

**ROOIPOORT DEVELOPMENTS PROPRIETARY LIMITED**

**ROOIPOORT MINE**

**AMENDED SOCIAL AND LABOUR PLAN**

September 2013

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## A ACRONYMS

|                |  |
|----------------|--|
| ABET           | Adult Based Education and Training   |
| ANA            | Annual National Assessment   |
| ATR            | Annual Training Report   |
| BBSEE          | Broad Based Socio-economic Empowerment   |
| CCMA           | Commission for Conciliation, Mediation and Arbitration                               |
| CSI            | Corporate Social Investment  |
| DBCM           | De Beers Consolidated Mines Limited  |
| DME            | Department of Mineral Resources  |
| DMD            | Department of Minerals Development   |
| DoL            | Department of Labour   |
| DoE            | Department of Education  |
| DTI            | Department of Trade and Industry   |
| EE             | Employment Equity  |
| HDSA           | Historically Disadvantaged South Africans  |
| HRD            | Human Resource Development   |
| IDP            | Integrated Development Plan  |
| LED            | Local Economic Development   |
| LOM            | Life of mine   |
| MPRDA          | Mineral and Petroleum Resources Development Act, No. 28 of 2002                      |
| Mining Charter | Broad Based Socio-Economic Empowerment Charter for the South African mining industry |
| MQA            | Mining Qualifications Authority  |
| SDF            | Skills Development Facilitator   |
| SETA           | Sector Education and Training Authority  |
| SLP            | Social and Labour Plan   |
| SIA            | Social Impact Assessment   |
| SP (DoL)       | Social Plan (Department of Labour)   |
| T & D          | Training and Development   |
| WSP            | Workplace Skills Plan  |

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## B DEFINITIONS

**“Broad Based Socio-Economic Empowerment”** means a social or economic strategy, plan, principle, approach or act which is aimed at:

redressing the results of past or present discrimination based on race, gender or other disability of historically disadvantaged persons in the minerals and petroleum industry, related industries and in the value chain of such industries and transforming such industries so as to assist in, provide for, initiate or facilitate:

- The ownership, participation in or the benefiting from existing or future mining, prospecting, exploration or production operations.
- the participation in or control of management of such operations
- The development of management, scientific, engineering or other skills in historically disadvantaged persons.
- The involvement of or participation in the procurement chains of the operations.
- The ownership of and participation in the beneficiation of the proceeds of the operations or other upstream or downstream value chain in such industries.
- The socio-economic development of communities immediately hosting mines, affected by the supplying of labour to the operations.
- The socio-economic development of all historically disadvantaged South Africans from the proceeds or activities of such operations.

**“Community”** means a coherent, social group of persons with interests or rights in a particular area of land which the members have or exercise communally in terms of an agreement, custom or law.

**“Community based organisations”** – organisations that are established by and draw from community representatives.

**“Community social investments”** – contributions (monetary, staff time or gifts in kind) that are made to stakeholders associated with an operation which brings benefits over and above the core activities of any mine. The beneficiaries may range from local stakeholders to national and international ones. These investments are generally aimed at addressing needs within the selected target community. The scope of these activities range from donations to charities to those that tie in with business needs (e.g. capacity building among local residents for employment purposes).

**“Employee”** means any person who works for the holder of a prospecting right, mining right, mining permit, retention permit and who is entitled to receive any remuneration, and includes any employee working at or in a mine, including any person working for an independent contractor.

**“Foreign migrant labour”** - employees from neighbouring countries who have retained their non-permanent resident status in South Africa while working in the Republic.

**Integrated Development Plan (IDP)** - the Municipal Systems Act requires every municipality to develop an IDP as a tool to plan and coordinate development within their areas of jurisdiction. This tool is meant to assist municipalities to involve all stakeholders in the planning and delivery of services and thereby enhance the chances of sustainable development in their areas.

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**“Historically Disadvantaged Person” -**

- a) any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993, took effect;
- b) any association, a majority of whose members are persons contemplated in Paragraph (a); and
- c) any juristic person other than an association, in which persons contemplated in Paragraph (a) own and control a majority of the issued capital or members’ interest and are able to control a majority of the members’ votes.

**“HDSA Company”** - a company that is owned or controlled by Historically Disadvantaged South Africans

**“Historically Disadvantaged South Africans”** means any person, category of persons or community, disadvantaged by unfair discrimination before the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993) came into operation.

**“Major labour sending areas”** – areas from which a significant number of mineworkers are or have been recruited.

**“Management”** – all employees within the Paterson D, E, and F bands.

**“MPRDA”** means the Mineral and Petroleum Resources Development Act, No. 28 of 2002

**“Mining Charter” - means** the Broad Based Socio-Economic Empowerment Charter for the South African mining industry.

**“Scorecard”** - means the scorecard or way of measuring the implementation, commitment and the achievement of the targets as set out in the Broad Based Socio-Economic Empowerment Charter for the South African mining industry.

**“SMEs”** - means small and medium enterprises, a business that has a gross asset value of less than R50 million and/or employs less than 200 employees.

**“Social Impact Assessment”** - a method of identifying, analysing and evaluating the impacts actions may have on the social aspects of the environment.

**“Sustainable development”** - means the integration of social, economic and environmental factors into planning, implementation and decision making so as to ensure that mineral and petroleum resources development serves present and future generations.

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# SOCIAL AND LABOUR PLAN

## 1. PREAMBLE

### 1.1. Introduction

De Beers Consolidated Mines Limited (“DBCM”) was the holder of certain prospecting rights over the Rooipoort Nature Reserve located in the Kimberley Magisterial District within the Northern Cape Province. The prospecting rights were granted in terms of Section 17 of the Mineral and Petroleum Resources Development Act (“MPRDA”), (No 28 of 2002).

DBCM applied for a mining right over certain portions of the same property in terms of Section 22 of the MPRDA, which mining right was granted in terms of Section 23 of the MPRDA (“Rooipoort Mining Right”). The social and labour plan, in terms of Regulation 46, thus forms part of the Rooipoort Mining Right. The Rooipoort Mining Right was transferred from DBCM to Rooipoort Developments Proprietary Limited (“Rooipoort Developments”) after consent to the transfer was obtained from the Minister of Minerals in terms of section 11 of the MPRDA. Rooipoort Developments is now the holder of the Rooipoort Mining Right.

Therefore, this Social and Labour Plan and the information related to all employee issues captured and committed in this document will be directly related to the employees and employment practices of Rooipoort Developments.

