



## **SOCIAL AND LABOR PLANS (SLP) COORDINATING STRATEGY**

### **JOHN TAOLO GAETSEWE DISTRICT MUNICIPALITY**

|                                                 |                                          |
|-------------------------------------------------|------------------------------------------|
| <b>Policy Resolution Number: 6.6.28/05/2021</b> | <b>Approved Date: 28 May 2021</b>        |
| <b>Effective Date: 1 July 2021</b>              | <b>Review Date: As and when required</b> |

**SIGNATURE OF THE MUNICIPAL MANAGER**  
**Ms P Q Mogatle**

**Speaker**

**SIGNATURE OF THE SPEAKER**





**JOHN TAOLO GAETSEWE DISTRICT  
MUNICIPALITY  
SOCIAL AND LABOR PLANS (SLP'S)  
COORDINATING STRATEGY.  
June 2021**

Ms P Q Mogatlo

Speaker

|                 |    |
|-----------------|----|
| Intervention 5  | 15 |
| Intervention 6  | 16 |
| Intervention 7  | 16 |
| Intervention 8  | 16 |
| Intervention 9  | 17 |
| Intervention 10 | 17 |

Ms P Q Mogatle

Speaker

## **ACRONYMS**

---

|         |                                                                              |
|---------|------------------------------------------------------------------------------|
| ABET    | Adult Basic Education and Training                                           |
| DME     | Department of Minerals and Energy                                            |
| DoL     | Department of Labour                                                         |
| HDSA    | Historically Disadvantaged South Africans                                    |
| LED     | Local Economic Development                                                   |
| MQA     | Mining Qualifications Authority                                              |
| MPRDA   | Mineral and Petroleum Resources<br>Development Act, 2002 (Act No 28 of 2002) |
| SETA    | Sector Education Training Authority                                          |
| JTGDM   | John Taolo Gaetsewe District Municipality                                    |
| Local's | Ga-Segonyana, Gamagara, Joe Morolong Municipalities                          |

Ms P Q Mogatle

Speaker

## 1.1 Purpose of the Strategy

The purpose of the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) is amongst others to transform the mining and production industries. In order to ensure effective transformation in this regard, the Act requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights. The Social and Labour Plan requires applicants for mining and production rights to develop and implement comprehensive Human Resources Development Programmes including Employment Equity Plans, Local Economic Development Programmes and processes to save jobs and manage downscaling and/or closure.

The above programmes are aimed at promoting employment and advancement of the social and economic welfare of all South Africans whilst ensuring economic growth and socio-economic development. The management of downscaling and/or closure is aimed at minimizing the impact of commodity cyclical volatility, economic turbulence and physical depletion of the mineral or production resources on individuals, regions or local economies. To this effect the Department deemed it appropriate to provide guidelines for the development of the Social and Labour Plan in tandem with the objectives of the MPRDA and the National Social Plan.

According to the Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, mining companies must submit their Mine Works Plan (MWP), Environmental Management Plan (EMP) and Social and Labour Plan (SLP) when applying for mining rights. The five-year cycle SLP must ensure that upon the granting of mining rights, the mining activities cater for the needs of the current and future generations through community development initiatives.

The SLPs also covers the human resources development plans (HRD), employment equity (EE) plans, plans for the housing and living conditions of employees, and for the management of downscaling and retrenchments. The main objective of SLPs is to promote economic growth and employment, and advance social welfare by ensuring that mining companies contribute towards socio-economic development in areas in which they are operating.

The enhancement of positive social impacts may be achieved by addressing the challenges facing Local Economic Development (LED) which are identified in the local government Integrated Development Plans (IDP). An IDP, which is also a five-year cycle strategic document, identifies plans to address service delivery challenges and the plan is reviewed on an annual basis

### Integrated Development Plans (IDPs) of Municipalities

Speaker

The Municipal Integrated Development Plans (IDPs) form a crucial component in the public private sector partnership pertaining to economic development. All municipalities, which house mines and/or serve as labour sending areas, require valid IDPs. The validity of the IDP, amongst others includes consultation with communities to identify their specific needs for the creation of economic development projects within the mining areas

The IDP is developed by the district and local municipalities in partnership with various stakeholders where these plans are then filtered into the different local municipalities for the alignment of their respective IDPs to the District IDP. The identified economic development needs are then encompassed within the respective Social and Labour Plans of the mines through a compulsory consultation process. This alignment between the SLPs and the IDPs provides a platform for investment opportunities, economic growth, poverty reduction and infrastructure development within the municipal areas.

