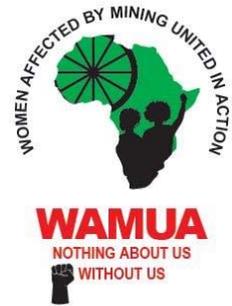




## MACUA & WAMUA - ADVICE OFFICE

Ground Floor, 62 Juta Street  
Braamfontein  
2000  
Johannesburg  
Telephone: 067 720 1594  
Website: [www.macua.org.za](http://www.macua.org.za)



## KUTLOANONG SOCIAL AUDIT REPORT

Harmony Gold  
Tshepong-Phakisa Mine  
2022



Image: Kutloanong community engagement

## Table of Contents

BACKGROUND	2
Harmony Gold in Kutloanong	5
WHAT IS A SOCIAL AUDIT?	6
WHAT IS A SOCIAL AND LABOUR PLAN?	8
WOMEN IN MINING AFFECTED COMMUNITIES	10
METHODOLOGY	11
WHAT HARMONY GOLD COMMITTED TO UNDERTAKE THE FOLLOWING DURING THE SLP YEARS AUDITED (2013-2018): LOCAL ECONOMIC DEVELOPMENT (LED) SECTION	13
1. Legacy Project of the film studio	13
2. Legacy project of Masiming 4 Hostel conversion to family units	13
3. Legacy project for Merriespruit 3 Hostel conversion to family units	13
4. Wellness Centre Kutloanong	14
5. Water reuse project	14
6. Tourism Project	14
7. Thabong Light Industrial Park	14
8. Taxi Ranks	14
DISCUSSION	14
Consultation	15
Multipurpose Wellness Centre	15
Taxi Rank	16
INTEGRATED REPORT DISCUSSION	17
CONCLUSION	19
APPENDICES	21

## **BACKGROUND**

Kutloanong Location is a township located about 10 km outside Odendaalsrus, in the Matjhabeng Local Municipality between Welkom and Allanridge, established to accommodate black people during the apartheid era during which time cheap and disposable labour to work at the mines in the region was in demand. Odendaalsrus is the oldest gold mining town in the Lejweleputswa District Municipality in the goldfields of the Free State Province. Kutloanong is divided into 16 sections, namely: k1, k2, k3, k4, k5, k6, k7, k8, k9, k10 and block 1, block 2, block 4, block 5, block 6 and block 7. The first people to live there were a group of people from Hospital Park; 2km from Odendaalsrus, where they were evicted and forced to live in separate sections according to ethnicity, creating conflict between the tribes who resided in the area at the time.

### **Harmony Gold in Kutloanong**

Harmony Gold initially acquired the Tshepong and Phakisa mining operations in 2003.<sup>1</sup> The mining operations are about 6-8 km from Kutloanong, affecting other labour sending communities in an area which covers 10,798ha in the south-western corner of the Witwatersrand Basin.

According to Harmony's website, Tshepong operations constitute an integrated mining complex in the Free State. The deep-level workings include the Tshepong and Phakisa underground sections. The proximity of these two mines has allowed for the integration of operations, facilitating the use of excess hoisting capacity and underused infrastructure at Tshepong section and debottlenecking Phakisa's constrained infrastructure. Harmony plans to mine at the Tshepong operations for the next 20 years. Conventional undercut mining methods are used at the mature Tshepong section; Phakisa uses the newer conventional undercut and opencast mining method. From Phakisa the rock is transported to the Nyala shaft, where it is hoisted to the surface. Mining takes place

---

<sup>1</sup> <https://www.Harmony Gold.co.za/business/sa/tshepong>: accessed on 05 January 2022.

between 1 500m to 2 300m below the surface. Ore mined is processed at the Harmony One plant, where the gold cyanide leaching process is used to recover the gold.<sup>2</sup>

## **Demographics**

The estimated population of Kutloanong is 100 000, with women making up 51% of the communities' inhabitants. The Matjhabeng Local Municipality has an unemployment rate of 37%, young people being mostly affected with an unemployment rate of 49,7%.<sup>3</sup> Similarly to other mining affected communities, this location has a high number of female-headed households, at 39,8%. With a high unemployment rate, low post matric education rates, women in this community play a vital role in maintaining its economy and well-being through the informal sector and through the opportunities presented by the presence of the mine.

## **WHAT IS A SOCIAL AUDIT?**

A social audit is a community-led process whereby the cogency of the promises made by the mining companies affecting communities are put to the test. Social audits build community power, deepening the culture of participatory democracy and public deliberations by enabling communities to gather and legitimize evidence of their experiences of service delivery, and through this process enables them to claim and realise their constitutional rights to a transparent and accountable mining company. During a social audit the expenditure and service delivery outcomes promised in the Social and Labour Plan (SLP) of a mine are tested to see whether community experiences of those outcomes reflect the vision of implementation as stated in the SLP.