### **OBJECTIVES OF THE SOCIAL AND LABOUR PLAN**

The objectives of the Social and Labour Plan as stated in the MPRDA are to consider the operations of Rooipoort Developments in the context of generally recognised standards of sustainable development by integrating the social, economic and environmental factors in planning the mining operations throughout the life of the mine. This will be accomplished by:

- promoting employment and advancing the social and economic welfare of the people in the Northern Cape in general;
  - contributing to the transformation of the mining industry; and
  - extending Rooipoort Development’s contribution to the socio-economic development of the Frances Baard District Management Area

## 1.2. Full particulars of the applicant

|  |   |
|--|---|
| Name of mine   | <b>Rooipoort Developments Proprietary Limited – Rooipoort Mine (“Rooipoort Mine”)</b>                                     |
| Name and physical address of the mining right holder | Rooipoort Developments (Pty) Ltd<br>Groot Paardevlei<br>29 Magnolia Street<br>Heldervlei<br>Somerset West<br>South Africa |
| Postal address                                       | The Secretary<br>Rooipoort Developments (Pty) Ltd<br>P O Box263<br>Durbanville<br>7550                                    |
| Name of contact person                               | <b>Mr Henk van Zuydam</b>   |
| Telephone number<br>Facsimile<br>Email               | (021) 970 4600<br><br><u><a href="mailto:henkvanzuydam@absamail.co.za">henkvanzuydam@absamail.co.za</a></u>               |
| Name and physical address of the mine                | Rooipoort Developments Proprietary Limited – Rooipoort Mine<br>Rooipoort Nature Reserve<br>Northern Cape                  |
| Postal address of the mine                           | P.O. Box 110608<br>Hadison Park<br><b>8306</b>  |
| Mine Contact Person                                  | <b>Arno de Villiers</b>   |
| Telephone Numbers<br>Fax Number                      | 082 444 2464<br>086 502 5680  |
| Email address  | <u><a href="mailto:arnodev@lantic.net">arnodev@lantic.net</a></u>   |
| Location of the mine                                 | Rooipoort Farm<br>Northern Cape   |
| District Municipality                                | Frances Baard District Municipality   |

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|-------------------------------|--|
| Mineral to be mined           | DIA: DIAMOND<br>DIA: DIAMOND - Alluvial<br>D: DIAMOND - General<br>DK: DIAMOND - in Kimberlite |
| Expected life of mine         | 2021 (10 years starting in 2011)   |
| Size of the workforce         | 144 Employees  |
| Financial year of the company | 1 April to 31 March  |



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### 1.3. Location of the operation

Rooipoort Mine is situated to the west of Kimberley within the Frances Baard District municipal boundaries (see **Figure 2.1**)



**Figure 2.1: Locality Map of Rooipoort Mine**

### 1.4. Size and Breakdown of the Workforce

As from 2011, one year subsequent to the granting of the Rooipoort Mining Right, Rooipoort Mine will over time employ a total number of one hundred and forty four (144) permanent employees as reflected in Table 2.1: Planned Employment Profiles.

Rooipoort Developments will submit the following profiles of the Rooipoort Mine employees within six months after becoming the holder of the Rooipoort Mining Right:

- Gender Profiles
- Population Profiles
- Education Profiles
- Labour Sending Areas

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**Table 2.1: Planned Employment Profiles – Rooipoort Developments**

| <b>Occupational Levels</b>  |  |  |  | <b>2012</b> | <b>2013 - 2018</b> |
|---|--|--|--|-------------|--------------------|
| Senior & Top Management   |  |  |  | 1           | 1                  |
| Professionally qualified and experienced professionals and mid-Management   |  |  |  | 1           | 3                  |
| Skilled technical and academically qualified workers, junior Management, supervisors, foremen and superintendents |  |  |  | 1           | 18                 |
| Semi-skilled and discretionary decision making  |  |  |  | 20          | 84                 |
| Unskilled and defined decision making   |  |  |  | 4           | 38                 |
| <b>TOTAL</b>  |  |  |  | <b>27</b>   | <b>144</b>         |

## **2. HUMAN RESOURCES DEVELOPMENT PROGRAMME**

### **2.1. Skills Development Plan**

The Rooipoort Mine's skills development plan is based on the requirements in terms of the Skills Development Act and individuals that display the necessary potential are identified on an annual basis for further leadership and technical training through skills development and literacy programmes. All employees with literacy levels below ABET level 4, will be given the opportunity to become functionally literate and numerate (ABET Level 4) through accredited literacy and numeracy programmes. Rooipoort Developments will use accredited training institutions such as the De Beers Training Center in Kimberley.

Since all employee education levels are unknown at this stage due to the full workforce not having been recruited yet, Rooipoort Developments commits to complete and submit "Form Q" to the Department of Mineral Resources within six months after becoming the holder of the Rooipoort Mining Right.

#### **2.1.1. Learnerships, Skills and ABET Programmes**

In line with the skills requirements for Rooipoort Mine, Rooipoort Developments will implement Learnerships and Skills Programmes in the administration, mining and ore processing departments to enhance current skills. A large portion of operational employees will be offered these programmes as part of their initial training plans. The process will be continuous and will only end once all employees earmarked for these

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programmes have completed their learnerships or skills programmes. The details of the Rooipoort Mine's Learnerships and Skills Development programmes are contained within the Operational Training Plan as reflected in the Workplace Skills Plan.

In order to complete a comprehensive Skills Development Plan for Rooipoort Mine, Rooipoort Developments will conduct a full skills needs analysis of the employees it intends to recruit and based on this analysis, develop skills development action plans. This information will be submitted to Department of Mineral Resources within six months after Rooipoort Developments becomes the holder of the Rooipoort Mining Right.

The Skills Development budget forecast is as follows:

| <b>Discipline</b>     | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Annual Budget         | R 13,800    | R 15,180    | R 16,698    | R 18,368    | R 20,205    |
| Percentage of payroll | 1%          | 1%          | 1%          | 1%          | 1%          |

### **2.1.2. Portable Skills Training**

The resource information upon which the Mine Work Programme was based indicates that the Rooipoort Mine has a 10 year operational life span. Based on the planned downscaling events in the current mine plan, interventions to ameliorate the social and economic impacts of retrenchments on the individuals will commence prior to the actual downscaling event. The downscaling is associated with the reduction in operational activities as the economically viable resource diminishes.

#### **Objectives**

Rooipoort Developments, in conjunction with other stakeholders through the MQA, shall undertake to provide skills training opportunities to employees during their employment in order to improve their income earning capacity in the event of downscaling or retrenchment processes.

#### **Process**

Assuming that no further alternate mechanisms can be implemented to prevent downscaling, Rooipoort Developments will implement the necessary mechanisms to provide skills training opportunities to the affected employees in order to improve their

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earning capacity outside the mining industry and ameliorate the social and economic impacts on the individuals.

This aspect will link into the future forum and form part of the process to manage downscaling and retrenchments in the event of such an eventuality.

The envisaged portable skills programmes will be in the area:

- Technical (basic welding, carpentry, etc),
- Business (basic personal financial management, basic business financial management, etc)
- Entrepreneurial (starting your own business, development of business plans, etc),
- Agricultural (irrigation, live stock or game farming, etc)

These programmes will enhance the skills that employees will have attained during their employment at Rooipoort Mine. The estimated number of beneficiaries (unskilled and semi-skilled) and associated timeframes are detailed below.