The alignment of the SLPs and IDPs is also imperative in implementing the objectives of the National Development Plan through the Provincial Growth and Development Plan (PGDP).

### **Purpose of the Social and Labour Plan**

The guidelines are intended to assist applicants i.e. mines or production operations in preparing the prescribed Social and Labour Plans specified in Part II of the Regulations under the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002).

The John Taolo Gaetsewe District Municipality, in its quest to monitor and support the work of the category B Municipalities in the District, is constantly concerned with the socio-economic impact that the mining activity in the area has within each locality.

To this extent the John Taolo Gaetsewe District Municipality is concerned with coordinating some of the related activity in effort to ensure better coordination, alignment and integration in and amongst mining houses and municipalities.

This process is not the least compromised by the lack of coordinated planning but rather by the sometimes, difficult task of traversing the law, the capacity challenges of municipalities and including the cumbersome processes involved in the mining industry and in particular compliance related matters.

The John Taolo Gaetsewe District Municipality in an effort to better understand the socio-economic impact has thus realised the need to embark on a formal process of measuring, understanding and even planning for the future development related to the mining activity in the District through, the processes of SLPs, hence this project.

The purpose of this assignment therefore is to assess the impact of Local Economic Development and other related programs implemented by the mining companies in the last five (5) years in the District. Furthermore, the District seeks to have an in-depth understanding and influence on this critical sector, by proactively developing a five year strategy to engage the mining companies in the District with an aim of ensuring integration of Socio Economic/ LED programs that are targeted at the local communities.

Ms P Q Mogatle

### **1.2 Objectives of the Social and Labour Plan**

Speaker

The objectives of the Social and Labour Plan are to:

- (a) Promote employment and advance the social and economic welfare of all South Africans;
- (b) Contribute to the transformation of the mining industry; and

- (c) Ensure that holders of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced.

### **1.3 Submission of the Social and Labour Plan**

An application for a mining or production right or conversion of old order mining or production right in terms of the Act must be accompanied by a Social and Labour Plan contemplated in regulation 46.

The Regional Manager or Designated Agency may refer the said Social and Labour Plan back to the applicant with proposals for amendments and the revised Social and Labour Plan must then be re-lodged within a period specified by the Regional Manager or the Designated Agency.

### **1.4 Applicability of the Social and Labour Plan**

A Social and Labour Plan lodged with the Regional Manager or Designated Agency is valid until a closure certificate has been issued in terms of section 43 of the Act.

### **1.5 Amendment of the Social and Labour Plan**

A Social and Labour Plan may not be amended or varied without the consent of the Minister after the granting of the mining or production right to which such Social and Labour Plan pertains.

### **1.6 Reporting on the Social and Labour Plan**

The holder of a mining production right must submit an annual report on the compliance with the Social and Labour Plan to the relevant Regional Manager or Designated Agency.

## **2. The contents of the Social and Labour Plan include the following six components:**

### **Section 1**

#### **Preamble**

- Provide the background information in terms of the following:

|      | <b>FIELD</b>                             | <b>EXPLANATION</b>                                                        |
|------|------------------------------------------|---------------------------------------------------------------------------|
| 1.1  | Name of the company/applicant            | The organization's registered name                                        |
| 1.2  | Name of mine or production operation     | Self-explanatory                                                          |
| 1.3  | Physical Address                         | Self-explanatory                                                          |
| 1.4  | Postal Address                           | Self-explanatory                                                          |
| 1.5  | Telephone Number                         | Self-explanatory                                                          |
| 1.6  | Fax Number                               | Self-explanatory                                                          |
| 1.7  | Location of mine or production operation | The location in terms of Province(s), District Municipality/is,           |
| 1.8  | Commodity                                | The commodity/is mined                                                    |
| 1.9  | Life of mine or production operation     | The expected life of mine at the rate of current production and reserves. |
| 1.10 | Breakdown of employees per sending area  | Numbers of employees from each sending area e.g. town, village, etc.      |
| 1.11 | Financial year                           | Date of financial year for the company                                    |

Note: Where the Social and Labour Plan is submitted on behalf of a Mine or Production Operation composing of a number of components (e.g. shafts), individual preambles must be attached for each component.

