>Moderat e</i>	<i>Medium term</i>	<i>Site/local</i>	<b>Low</b>	<i>Possible</i>	<b>Low</b>	+	<i>Low</i>
<b>Management Measures:</b>								
<ul style="list-style-type: none"> <li>• Procurement of suppliers must be as per Transnet policy and standards</li> <li>• Conduct a local skills assessment to ascertain what skills are available that may meet supply chain requirements; and</li> <li>• Communication with suppliers regarding requirements</li> </ul>								
<b>After Managem ent</b>	<i>Moderat e</i>	<i>Short term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>

**Impact: Influx as a result of expectations around job and supply chain opportunities, resulting in pressure on land, social services, relationships and other social infrastructure**

**Stakeholder issues:**

- Stakeholders (business owners) are worried about the influx of job seekers due to project which might increase the spate of crime in the area

**Description of impact:**

Project-induced influx is a reality, whereby job seekers anticipate opportunities associated with project and potential supply chain and move into these areas. The impact of influx will lead to additional pressure placed on social services and infrastructure, as well as increased competition for resources and opportunities, which can ultimately result in conflict. This can also lead to increase in crime and prostitution.

**Impact rating:**

	Magnitude	Duration	Scale	Consequences	Probability	Significance	+/-	Confidence
<b>Before Management</b>	<i>Moderate</i>	<i>Medium term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	+	<i>Low</i>
<b>Management Measures:</b> <ul style="list-style-type: none"> <li>• Communicate available opportunities of the project in advance, in order to manage employment expectations;</li> <li>• Avoid employing at the project gate or entrance to prevent unnecessary influx by job-seekers;</li> <li>• Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction;</li> <li>• Enforce the contractor management plan, especially relating to local recruitment and procurement;</li> <li>• Assist, where possible, with building the capacity of local government to provide social services to the communities within the project area; and</li> <li>• Intensive engagement between the Transnet and Thabazimbi municipality to assess the latter's capacity and potential issues.</li> </ul>								
<b>After Management</b>	<i>Moderate</i>	<i>Short term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>

### 6.3.2. Driver 2: Land take: Businesses Land take during the construction of the railway loop

**Impact: Potential to result in land take and thus potential loss of property and economic livelihoods**

#### Stakeholder issues:

The construction of the railway loop will result in the land take either partially or wholly for the businesses operating in close proximity to the project.

#### Description of impact:

The project will affect the businesses in the area and these include Sishen Iron Ore, Rooidam Familie Trust Farm, Bosveld Diensteraad, BOERNOR (Edms) Bpk, Waste Management Site, Informa Traders (Street Vendors) and Dragonbundu Hotel. These businesses might have to be relocated to other areas or the owners get compensated for the land and their business loss.

#### Impact rating:

	Magnitude	Duration	Scale	Consequences	Probability	Significance	+/-	Confidence
<b>Before Management</b>	<i>Moderate</i>	<i>Medium term</i>	<i>Site/local</i>	<b>High</b>	<i>Possible</i>	<b>High</b>	-	<i>Low</i>
<b>Management Measures:</b> <ul style="list-style-type: none"> <li>Communicate with business owners about the potential impact of the loop on their business; and</li> <li>Seek consensus on the best interest of the business people and Transnet taking into consideration the impact of the proposed project on their business.</li> </ul>								
<b>After Management</b>	<i>Moderate</i>	<i>Short term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>

### 6.3.3. Driver 3: Economic and Job Opportunities: Operation of the railway loop resulting in economic and job expectations.

**Impact: As a result of perceptions around job creation, increased expectations around employment and supply chain opportunities may be created**

#### Stakeholder issues:

There is a general expectation that the project will result in limited permanent job opportunities hence limited improvement in terms of employment and poverty alleviation.

#### Description of impact:

Socio-economic baseline studies indicate skills and education levels in the Primary and Secondary level are limited. However, as this project is to be an expansion of the loop to current railway line, it is understood that jobs at operation phase will be an extension of employment to those currently employed at Transnet. Thus opportunities at local level will be minimal to none. The combination of expectations for jobs, limited skills levels, high unemployment rates and growing levels of poverty, may require management as a result of the limited ability to meet expectations.