**Table 3.4: Portable Skills Training Interventions**

| <b>Training Intervention</b>          | <b>Operational Core Skills</b>                           | <b>2018</b> |
|---------------------------------------|--|-------------|
| Portable Skills Development Programme | Technical, Business, Entrepreneurial, learnerships, etc. | 144         |

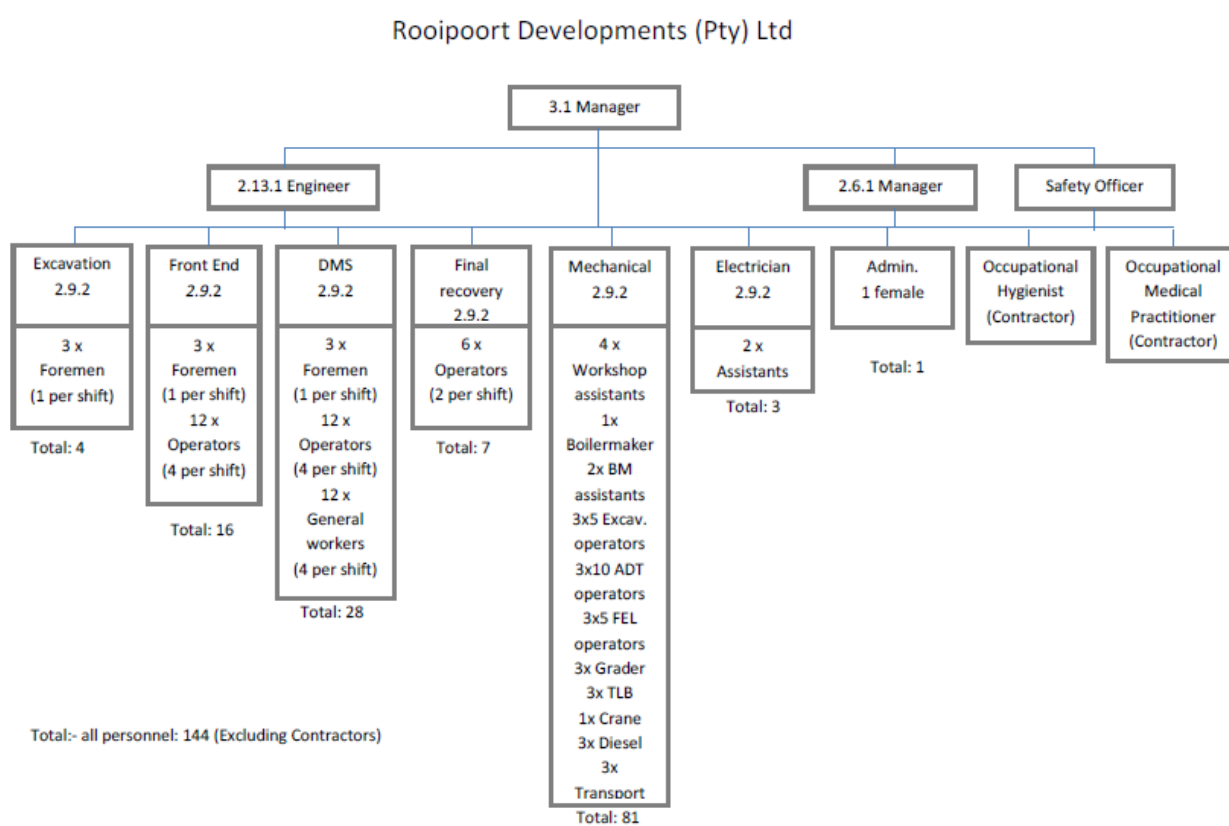
## **2.2. Hard-to-fill Vacancies**

Hard-to-fill vacancies are defined as positions requiring skills which would be very difficult to attract or replace at Rooipoort Mine. Rooipoort Developments will collate all information in this regard and submit the “**Form R**” to Department of Mineral Resources within six months after becoming the holder of the Rooipoort Mining Right. In addition, Rooipoort Developments will on an annual basis evaluate all the vacancies at Rooipoort Mine and should any position be identified and categorised as been a Hard-to-fill vacancy, Rooipoort Developments will submit an update “**Form R**” to the Department of Mineral and Energy as well as implement the necessary skills programmes to address such challenges.

## **2.3. Career Path Plan**

In order to enable HDSA employees to progress in their chosen careers, career paths are based on the six (6) employment levels on the mine as indicated on the organogram below.

The normal career path is therefore from an unskilled labour position into a skilled labour position and then into one of the current 2 managerial positions on the mine. If a position in the skilled level of the mine becomes available first preference will be given to existing HDSA employees. Interested candidates will be evaluated and those with the necessary potential will be trained to operate the specific machinery or plant equipment. Training will take place in-house or through the De Beers Training Centres. Employees with at least 3 years experience on the mine or their specific field of work with leadership skills will first be considered for promotion into a managerial position before the post is advertised.



## 2.4. Mentoring Plan

Rooipoort Developments' **Mentorship Plan** is based on the appointment of an internal mentor. The function of the mentor will be to identify any individuals employed on the mine, who have the necessary potential to further their careers in the diamond industry. Together they will educate and train these individuals on the different facets of mining and recovering of diamonds such that they can manage such a mining operation on

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their own. This will fast track the development of these individuals into the mineral and mining industry.

## **2.5. Bursaries and Internships**

When considering the size of the mine in respect of revenues that will be generated and the planned life of mine (10 years), the mine can be classified as a marginal mine. In addition, Rooipoort Developments is regarded as a small miner in the industry and utilises a mining methodology that offers very limited employment opportunities. In light of the above and the operational requirements, Rooipoort Mine will not be allocating any bursaries or internships for further education and training purposes in the first five years of operations.

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## 2.6. Employment Equity

Rooipoort Developments is dedicated to creating non-discriminatory employment practices in which employees are treated the same at all levels, regardless of their background, race, gender or disability. The company commits to and supports the principles of employment, development and advancement of HDSA's. This plan is applicable to all employees who are South African citizens or permanent residents.

It is the aim of Rooipoort Developments to achieve equitable representation of designated groups in all levels in the workplace at the Rooipoort Mine. Rooipoort Developments will collate all information in this regard and submit the "Form S" to Department of Mineral Resources within six months after becoming the holder of the Rooipoort Mining Right.

### 2.6.1. Targets and Baseline

Rooipoort Developments plans to achieve the EE goals and numerical targets by 2014 as stated by the Mining Charter, is supportive and ascribed in pursuit of achieving the 40% HDSA in management and 10% representation of participation of woman in mining.