## **Section 2**

### **Human Resource Development Programme**

The primary objective of human resource development programme is to ensure the availability of mining and production operation specific skills and competencies of the workforce, and skilling of employees for portable skills utilizable by the employees outside the life in the mining or production industries. The following five plans and supporting forms must be submitted:

#### **2.1 Skills development plan**

Provide a detailed skills development plan that outlines how the Mine or Production Operation intends to offer employees opportunities to be functionally literate and numerate, learnerships; skills programme; portable skills and any other training.

The skills development plan should also outline how the Mine or Production Operation would participate with processes of skills development legislation including developing and submitting the workplace skills plans and annual training reporting; paying and claiming of levy and grants with the SETA(s) with which the Mine or Production Operation is registered. The following supporting forms must be submitted with the skills development plan:

##### **2.1.1 Education levels of the workforce**

Provide the number and education levels of the entire workforce in the format of Form Q, Annexure II.

##### **2.1.2 Hard-to-fill vacancies**

Provide the vacancies that the Mine or Production Operation has been unable to fill for a period longer than 12 months despite concerted effort to recruit suitable candidates, if any, in the format of Form R, Annexure II.

Note: This information would be submitted to the SETAs for training and development purposes.

#### **2.2 Career progression (path) plan**

Provide a detailed career progression (path) plan, which is in line with the skills development plan provided in 2.1 on how the Mine or Production Operation would progress the employees through the employment levels.

#### **2.3 Mentorship plan**

Provide a detailed mentorship plan for the employees and empowerment groups, which is in line with the skills development plan provided in 2.1 and how the plan would be implemented.

#### **2.4 Internship and bursary plan**

Provide a detailed internship and bursary plan, which is in line with the skills development plan provided in 2.1 and how the plan would be implemented.

#### **2.5 Employment Equity Plan**

Provide the employment equity statistics which must be completed in the format of Form S, Annexure II, accompanied by a plan on how the mine would achieve the ten percent (10%) women participation in mining and the forty percent (40%) HDSA participation in management within 5 years from

Ms P Q Mogatle

Speaker

the commencement of the MPRDA. The plan must outline how the talent pool has been identified and how it would be fast tracked.

Ms P Q Megalle

Speaker

### Section 3

#### **Local and Economic Development Programme**

The primary objective of local economic development (LED) programme is to ensure poverty eradication and community upliftment in the area within which mining or production operations take place and in areas from which majority of the workforce are being sourced. The local economic development programme includes sustainable projects which the Mine or Production Operation will initiate, implement and support financially or otherwise.

The Mine or Production Operation in accordance with the local economic development programme must ensure co-operation with the formulation of the integrated development plans of the areas within which they operate; and co-operating with government in the implementation of the integrated development plans for communities where the operation takes place and for major labour sending areas.

To this effect, the Mine or Production Operation must, through consultations with communities and relevant authorities, and participation in existing and emerging development structures/forums, provide the Mine or Production Operation local economic development programmes in line with the integrated development plan of the district municipality within which the operation takes place which must include but is not limited to the following:

Preference will be given to South African Nationals and companies who are based in the Northern Cape.

The company shall also demonstrate an understanding and involvement with the South African mining history , socio-economic challenges and opportunities, transformation in the mining sector, partnership with government at National, Provincial, District and Local levels

#### **3.1 Social and economic background information**

Provide the baseline social and economic information of the area in which mining or production operations take place, and the areas from which the majority of the labour has been sourced.

#### **3.2 Key economic activities**

Provide the key economic activities and needs of the area in which mining or production operations take place.