The SLP contains proposed programmes that should be directed at the host mining-affected communities and labour sending areas, to offset the negative impacts of mining and improve the quality of life for both the mine employees and the mining-affected communities. Members of the community collectively participate in the process of verifying the SLP of a particular mine by comparing the stated outcomes with the lived

---

<sup>2</sup> <https://www.harmony.co.za/business/sa/tshepong>.

<sup>3</sup> [http://www.statssa.gov.za/?page\\_id=993&id=matjhabeng-municipality](http://www.statssa.gov.za/?page_id=993&id=matjhabeng-municipality): accessed on 05 January 2022.

experiences and realities of people on the ground. Evidence collected during the social audit is then reported to the responsible stakeholders at a public meeting and used as a vehicle for advocacy by the host community.

Community testimony, knowledge, and experiences are a legitimate and central part of this evidence. A social audit provides a way to build effective and meaningful participation in poor and working-class communities by providing a means for communities to engage with the mine process that affects their lives. They provide an opportunity for poor mining communities to be heard, and space for people who have been excluded, deceived, and cheated out of their benefits to interrogate the cogency of the mine's promises to the community.

Mining companies are significant social players who account for a large portion of the South African economy. This power and financial muscle often allows mining companies the capacity to evade social responsibility using PR consultants and campaigns to produce glossy reports regarding their social commitments to the communities at which they operate. Their Corporate Social Initiative (CSI) strategies are often synchronised with the Social Labour Plan (SLP) commitments, which may paint a good picture on paper, however, contradict the realities on the ground. SLPs are binding to companies and communities are empowered by the MPRDA to require these commitments from the mining companies. The best methodology to interrogate the claims of mine companies is to conduct community-led social audits and collect evidence to verify the realities on the ground to potentially challenge the glossy PR reports.

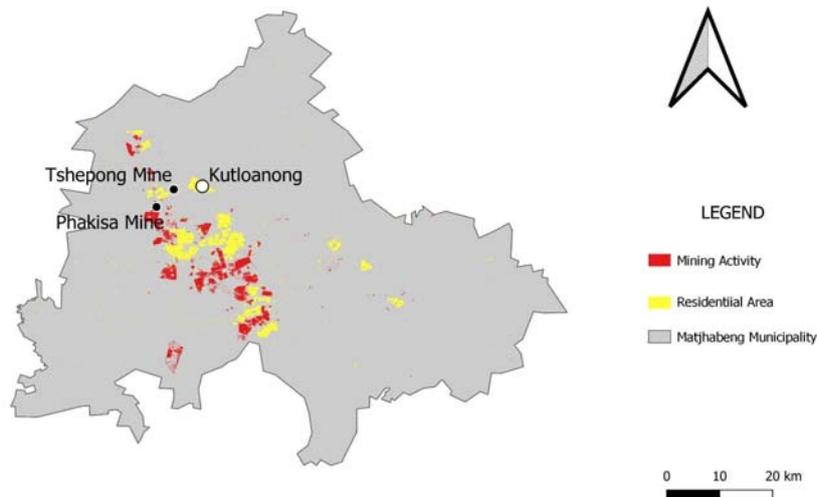
The need to conduct a social audit arose from a process that ran from January to June 2019, and is as follows:

- Harmony Gold made commitments in its 2013-2018 Social and Labour Plan to improve and contribute towards the development of the Kutloanong community.
- To assess and verify the mine's claims regarding their legally mandated contribution to Kutloanong's community development.

- Many Kutloanong community members, especially from the 4 sections (K9, Block 5, Block 6, and K1) complained about the existence of the mine saying that the mine does not keep its promises of job creation and community development.

The social audit was conducted to:

1. Assess the extent of compliance as it regards the legally binding commitments made to the community members of Kutloanong;
2. Assess whether Harmony Gold's SLP obligations are effective, efficient and provide sustainable goals for the community of Kutloanong;
3. Determine if appropriate measures exist that:
  - establish, monitor, and communicate SLP processes and procedures with the community.
  - ensure reliable information is available for all stakeholders involved including the Kutloanong community.
  - and establish and communicate the roles and responsibilities of all parties involved.



## **WHAT IS A SOCIAL AND LABOUR PLAN?**

A Social and Labour Plan is a document that mining companies are required to submit to the Department of Mineral Resources and Energy (DMRE) as part of their application for mining rights. According to the MPRDA, mineral resources of the country are the common heritage of all who live in the country. Section 2 (d) of the MPRDA further states that its objectives are to 'substantially and meaningfully expand opportunities for historically disadvantaged persons, including women, to enter the mining and petroleum industries and to benefit from the exploration of the nation's mineral and petroleum resources'. This emphasises the role of mineral resource extraction and operations as a pivotal means towards community development and women empowerment. Social and Labour Plans, therefore, are the means by which mineral and petroleum exploration can benefit communities.