**Table 3.5: Rooipoort Mine Baseline and Target (2013 to 2017)**

| Occupational Category   | 2013         | 2014         | 2015       | 2016       | 2017       |
|---|--------------|--------------|------------|------------|------------|
| Total number of employees in management   | <u>17</u>    | <u>17</u>    | <u>17</u>  | <u>17</u>  | <u>17</u>  |
| Number of HDSA employees in management  | <u>4</u>     | <u>4</u>     | <u>5</u>   | <u>6</u>   | <u>7</u>   |
| Percentage % HDSA employees in management   | <u>23.5%</u> | <u>23.5%</u> | <u>29%</u> | <u>35%</u> | <u>41%</u> |
| Total number of mining and technical related positions (Excludes Security positions)                        | <u>75</u>    | <u>127</u>   | <u>127</u> | <u>127</u> | <u>127</u> |
| Planned number of positions earmarked for women in mining and technical related positions (Women-in-mining) | <u>0</u>     | <u>15</u>    | <u>20</u>  | <u>20</u>  | <u>20</u>  |
| Percentage (%) Women employees in mining and technical related positions (Women-in-mining)                  | <u>0</u>     | <u>10%</u>   | <u>14%</u> | <u>14%</u> | <u>14%</u> |

**Table 3.6: Plans to achieve EE Goals and Targets**

| <b>Action</b>   | <b>Purpose</b>  | <b>Responsibility</b>  | <b>When</b> |
|---|---|--|-------------|
| Conduct an on mine assessment to consolidate concerns                     | The purpose of the assessment will be to establish which HDSA employees are potential candidates for management levels and the concerns and perceptions why woman are reluctant or hesitant to venture towards a career in mining or occupying technical positions. This would in turn highlight areas of concern and provide a base for action planning to bridge concerns raised.                 | Human Resources Department   | End 2013    |
| Future competency development within management and technical disciplines | Training and development of HDSA and woman towards becoming competent to occupy management and technical position will also be actively pursued. This process will entail focused development planning as well as adopting SAQA principles in attaining qualifications for HDSA employees and woman in the management and technical arena, taking heed of RPL assessments as well as unit standards | Human Resources Department   | End 2014    |
| Affirmative recruiting practices  | In order to achieve the targets above (Table 3.5) for management and women-in-mining, recruitment for vacant positions will also closely be aligned to the objective as the company is regarded as an equal opportunity employer.   | Rooipoort Developments Management in cooperation with the Dept of Labour | Ongoing     |



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## **2.7. Migrant Labour Policy**

In keeping with its policy of fair and equitable employment practices, Rooipoort Developments is committed to comply fully with the spirit and requirements of government and industry agreements to ensure non-discrimination against foreign migrant labour.

The following goals are ascribed to, in pursuit of the above:

- Maintain the rights and dignity of all employees through fair and non-discriminatory practices.
- Ensure that an environment is created and maintained where employees are allowed to realise their full potential.
- Ensure that a culture is developed and maintained where diverse groups can work together in harmony.
- The democratic foundations of our society contain a balance of rights and responsibilities. Within this broad framework, each individual and group is welcome to make a contribution.

### **2.7.1. Principles**

Rooipoort Developments is committed to ensuring effective guarantees of equal wages and working conditions for all its employees to avoid a situation where the employment of foreign workers leads to the *de facto* erosion of labour standards and the deterioration of working conditions.

Rooipoort Developments believes in fair and appropriate control mechanisms for its migrant labour force, and is committed to ensuring identical employment contracts for all its employees. Foreign employees enjoy the same rights, privileges and benefits in a particular category of employment. This includes access to education and skills development programmes.

Foreign employees will have the right to be treated as any other potential immigrant to South Africa. In ensuring this, Rooipoort Developments will observe the immigration laws in its recruitment and employment practices.

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### **3. LOCAL ECONOMIC DEVELOPMENT PLAN**

#### **3.1. Introduction**

The Local Economic Development (“LED”) Plan is based on Rooipoort Developments’ social investment strategy. The LED Plan is a commitment to assist with the sustainable upliftment and poverty eradication in these communities.

#### **3.2. Stakeholder Engagement**

During the development of the Social and Labour Plan, stakeholders were engaged in identifying possible impacts regarding the mine’s activities as well as the identification of potential areas for social investment and poverty eradication. DBCM (as the initial holder of the Rooipoort Mining Right) held information sharing meeting with various stakeholders in the area.

#### **3.3. Socio-Economic Baseline**

##### **3.3.1. Provincial Context**

The importance of the socio-economic profile of the Northern Cape Province and the Frances Baard District Municipality is that it gives Rooipoort Developments an insight into the extent of the socio-economic challenges facing its stakeholders.

The Northern Cape currently has 822 000 inhabitants and 231 000 (28%) reside in Kimberley. This population is stagnating for both the Province and the Frances Baard District. From the Sol Plaatje Municipality’s socio-economic study a number of reasons for this is suggested:

- Out-migration of workers due to a lack of employment opportunities;
- Out-migration of youth to Universities who then do not return to Kimberley;
- Increasing death rate as a consequence of HIV/Aids.

Poverty remains a major challenge in the Frances Baard district. Just over 45% of its households live on or below the breadline and this is at least less than that for the whole Northern Cape, which is around the 55% mark. The eradication of poverty is the biggest challenge facing all stakeholders in the region.

A major source of concern for the district is the sharp increase in the unemployment rate which has grown by a staggering 4.5% year-on-year since 1996. This unemployment growth will continue to force people to leave the area seeking jobs in larger cities.

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### 3.3.2. Regional Economic Profile

The Rooipoort Mine is located on the Rooipoort Nature Reserve on the banks of the Vaal River (32 kilometres of river frontage) in the Northern Cape. Rooipoort Nature Reserve is owned by DBCM and is considered to be one of the largest private nature reserves in Southern Africa. According to Manson (1992), Rooipoort is a historically rich area well known for the archaeological importance of the Bushman's rock engravings found on the property.

Rooipoort Nature Reserve falls under the jurisdiction of Frances Baard District Municipalities Management Area and will thus be regarded as the host community and local authority. For the purposes of compiling the Local Economic Development Plan, the District Management Area and the Dikgatlong Local Municipal areas and in particular the Delportshoop and Barklay West communities will be considered host and labour sending area. This is because of its close proximity to the mine.

Frances Baard District Municipality is the smallest district in the Northern Cape. Its area accounts for 3,4% of the total area of the province. However, the District Municipality accommodates the largest proportion of the population of the province, giving it the largest population density (26,2 persons per square km) in the province (Frances Baard District 2005/06 IDP).

The area of jurisdiction falling under the Frances Baard District Municipality includes the Frances Baard District Management Area and the four local municipalities of Dikgatlong, Magareng, Phokwane and Sol Plaatje. Two of these municipalities have been identified for assistance under Project Consolidate. These are Phokwane and Dikgatlong local municipalities. The city of Kimberley, which is the seat of the District Municipality and of the Northern Cape legislature, is located in Sol Plaatje Municipality, the largest of the four. The Vaal, Harts and Orange Rivers run through the District (Gaffney's Local Government in SA 2004-2006).

The District Municipality has a total population of 324 798 people or 40,2% of the provincial population. About 62% of the population of Frances Baard District Municipality lives in Sol Plaatje municipality, which is highly urbanised. Unlike other districts in the province the population is dominated by Africans (Tswana, Sotho, Xhosa, etc – 60,5%) rather than coloured, as it is the case in other districts (2005/06 IDP). There are 83 653 households in the district. (Statistics SA, Census 2001).