#### **3.3 Impact of the mining operation**

Provide the impact that the mining or production operation would have on the community and the areas in line with the duration of the mining right. This must include but is not limited to:

- Number of jobs created;
- Small, micro, medium enterprises (SMME) development;
- Infrastructure development;

- Community development; and
- Poverty eradication.

### **3.4 Measures to address housing and living conditions**

Provide a plan to establish the preferred requirements for housing and living conditions of the workforce, following which:

- For new operations, determine the need for establishment of settlements, the type of settlement envisaged, the location of the envisaged settlement, the sustainability of the settlement beyond the life of the mine or production operation, etc;
- For existing operations, indicate the type of housing currently provided, and measures for improving the standard of housing and living conditions.

### **3.5 Measures to address nutrition**

Provide a plan and its implementation to establish measures for improving nutrition of employees, in case where the operation provides nutrition. An implementation plan to improve the nutrition and to progress the issue over time must be provided.

### **3.6 Procurement progression plan**

Provide a plan for the progression of procurement from HDSA companies in terms of capital goods, services and consumables.

The current level of procurement from HDSA companies must be indicated with the breakdown of allocation in percentage of the total procurement for HDSA companies in the format of Form T, Annexure II.

## **Section 4**

### **Processes pertaining to management of downscaling and retrenchment**

Organizations have to retrench workers from time to time for economic reasons and to remain globally competitive. This is one of the worst things that can happen to a worker and affects his or her whole life. It is therefore important that employers should first make sure that no other viable options to achieve operational requirements are available before considering downscaling of workers. The Declaration of the Presidential Jobs Summit during October 1998 provided a framework for a Social Plan to prevent job losses where possible and to guide the affected parties who have to deal with retrenchments. The framework included a broad proposal for implementation of the Social Plan.

A detailed process, in conjunction with section 52 of the Act and regulation 46 (e), for saving jobs, managing downscaling and regenerating local economies must be developed for implementation at the time of such need. This process must also be in line with the Department of Labour's Social Plan Guidelines.

Ms P Q Mogatle

Speaker

**The process must include but is not limited to the following:**

**4.1 Establishment of future forum**

Provide an undertaking to establish a Future Forum within six months after the conversion of an old order mining right and two year after the new mining right has been granted. The Future Forum should comprise of management and workers or their representatives. The functions of the Future Forum include but are not limited to:

- Promote ongoing discussions between worker representatives and employers about the future of the mine;
- Look ahead to identify problems, challenges and possible solutions with regard to productivity and employment;
- Identify production and employment turnaround strategies; and
- Implement strategies agreed upon by both employer and worker parties.

**4.2 Mechanisms to save jobs and avoid job losses and a decline in employment**

Outline the process to be followed when prevailing economic conditions cause the profit revenue ratio of the relevant operation to be less than six percent on average for a continuous period of 12 months. The process to be followed must include but is not limited to:

**a. Consultations**

The consultation process in terms of Section 52 (1) of the Act.

**b. Implementing section 189 of the Labour Relations Act, 1995**

The process to implement section 189 of the Labour Relations Act, 1995.

**c. Notification to the Minerals and Mining Development Board (the Board)**

The notification process to the Board in terms of Section 52 (1) (a) of the Act.. Complying with Ministerial directive  
Compliance with the Minister's directive and confirming how corrective measures would have been taken.

**4.3 Mechanisms to provide alternative solutions and procedures for creating job security where job losses cannot be avoided**

Outline the process to be followed when the operation is to be scaled down or is to cease with the possible effect of job losses. The process to be followed must include but is not limited to:

**a. Consultations**

**b.** The consultation process in terms of Section 52 (1) of the Act.

**b. Implementing section 189 of the Labour Relations Act, 1995**

The process to implement section 189 of the Labour Relations Act, 1995. (To deal with possible retrenchment details).

**c. Notification to the Board**

The notification process to the Board in terms of Section 52 (1) (b) of the Act.