As a result of the railway loop operations phase, existing supply chain opportunities at the loop may be replicated, resulting in a zero to limited increase value to supply chain. This means existing supply chain contracts may shift from one operation to the other. This will therefore result in a not net increase, but rather a continuation of existing supply value and a no net loss.

#### Impact rating:

	Magnitude	Duration	Scale	Consequences	Probability	Significance	+/-	Confidence
<b>Before Management</b>	<i>Moderate</i>	<i>Medium term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>
<b>Management Measures:</b> <ul style="list-style-type: none"> <li>• Communicate available opportunities of the project in advance, in order to manage employment expectations;</li> <li>• Avoid employing at the project gate or entrance to prevent unnecessary influx by job-seekers;</li> <li>• Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction;</li> <li>• Procurement of suppliers must be as per Transnet policy and standards</li> <li>• Conduct a local skills assessment to ascertain what skills are available that may meet supply chain requirements; and</li> <li>• Communication with suppliers regarding requirements</li> </ul>								
<b>After Management</b>	<i>Moderate</i>	<i>Short term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>

**Impact: Influx of people may lead to increase in social challenges such as crime, prostitution and illegal business operation**

**Stakeholder issues:**

There is a general concerns regarding the current crime status quo in the area. This is mostly relevant to the business owners who want to build walls to protect their businesses. The influx of people is concern since it is expected to lead to crime in the area.

**Description of impact:**

Existing levels of poverty, unemployment and other socio-economic issues, combined with unmet expectations could result in social disruptions in the project area and surrounding areas.

Transnet will therefore need to manage this through frequent communication with stakeholders and ensure that stakeholders are aware of the actual commencement dates and opportunities available.

**Impact rating:**

	Magnitu de	Duration	Scale	Conseque nces	Probabili ty	Significa nce	+/-	Confide nce
<b>Before Managem ent</b>	<i>Moderat e</i>	<i>Medium term</i>	<i>Site/local</i>	<b>High</b>	<i>Possible</i>	<b>High</b>	-	<i>Low</i>
<b>Management Measures:</b>								
<ul style="list-style-type: none"> <li>• Communicate with internal and external stakeholders regarding project start date and actual opportunities available during the operations phase; and</li> <li>• Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction;</li> </ul>								
<b>After Managem ent</b>	<i>Moderat e</i>	<i>Short term</i>	<i>Site/local</i>	<b>Medium</b>	<i>Possible</i>	<b>Medium</b>	-	<i>Low</i>

## **7. SOCIAL MANAGEMENT PLAN**

Best practice principles require that every reasonable effort be made to reduce and preferably to prevent negative impacts, while enhancing positive benefits, especially within the communities most directly affected by the proposed project. These principles were considered and used to guide the SIA process.

The purpose of the Social Management Plan (SMP) for proposed expansion of railway loop is to ensure that all social impacts, risks and liabilities identified during the SIA process are effectively managed during all phases of the implementation of the project.



Table 7-1 SMP with proposed mitigation measures

Driver	Impact description	Proposed Management Measures	Associated Management principles and plan	Project Phase
Economic and Job Opportunities: Construction of the railway loop resulting in economic and job expectations.	As a result of perceptions around job creation, increased expectations around employment opportunities may be created	<ul style="list-style-type: none"> <li>• Management of employment expectations through distribution of appropriate and timely information</li> <li>• Communication with community and job-seekers regarding actual project start dates and available job opportunities;</li> <li>• Undertake a skills assessment of the local area to ascertain the employability of locals;</li> <li>• Ensure there is an employment procedure in place and known to work seekers;</li> <li>• For general labourers make preferential recruitment regarding the employment of local versus regional workers; and</li> <li>• Ensure that contractors adhere to Transnet employment standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Managing community expectations</li> <li>• Influx Management Plan</li> <li>• Transnet employment procedures and policies</li> </ul>	Construction
Economic and Job Opportunities: Construction of the railway loop resulting in economic and job expectations.	As a result of construction of the railway loop, supply chain opportunities will be created that could benefit local suppliers.	<ul style="list-style-type: none"> <li>• Procurement of suppliers must be as per Transnet policy and standards</li> <li>• Conduct a local skills assessment to ascertain what skills are available that may meet supply chain requirements; and</li> <li>• Communication with suppliers regarding requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Managing community expectations</li> <li>• Transnet Procurement procedures and policies</li> </ul>	Construction
Economic and Job Opportunities: Construction of the railway loop resulting in economic and job expectations.	Influx as a result of expectations around job and supply chain opportunities, resulting in pressure on land, social services, relationships and other social infrastructure	<ul style="list-style-type: none"> <li>• Communicate available opportunities of the project in advance, in order to manage employment expectations;</li> <li>• Avoid employing at the project gate or entrance to prevent unnecessary influx by job-seekers;</li> <li>• Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction;</li> <li>• Enforce the contractor management plan, especially relating to local recruitment and procurement;</li> <li>• Assist, where possible, with building the capacity of local government to provide social services to the communities within the project area; and</li> </ul>	<ul style="list-style-type: none"> <li>• Managing community expectations</li> <li>• Influx Management Plan</li> <li>• Transnet employment procedures and policies</li> <li>• Transnet Procurement procedures and policies</li> </ul>	Construction