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### **3.3.3. Demographic Analysis**

Frances Baard District Municipality has an estimated total population of 361 975 people (2001); of whom 55.9% live in Sol Plaatje Municipality. The district is highly urbanised, with 81.9% of the people living in urban areas and only 18.1% in rural areas.

The population composition of the district is characteristic of populations in developing societies. The youth and children (0-19 years) are dominant; accounting for over 43.2% of the total population. The economically active population (20-64 years) and pensioners > 65 years represent 50.9% and 5.9% of the total population respectively. The male-female ratio is slightly biased against male; and 51.5% of the population are female and only 48.5% are male.

### **3.3.4. Economic Conditions**

To a visiting tourist the economic base of Frances Baard District appears to be based either in agriculture or mining. However, the contribution of these two sectors to the overall wealth of the district is minimal. For example between 1990 and 2000 the contribution of these sectors to the district economy was between 5.0% - 4.8% and 6.7% - 5.6% for agricultural and mining sector respectively. The dominant sector however has been “community service”.

Its contribution to the district gross product was 35.3% and 30.2% in 1990 and 2000 respectively. Other important sectors are finance, transport and trade.

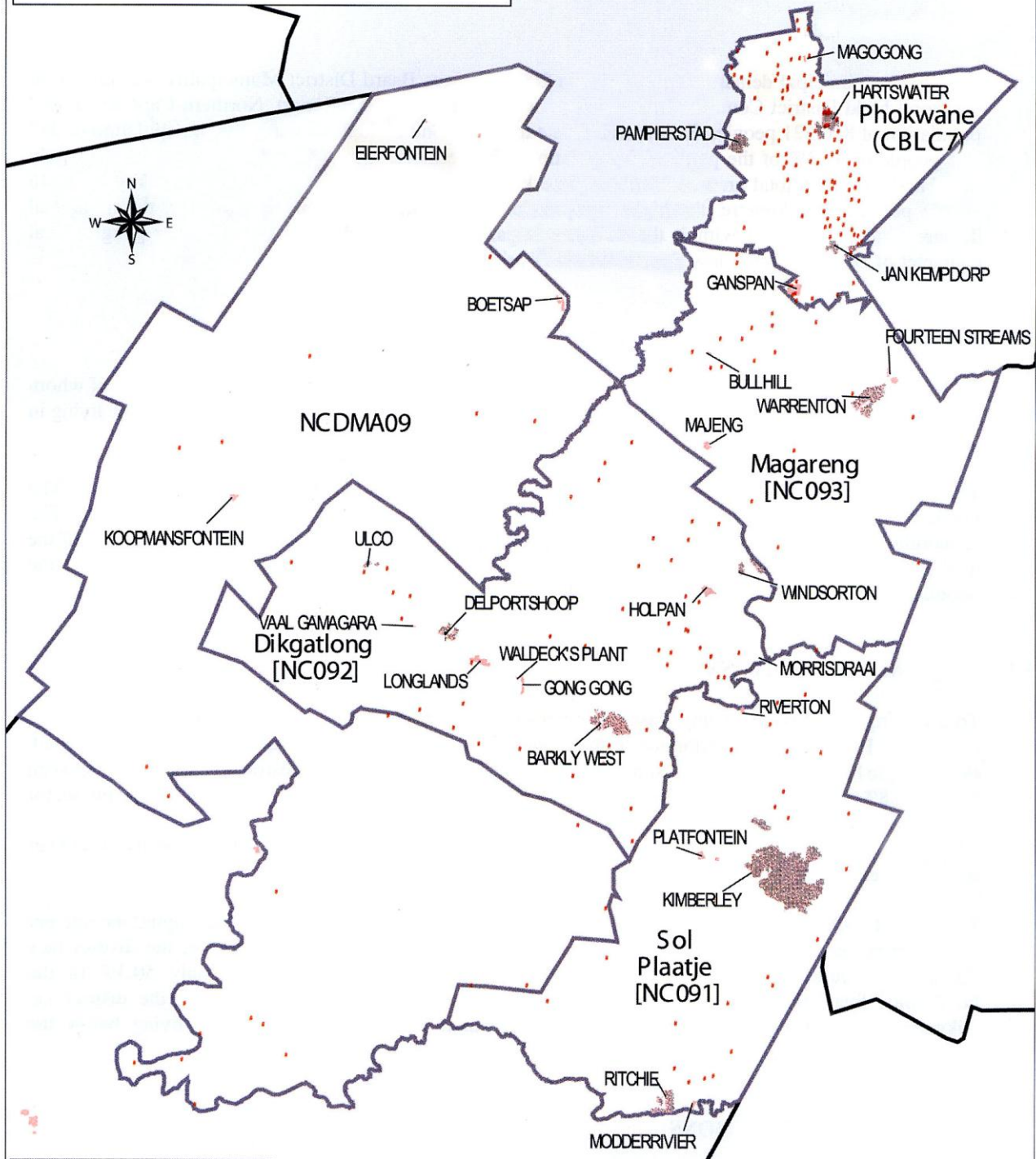
The majority of the people in the district are just managing. Although the average per capital income per annum increased from R9 270.32 in 1990 to R11 770.90 in 2000, many households in the district face financial difficulties. For example, apart from Sol Plaatje municipality where only 50.3% of the households live below minimum living level, the rest of the local municipalities in the district i.e. Dikgatlong, Phokwane and Magareng – have more than 70% of their households living below the minimum living levels.

### **3.3.5. Employment Conditions**

The economically active population in the district has been growing steadily. For example between 1990 - 2000 the labour force in the district increased by 28.3%. On the other hand, job opportunities in the formal and informal sectors decreased by 11.4% and 3.8% respectively in the same period. Consequently unemployment increased by 7.6% in the ten-year interval (see table below).

# FRANCES BAARD DISTRICT MUNICIPALITY

Title  
 Integrated Development Plan  
 POPULATION DENSITY (Source: SA Stats 96)



**Population density**  
 # 1 Dot = 200 persons (rural)  
 # 1 Dot = 50 persons (urban)  
 ■ Towns/Settlements  
 □ District boundary

**AFRICON**  
 PROFESSIONAL SERVICES IN DEVELOPMENT

AFRICON  
 Bishops Park  
 9 Bishops Avenue  
 Kimberley, 8301  
 Tel: 053 83 1688  
 Contact Person: JJ Prinsloo

**TABLE 1: EMPLOYMENT CHARACTERISTICS FRANCES BAARD DISTRICT MUNICIPALITY**

| YEAR | ECONOMICALLY ACTIVE | FORMAL EMPLOYMENT |      | INFORMAL EMPLOYMENT |     | UNEMPLOYED WORKFORCE |      |
|------|---------------------|-------------------|------|---------------------|-----|----------------------|------|
|      |                     | TOTAL             | %    | TOTAL               | %   | TOTAL                | %    |
| 1990 | 100 918             | 63 437            | 62.9 | 8918                | 8.8 | 28 563               | 28.3 |
| 1996 | 119 714             | 68 319            | 57   | 2598                | 2.2 | 38 040               | 31.8 |
| 2000 | 129 499             | 66 759            | 51.5 | 6600                | 5.0 | 46 477               | 35.9 |

SOURCE: WEFA (2001)

### 3.3.6. Employment and Gender Issues

Laws have been enacted, policies and principles adopted to promote gender equity in all spheres of socio-economic and cultural development. Traditionally males have dominated the formal employment sector. However the enactment of laws and adoption of policies and principles that positively discriminate against women have significantly contributed towards enhancing the role of female employees in the formal sector. Thus whereas the proportion of males in the formal sector dropped by 5.3% between 1990 and 2000, the proportion of female in the formal sector rose by 5.3% in the same period (see table 2 below).