**d. Communicating possible retrenchments**

Ms P Q Mogatle  
Speaker

An effective communication strategy that will be followed in:

- Informing employees of possible retrenchments;
- Informing other affected parties (sending areas, municipalities, etc.) of the possible retrenchments at the operation;
- Informing outside parties (media, etc.) of the possible retrenchments at the operation

#### **4.4 Mechanisms to ameliorate the social and economic impact on individuals, regions and economies where retrenchment or closure of the operation is certain**

Outline the process to be followed to ameliorate the social and economic impact on individuals, regions and economies. The process must include but not limited to:

- a. Assessment and counseling services;
- b. Comprehensive self-employment training programmes;
- c. Comprehensive training and re-employment programmes.

### **Section 5**

#### **Financial provision**

In line with sections 23 (1) (e) and 84 (1) (g), the applicant for a mining and production right must provide financially and otherwise for the social and labour plan. To this effect, the Mine or Production Operation must outline how it would financially provide for the implementation of:

- a. The human resource development programme;
- b. The local economic development programme; and
- c. Processes pertaining to management of downscaling and retrenchments.

Ms P Q Mogatle

### **Section 6**

Speaker

#### **Undertaking**

The person responsible for the social and labour plan, who is responsible to make known the social and labour plan to the employees and who must be contacted for follow-ups, requests, reports, queries, enquiries, discussions, etc. at time of such needs must make the following undertaking on behalf of the Mine or Production Operation. The Chief Executive Officer, Managing Director or any other person so appointed must approve the social and Labour Plan

Ms P Q Mogatle

Speaker

**Undertaking Deliverables implementation programme/projects for JTG District:**

**Resolved/Recommended that:**

- Municipalities must Establish Regional Development agency to drive Infrastructure Projects(Roads, Water, Shopping Malls, Fully Fledged Disaster Centre, Regional Hospital, Railway from Hotazel to Port Elizabeth)utilizing SLP monies
- Establishment of Collaborated stakeholder team for SLP's of all mines in the region(Municipalities and DMR)
- Mines must develop and support Contractor and Supplier Programme
- Collaborated mines must Construct Satelite UniversityCand Mining College in Kuruman town
- Skills development programme must include non- mine workers particularly labour sending areas
- Preferential Mining procurement opportunities should be prioritized and must benefit local businesses
- Jobs and Opportunities preference must be for local communities in the region
- Ga-segonyana Airstrip be expanded to become Kuruman Airport
- Head Offices of mines be built in Kuruman town
- All learners of JTG must become a beneficiaries of one basket Bursary foundation of JTG
- Skills development within the mining sector to be upscale
- Exploration of potential untapped mining opportunities in JTG region

- That a sustainability model/strategy for Small-Scale Mining be developed to support economic development of communities in resource areas
- To promote women in small-scale mining through empowerment initiatives and women with regards required technical and managerial skills
- Expedite the development of Special Economic Zone(SEZ)
- Sports Infrastructure facilities and Tourism destination
- Meetings Schedule: Once per Quarter
- Job losses/retrrenchments are a very sensitive socio-economic matter and therefore any intervention by government should be designed towards tangible deliverables.

In response to the widespread retrrenchments in the sector, Government and key sector stakeholders developed and agreed to The Mining Industry Ten Point Plan to save jobs which encompasses the following:

#### **Intervention 1**

Delaying the implementation of retrrenchments

All stakeholders agree that they will not unreasonably withhold the extension of the consultation period as per the Labour Relations Act to allow for the implementation of the interventions to address job losses, and that where section 189A processes are currently being facilitated, that the consulting parties will continue the consultations during the 30 days' notice period after expiry of the 60 day facilitation period or any extension thereof. Notwithstanding the above paragraph, section 52 of the MPRDA shall be equally applicable.

Ms P Q Mogatle

#### **Intervention 2**

Enhancing productivity and managing cost pressures:

- Consider all opportunities relating to multifactor productivity;
- Establish cost containment committees within Future Forums;
- Investigate the possibility of implementing integrated shift systems;
- Engage Eskom and relevant municipalities on the management of electricity supply, to minimize disruption of production; and
- Produce a productivity improvement report that identifies practical and implementable recommendations for inclusion into the implementation plan.