Driver	Impact description	Proposed Management Measures	Associated Management principles and plan	Project Phase
		<ul style="list-style-type: none"> <li>Intensive engagement between the Transnet and Thabazimbi municipality to assess the latter's capacity and potential issues.</li> </ul>		
Land take: Businesses Land take during the construction of the railway loop	Potential to result in land take and thus potential loss of property and economic livelihoods	<ul style="list-style-type: none"> <li>Communicate with business owners about the potential impact of the loop on their business; and</li> <li>Seek consensus on the best interest of the business people and Transnet taking into consideration impact on businesses along the loop.</li> </ul>	<ul style="list-style-type: none"> <li>Livelihood restoration/compensation</li> <li>Relocation Action Plan Compensation Management Plan</li> </ul>	Construction
Economic and Job Opportunities: Operation of the railway loop resulting in economic and job expectations.	As a result of perceptions around job creation, increased expectations around employment and supply chain opportunities may be created	<ul style="list-style-type: none"> <li>Communicate available opportunities of the project in advance, in order to manage employment expectations;</li> <li>Avoid employing at the project gate or entrance to prevent unnecessary influx by job-seekers;</li> <li>Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction;</li> <li>Procurement of suppliers must be as per Transnet policy and standards</li> <li>Conduct a local skills assessment to ascertain what skills are available that may meet supply chain requirements; and</li> <li>Communication with suppliers regarding requirements</li> </ul>	<ul style="list-style-type: none"> <li>Managing community expectations</li> <li>Influx Management Plan</li> <li>Transnet employment procedures and policies</li> <li>Transnet Procurement procedures and policies</li> </ul>	Operational
Economic and Job Opportunities: Operation of the railway loop resulting in economic and job expectations	Influx of people may lead to increase in social challenges such as crime, prostitution and illegal business operation	<ul style="list-style-type: none"> <li>Communicate with internal and external stakeholders regarding project start date and actual opportunities available during the operations phase; and</li> <li>Prioritise the employment of the communities residing within the local community for semi-skilled and unskilled job opportunities during construction</li> </ul>	<ul style="list-style-type: none"> <li>Managing community expectations</li> <li>Influx Management Plan</li> <li>Transnet employment procedures and policies</li> <li>Transnet Procurement procedures and policies</li> </ul>	Operational

## **8. CONCLUSION AND RECOMMENDATIONS**

The proposed expansion of the railway loops will result in medium to low negative impact mainly on the following issues:

- Economic and Job Opportunities as a result of perceptions around job creation, increased expectations around employment opportunities may be created and supply chain opportunities will be created that could benefit local suppliers.
- Influx as a result of expectations around job and supply chain opportunities, resulting in pressure on land, social services, relationships and other social infrastructure
- Land take for businesses close to the railway loop
- Northam Laerskool and Northam Comprehensive land will be taken and there will be access issue from the railway line gate

The recommendation following this study is that consultation and communication is critical with main business that has been affected in the area which are BOERNOR (Edms) Bpk, the Waste Recycling Site and Dragonbundu Hotel. The informal traders will also need to be provided with alternative area along the loop.

Influx is also a considerable concern, and expectations regarding benefits and employment on the project will need to be managed from early on to ensure the receiving community is not pressurised by influx of jobseekers and employees of the project. Transnet must work closely with local authorities in order to manage socio-economic issues during the construction to the operation of the project.

## 9. REFERENCES

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