**TABLE 2: FORMAL EMPLOYMENT BY GENDER FRANCES BAARD DISTRICT MUNICIPALITY**

| YEAR | MALE   |      | FEMALE |      |
|------|--------|------|--------|------|
|      | TOTAL  | %    | TOTAL  | %    |
| 1990 | 39 995 | 63.0 | 23 442 | 37.0 |
| 1996 | 40 745 | 59.6 | 27 574 | 40.4 |
| 2000 | 38 468 | 57.7 | 28 208 | 42.3 |

SOURCE WEFA (2001)

On the other hand the impacts of legislation, government policies, programmes and principles geared towards promoting gender equity have had little or no impact on the informal sector. Thus the composition of the labour force in the informal sector is still largely male dominated. For example in 1990 39.6% of the labour force in the informal sector was women, this dropped to 30.7% in 2000 irrespective of aggressive government policies and campaigns to promote gender equity in all development spheres (see table below).

**TABLE 3: INFORMAL EMPLOYMENT BY GENDER FRANCES BAARD DISTRICT MUNICIPALITY**

| YEAR | MALE   |      | FEMALE |      |
|------|--------|------|--------|------|
|      | NUMBER | %    | NUMBER | %    |
| 1990 | 5392   | 60.4 | 3528   | 39.6 |
| 1996 | 1323   | 50.9 | 1275   | 49.1 |
| 2000 | 4573   | 69.3 | 2026   | 30.7 |

SOURCE: WEFA (2001)

### 3.3.7. HOUSING CONDITIONS

The condition of the housing stock in the district is generally good. The housing stock consists of three types of dwelling houses: formal dwelling houses 72.3%, informal dwelling houses 21.5%; traditional houses 3.5% and 1.8% of the housing stock consist of hostels and other undefined housing types.

It is estimated that there are about 69 448 households in the district. Statistics indicate that about 30% of the households are female-headed households. Household sizes vary considerably from one municipality to another.

Magareng has the smallest household size, 4.1 and Phokwane has the highest household size 5.4. The average household size for the district is 4.8.

### 3.3.8. HEALTH

Frances Baard District Municipality with a total population of 361 975 people (2001 estimates) has 1 community health centre, 21 clinics, 8 satellite clinics and 5 mobile clinics. These are distributed as follows:

**TABLE 4: DISTRIBUTION OF HEALTH FACILITIES IN FRANCES BAARD DISTRICT MUNICIPALITY**

| MUNICIPALITY | TOTAL POPULATION | HEALTH FACILITIES       |         |                 |        |
|--------------|------------------|-------------------------|---------|-----------------|--------|
|              |                  | COMMUNITY HEALTH CENTRE | CLINICS | SATELITE CLINIC | MOBILE |
| Sol Plaatje  | 202 453          | 1                       | 10      | 2               | -      |
| Dikgatlong   | 28 515           | -                       | 6       | 2               | 2      |
| Magareng     | 25 252           | -                       | 2       | 2               | 1      |
| Phokwane     | 63 242           | -                       | 3       | 2               | 2      |

SOURCE: STATSSA(1996), Frances Baard District Health Office

### 3.3.9. EDUCATION

In accordance with data and information available the majority of the population in Frances Baard District is literate. About 30.2% of the population has primary school education and 3.2% has tertiary education (STATSSA 1996). Information provided by the Education Sector Department indicate that about 46 474 children are enrolled in primary school and have 1482 educators, giving a teacher-student ratio of 1:32. Furthermore, it is stated that there are 25 416 students enrolled in secondary school with 866 educators, giving a teacher-student ratio of 1:29. On average the above figures indicate that there is no overcrowding within the schools in the district.



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However, one out of every five persons (20%) in the district cannot read or write. This poses a serious problem in the promotion of capacity building and sustainable development.

### **3.3.10. Spatial Analysis**

Frances Baard District Municipality has the highest population density in the province. Settlements in the district demonstrate a clustering of settlements around Kimberley, Barkly West and Warrenton. This region represents a concentration of activity and people and has the highest potential for development.

Apart from the urban settlements most of the district is sparsely populated. For example the District Management Area (DMA) consists mostly of agricultural farms; - both livestock farms and irrigated crop farming. Other economic activities are mining and game farms. Koopmansfontein (32 housing units) is the only 'settlement' in the DMA. The rest of the settlements in the DMA are mostly housing clusters of farm workers and farmers, located on individual farms usually many kilometres away from one another.

In Magareng Municipality most of the population is located in the urban areas of the municipality, i.e.: Warrenton, Warrenville, and Ikutseng. Small rural settlements are found in the periphery of the urban areas e.g.: - Majeng and Moleko's farm villages. The rest of the settlements in the municipality consist of housing clusters of farm worker's and farmers' houses.

Similarly in Phokwane Municipality the majority of the population live in Jan Kempdorp, Hartswater, Pampierstad and the townships. Due to the high agricultural potential of the municipality a high number of people are engaged in farming activities as farm workers and live in farm worker's houses.

In Dikgatlong Municipality the spatial settlement pattern is dominated by the concentration of people in Barkly West, Windsorton, Delportshoop, and

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Longlands. The rest of the municipality is dotted with housing clusters either around mining areas or farm houses. On the other hand in Sol Plaatje Municipality most of the urban population live in the Greater Kimberley Urban area. As a result of the municipal demarcation process Kimberley now has rural settlements which includes Ritchie and a few housing clusters in the surrounding farms.

However, it is crucial to highlight that the settlement pattern of Frances Baard District Municipality is directly linked to the District Transportation Network System. All the urban centres in the district are located adjacent to existing road network or railway line. The influence of the transportation network on the spatial settlement pattern is self evident.

### **3.4. Dikgatlong Local Municipality – Social Services Background**

#### **3.4.1. Housing**

The population lives in three different types of dwellings, i.e. formal, informal and traditional. The formal dwellings constitute 72% of the total number of households in the area and 18% of the households resides in informal and traditional houses. Each household has an average 3.8 people.

#### **3.4.2. Electricity**

Of the total number of households in the area, 63% use electricity as a source of energy, with the remaining 37% using candles, gas, paraffin or solar.

#### **3.4.3. Sanitation**

Although it is stated in the Dikgatlong IDP document that “the sanitation facilities of Dikgatlong are of acceptable standards”, a total of 4545 households are in need improved sanitation facilities.