Speaker

#### **Intervention 3**

Accelerated concurrent rehabilitation activities to create alternative jobs for mineworkers:

- Engage relevant authorities on aligning regulations governing financial provision and access to rehabilitation trust funds;
- Quantify the amount available;
- Develop and implement control mechanisms for the efficient utilisation of the fund;
- Initiate concurrent rehabilitation where possible; and
- Redeploy mineworkers to rehabilitation projects.

#### **Intervention 4**

Facilitate sale of distressed and other mining assets

The sale of distressed and other mining assets, that would otherwise be closed have the potential to save and even create jobs in the hands of alternative operators. This may also avoid sterilization of resources. Accordingly, the parties undertook to facilitate where possible, the sale of such assets to interested parties in the event of all other interventions failing. Existing and retrenched workers will be given preferential access to employment opportunities in such cases.

#### **Intervention 5**

Other alternatives to avoid job losses

A Framework in respect of the alternatives and their application in the mining sector will/must be developed. Alternatives to be explored including but not limited to:

- Implementation of the training lay-off scheme;
- (Possible) Extended leave;
- Early retirements;
- Moratorium on the filling of current vacancies;
- Re-skilling employees;
- Voluntary severance packages; and
- Transfers between companies and within industry.

*Ms P Q Megatle*  
*Speaker*

#### **Intervention 6**

Support for mineworkers in the event that job losses cannot be avoided:

- Retrenchment response teams will be deployed to assist with matters relating to UIF, counselling, placement in alternative forms of employment where possible, and with the necessary exit medical certificates that are required for alternative employment purposes;
- Utilising existing mechanisms including social and labour plans (SLPs) as well as the SETAs and NSF for the re-skilling and training of retrenched employees to secure other forms of employment; and
- Assist retrenched workers to access existing support mechanisms to embark on business and entrepreneurial initiatives including through cooperatives and in other economic sectors including in agriculture.

#### **Intervention 7**

Utilization of the Multi National Companies' procurement levy to also support employment opportunities for retrenched mineworkers:

- The parties identified the need to access the aforementioned socio-economic development fund by promoting the implementation of labour intensive projects that can, among others, employ retrenched mineworkers. The parties have resolved to develop a governance framework to establish and manage the fund.

#### **Intervention 8**

Streamlining the processes for downscaling, updating the database and exploring fiscal instruments.

Recognizing the importance of the role of the regulatory environment in ensuring compliance with applicable laws and prescripts, the parties resolved to:

- Explore measures to streamline processes relating to section 52 of the MPRDA and the section 189 of the LRA in respect of downscaling in the mining industry. The parties will develop proposals in this regard;
- Furthermore, enhance co-ordination in respect of the one environmental system in respect alignment of the relevant water, mining and environmental authorization processes;
- Ensure that functioning Future Forums are established at all mines to manage downscaling in a manner that avoids job losses; Ensure that Future Forums as per Section 52 of the MPRDA are in place at all mines to manage downscaling in a manner that limits job losses;
- Continuously update the database to assist in the monitoring of companies that intend to shed jobs, and providing the necessary support to affected employees; and
- Compile a list of possible incentives and fiscal instruments to support mining companies that are in distress.

#### **Intervention 9**

Investment promotion and market development to Support initiatives to promote South Africa's mining industry in major international markets.

#### **Intervention 10**

The development and implementation of communication and implementation plans where there is a risk of job losses to ensure all communication will be handled in a responsible and sensitive manner and as aligned to the Stakeholder Declaration.

To date the mines in the Province with specific reference to the six mines mentioned above, have taken the following measures to save jobs:

- Termination of contractor relationships (temporary/contractor employees still lose jobs)
- Suspending filling of vacancies and redeployment of employees
- Early retirement and voluntary severance packages

Whilst the abovementioned initiatives of the mines have had a positive contribution towards the saving of jobs in the sector, it can be held that more can be achieved through the coordinated efforts of all key sector stakeholders.

This Social and Labor Plan Coordination Strategy is developed in June 2021 and will be due for review only after two years, except when there are pressurizing and convincing reasons to review earlier.

Ms P Q Mogatle

Speaker