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#### **3.4.4. Water**

Over 74% of the households have direct access to water, i.e. either in the house or on site. About 19% rely on community stand pipes and the remaining 7% still using unacceptable water sources.

#### **3.4.5. Refuse**

The collection of waste to over 50% of the households is done on a weekly basis. Of the total households, only 1189 households have no access to the waste collection and disposal system. These are mainly households in the rural or unserviced areas within the jurisdiction of the municipality.

### **3.5. Impact of the mine on the local and labour sending areas**

Since Rooipoort Mine will be a small marginal operation, only employing 144 people, a limited number of jobs will be created during the life of mine, which will be sourced from several towns in the district. This will in turn lead to the diminishing of the possible impacts on the communities in the event of mine closure.

However, the closure of the Rooipoort Mine will have negative economic impacts on the employees and Rooipoort Developments undertakes to mitigate these impacts in line with the Process to Manage Downscaling and Retrenchments.

### **3.6. General Education: Literacy and Numeracy Projects:**

Rooipoort Developments will support the Department of Education, Frances Baard District, which were identified as means of improving numeracy and literacy from Foundation phase up to High School level. The project will be implemented as follows::

- 3.6.1. Identification of 100 underperforming schools has been finalised;
- 3.6.2. Reading coaches will be selected and employed from a pool of unemployed youth who passed Grade 12.

3.6.3. Purchase of Graded Readers for 100 underperforming schools, and Computerised reading programmes for Grade 8 in 16 underperforming high schools.

Rooipoort Developments will mobilise relevant stakeholders to ensure that these projects contribute towards poverty eradication and education improvement in the broader Northern Cape Province. Rooipoort Developments will allocate the necessary resources to enable the successful implementation of the identified poverty eradication projects.

The LED projects for the mine constitute the following projects, timeframes and cost:

| <b>Project Name</b>  | <b>Details</b>   | <b>Amount</b>         |
|--|--|-----------------------|
| Numeracy and Literacy Education Project for the entire Frances Baard District Schools: Grades 1 to 9 | On request from the Northern Cape Department of Education: Frances Baard District because of very poor levels of numeracy and literacy, which in turn affect matric results and lack of critical skills and knowledge in Maths and Science subjects. |                       |
| Employment of 50 unemployed youth.   | Reading coaches for the targeted schools   | R1 800 000.00         |
| Purchase of 3200 graded readers  | Supply the 100 identify schools  | R1 280 000.00         |
| Purchase of Computerized Reading programme   | Supply the 100 identify schools  | R150 000.00           |
| Employment/training 16 archaeological assistants McGregor Museum                                     | Support uncovering and preservation of provincial and national heritage, and supporting local unemployed community members in social upliftment programmes   | R 547 218.00          |
| <b>Total</b>   |  | <b>R 3,777,218.00</b> |

**PROJECT NO. 1: NUMERACY AND LITERACY PROJECT: DEPARTMENT OF EDUCATION FRANCES BAARD**

**PROJECT BACKGROUND:**

This project is to be read in conjunction with the Northern Cape Department of Education's Literacy Project. Furthermore, this strategy is located within the Department of Basic Education's national standardised assessment system known as the Annual National Assessment (ANA), to monitor and improve the quality of education, with special focus on Literacy and Numeracy.

The aim of ANA is to assess learners in grades 1 to 6 in Languages and Mathematics in order to provide credible and reliable information for monitoring progress in learner performance.

The average provincial achievement in home language literacy is between 38% and 52% between the grades 1 to 9. The Northern Cape performed below national average in Grades 1 to 6. Again in Mathematics the Northern Cape provincial achievement average are between 63.5% at Grade 1 and ending up with only 13.2% by Grade 9.

The Department of Education made no budgetary provision for the province and district for this kind of intervention. .

**OBJECTIVES**

- Meet national targets as
- By end of 2014 60% of le a level of more than 50%
- Produce learners who rea grade 9.
- Initially employ 50 unemp

**PERFORMANCE INDICATORS**

- Purchase and delivery of study materials,
- Employment of 50 youths,
- Improvement in the learner performance in both areas of education,
- Submission of monthly reports on progress.
- Quarterly result reports by the department of education, per school.

**TARGET GROUPS (beneficiaries):**

- Frances Baard Community

**LOCATION**

- Frances Baard District

| ACTIVITIES  | TIMEFRAME – BUDGET and MILESTO |            |         |        |
|---|--------------------------------|------------|---------|--------|
|   | Year                           | 2014       | 2015    | 2016   |
| <ul style="list-style-type: none"> <li>• Engagement and agreement with the department of education</li> <li>• Sourcing and delivery of relevant education material,</li> <li>• Employment of the 50 youths,</li> <li>• Submission of progress reports,</li> <li>• Follow up meetings to monitor progress in schools.</li> </ul> | <b>Budget</b>                  | R3,777,218 | R 0 000 | R 0,00 |

**TOTAL ESTIMATED COSTS R 3,777,218.00**  
 Subsequent years are subject to progress made and available funds

| <b>PROJECT NO. 2: ARCHAEOLOGY/HERITAGE PROJECT</b>  |                |  |   |   |
|---|----------------|--|---|---|
| <b>PROJECT BACKGROUND:</b><br><p>The McGregor Museum in Kimberly has discovered ancient human settlement remains that could be more than a million years old. If proven correct this could change the perception and understanding of the ancient human settlement patterns and the organisation of early family and community structures formations.</p> <p>In collaboration with the museum and the local community trust, Rooipoort mine undertook a project to preserve and catalogue the historical remains for posterity. The Rooipoort Mine community development programme will support local social upliftment initiatives, and with special focus on the following process:</p> <ul style="list-style-type: none"> <li>• Support non–profit community development projects working in the areas of: <ul style="list-style-type: none"> <li>• Education and Skills Development</li> <li>• Welfare and social development</li> <li>• Skills development and job creation</li> <li>• Arts, culture and heritage</li> </ul> </li> </ul> |                |  | <b>OBJECTIVES</b> <ul style="list-style-type: none"> <li>• To create employment</li> <li>• To help identify and preserve heritage,</li> <li>• Skills transfer in Archaeology</li> </ul> |   |
| <b>PERFORMANCE INDICATORS</b> <ul style="list-style-type: none"> <li>• Sustainable upliftment projects</li> <li>• Skills development and transfer</li> <li>• General Education</li> </ul>   |                | <b>TARGET GROUPS (beneficiaries):</b> <ul style="list-style-type: none"> <li>• Frances Baard District</li> </ul> |   | <b>ASSUMPTIONS</b> <ul style="list-style-type: none"> <li>• Continued support of the Department, CBO and projects by Rooipoort</li> </ul> |
| MAJOR ACTIVITIES  | RESPONSIBILITY | MILESTONES AND COST ESTIMATES  |   |   |
|   |                | 2012   | 2013  | 2014  |
| <ul style="list-style-type: none"> <li>• Local Project Funding</li> </ul>   | Rooipoort Mine | R50,000.00   | R50,000.00  | R50,000.00  |
| <ul style="list-style-type: none"> <li>• Archaeological/Heritage Project</li> </ul>   | Rooipoort Mine | R376,452.00  | R188,226.00   |   |
| <b>TOTAL ESTIMATED COSTS R 589,678.00</b>   |                |  |   |   |

### 3.7. Housing and Nutrition Plan

Rooipoort Developments does not prepare any food for its workers on this mine. The workers are paid an additional food allowance per month to supplement their income and provide for their own food. Rooipoort Developments believes through this effort that it contributes in the nutritional requirements of its workers but will consult with its workers on a three monthly basis to obtain their input on their specific needs and recommendations. These meetings will be tabled and the minutes of the meetings will be submitted to the Department of Mineral Resources as part of the annual SLP report.

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The anticipated labour sourcing area for the Rooipoort Mine will be the towns of Delportshoop and Barkly West. No employees will take up residence on the mine, hence suitable transportation will be provided to employees to work and back home.

### **3.8. Procurement Progression Plan**

Rooipoort Developments has a company policy that states that the HDSA percentage share of any supplier must be revealed before any orders are placed. The amount of procurement obtained from HDSA companies will be monitored and tabled on an annual base with a report to the company and its directors/shareholders.

Rooipoort Developments will collate all procurement information in this regard and submit the "Form T" to Department of Mineral Resources within six months after becoming the holder of the Rooipoort Mining Right.

### **3.9. Downscaling and Retrenchments**

Rooipoort Developments aims to preserve mining employment for as long as economically viable and socially desirable. When retrenchment of any worker/s is contemplated he/they will first be given the opportunity to look at any other employment that might be available even if it is at a lower scale.

The person/s will also be given the opportunity to establish a SMME. Rooipoort Developments will introduce these individuals to Khula, which was established in 1996 to improve the availability of finance to SMMEs, partly by absorbing a portion of the risk and cost of private investment in SMMEs. The small business financing strategy of Khula aims to increase the level of bank lending to SMMEs at rates not inflated by unreasonable risk perceptions, to improve the outreach and efficiency of alternative financial institutions, to stimulate the provision of start-up and small-scale equity products for SMMEs, and to expand the number of SMMEs listed on the JSE.

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### **3.10. Future Forum**

As part of the above a Future Forum will be established two years after Rooipoort Developments becomes the holder of the Rooipoort Mining Right. At least 5% of the workers will sit on this forum and have bi-annual meetings with management about the future of the mine. At the forum problems, challenges and possible solutions will be identified with regard to productivity and employment. The Future Forum will identify production and employment turnaround strategies and will then implement strategies as agreed upon by both the shareholders of Rooipoort Developments, the Managers and their workers.

### **3.11. Mechanisms to Save Jobs**

- (a) If prevailing economic conditions cause the profit to revenue ratio of Rooipoort Mine to be less than six per cent on average for a continuous period of 12 months, Rooipoort Developments will consult with any registered trade union or affected employees or their nominated representatives and then notify the Minerals and Mining Development Board (the Board) of the above situation.
- (b) For dismissals based on operational requirements the guidelines as per section 189 of Labour Relations Act will be implemented. The relevant section of the act will be provided to the employee and alternative measure will be discussed during a collective agreement or workplace forum.
- (c) The Board will be notified in writing of the financial state of the mine and potential cash flow problems being experienced.
- (d) The Mine will then comply with the directive from the Minister and confirm in writing that the corrective measures have been taken. Rooipoort Developments acknowledges that if the directives contemplated above are not complied with, the Minister may provide assistance to or may apply to a court for judicial management of the mining operation.

### **3.12. Mechanisms to Provide Alternatives**



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- (a) If 10 per cent or more of the labour force at the Rooipoort Mine are likely to be retrenched in any 12-month period, Rooipoort Developments will consult with any registered trade union or affected employees or their nominated representatives and then notify the Minerals and Mining Development Board (the Board) of the above situation.
  - (b) The Board will be notified in writing of the financial state of the mine and potential cash flow problems being experienced and of the fact that a number of employees is to be retrenched.
  - (c) Rooipoort Developments will then comply with the directive from the Minister and confirm in writing that the corrective measures have been taken. Rooipoort Developments acknowledges that if the directives contemplated above are not complied with, the Minister may provide assistance to or may apply to a court for judicial management of the mining operation.
  - (d) For dismissals based on operational requirements the guidelines as per section 189 of Labour Relations Act will be implemented. The relevant section of the act will be provided to the employee and alternative measure will be discussed during a collective agreement or workplace forum.
  - (e) During the next monthly staff and labour meetings the employees will be informed of possible retrenchments. The Frances Baard District Council will also be informed of the negative developments on the mine and a notice will be placed in the local newspaper.

### **3.13. Mechanisms to Ameliorate the Social and Economic Impact**

Even during the closure of a mine substantial funds must be spent to rehabilitate the environment and remove all equipment. It will be a priority of Rooipoort Developments that the rehabilitation funds will be spent on workers on the mine being employed to rehabilitate the environment rather than contracting this function out. To this end the Rooipoort Developments has established a guarantee of R14,5m (kindly see bank guarantee attached). Rooipoort Developments will also contact the Department of Health & Social Services as well as the Department of Labour to help with assessment and providing counselling services to the people being retrenched. Depending on the cash-flow

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situation of the company, Rooipoort Developments will be prepared to contribute 50% of the funds needed for training with the balance to be provided by the Department of Labour.

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#### 4. FINANCIAL PROVISION

The financial provision for Rooipoort Mine's Social and Labour Plan is included in the table below.

##### Summary of financial provision for Rooipoort Mine

| Item  | 5 Year Budget<br>(2012-2016) |
|---|------------------------------|
| Human Resource Development Programme.   | R 84 251,00                  |
| Local Economic Development Programme  | R 3 777 218,00               |
| Archaeology and Heritage Project  | R564 678.00                  |
| Managing Downscaling & Retrenchment (2008 -2018)  | R 194 424,00                 |
| Environmental rehabilitation and Amelioration of economic and social impact (end of mining) | R14.5m                       |
| Total Financial Provision   | R 19 120 571.00              |

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**5. UNDERTAKING**

The undertaking in terms of the Social and Labour Plan for the Rooipoort Mine is made on behalf of Rooipoort Developments Proprietary Limited by Mr Sarel Potgieter.

I, Sarel Potgieter the undersigned and duly authorised thereto by Rooipoort Developments Proprietary Limited, undertake to adhere to the information, requirements, commitments and conditions as set out above, and to make the Social and Labour Plan known to all employees at Rooipoort Mine.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

**Approved**

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_

Designation \_\_\_\_\_

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## 6. REFERENCES

- Department of Mineral Resources (2004). Broad based Socio-Economic Empowerment Charter for the South African Industry. Government Gazette, No.26661, 13 August 2004
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- Action Plan 2014: Schooling 2025 [www.education.gov.za/curriculum/actionplan](http://www.education.gov.za/curriculum/actionplan)
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- Northern Cape Department of Education Literacy and Numeracy Strategy: Frances Baard District