According to section 23 (1) (e) of the MPRDA, (as amended by section 19b of Act 49 of 2008), the Minister must grant a mining right 'if the applicant has provided financially and otherwise for the prescribed social and labour plan. The MPRDA further place duties on mining right holders:

Section 25 (2) (f) - Duty of holder of the mining right to comply with SLP.

Section 25 (2)(h), read with Section 28 (2) (c) - Duty of mining right holder to report annually on compliance with SLP.

Part II of the Mining and Petroleum Resources Development Regulations (Regulations) further provides for the regulations of SLPs. Section 41 (c) states that the objective of the SLP is to 'ensure that holders of mining rights contribute towards development of the areas in which they are in operation'. Further, section 46 (c) regulates the contents of the SLP and requires that they must include a Local Economic Development Programme (LED) comprising; (ii) the key economic activities of the area in which the mine operates and (iii) the infrastructure and poverty eradication projects that the mine would support in line with the Integrated Development Plan (IDP) of a local municipality and major sending areas. This report is limited to the contents of the LED section of the SLP, and the social audit focused on investigating this section.

An SLP is a five-year plan, which needs to be completed and then renewed by a mine with the DMRE over a five-year period. Once it is approved by the DMRE it becomes a legally binding document, containing commitments made by the company on what it will do for both communities and workers. It also stipulates how and when commitments will be executed, as well as what the budgets are for promised interventions or activities. It is therefore, one of the instruments to address South Africa's long history of inequality in the mining sector. In principle, SLPs should be drafted with the consultation of the communities, however, that is not always the case. Despite the comprehensive and progressive laws in place, the reality is that although the SLP system has been in force for over twelve years, most communities affected by mining still experience abject poverty and underdevelopment. This is partly because SLPs are often designed without adequate consultation with the communities that stand to benefit from the mining operations on their land. Furthermore, mining companies often neglect to deliver on all the SLP commitments, and the DMRE often does not follow up on these commitments or enforce them, to the detriment of mining-affected communities.

The purpose of the SLP, therefore, is to promote employment, advance social and economic welfare, contribute towards transforming the mining industry and ensure that mining companies contribute to the development of the areas where they operate.

## **WOMEN IN MINING AFFECTED COMMUNITIES**



*Figure 1: Kutloanong community volunteers*

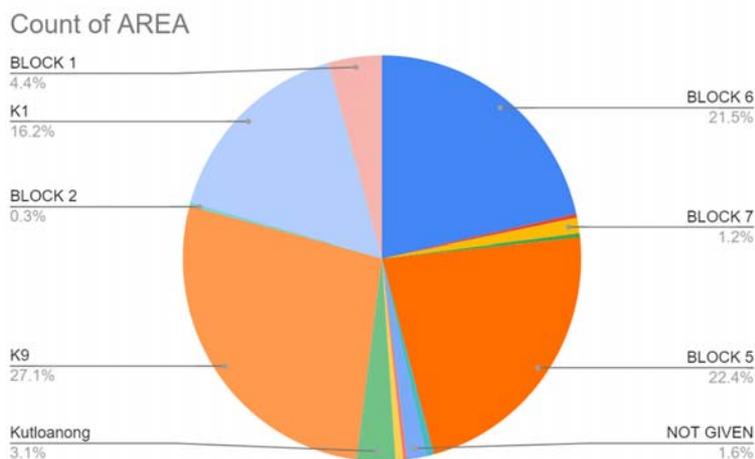
Women who are not formally employed are the backbone of the functioning of mining-affected communities. The sustained employment of men and operation of the mine is indirectly dependent on women as they are heavily involved in social reproductive activities. Social reproductive activities refer to activities which enable their male counterparts to attend work in the mines. This includes activities such as house cleaning, cooking, maternal duties, et cetera. Although social reproduction is pivotal to the functioning of mining-affected communities (and, indirectly, the operation of mines), women are often excluded from decision-making processes as they are not formally employed by mining companies and there is a dominant belief that women are subservient to men in South African culture.

Men in mining-affected communities as such become the primary beneficiaries of mining activities. This is a norm in rural South African communities, as patriarchal structures are a mainstay in South African culture. In mining-affected communities, men are heavily involved in the operation of the mine itself, which provides them with employment and income. As a result, women in mining-affected communities become dependent on their male counterparts due to the lack of employment opportunities available to them. This impedes women's ability to accrue wealth and status in mining-affected communities. In some communities, such as in mining-affected communities in the Limpopo region, women can derive their independence from men through agricultural activities. Produce can be farmed and sold, with the surplus earned being used as an income for women. This may be difficult in regions where mining activity has caused a loss of land. Women in these regions may find it difficult to find alternative income and therefore, remain dependant on males who are employed by the mine, and may resort to sex work - major economic activity taken up by women in mining-affected communities. Sex work exacerbates the spread of diseases such as Tuberculosis (TB) and HIV/AIDS which thrive

in mining-affected communities. Women in sex work also are largely vulnerable to violence and exploitation by clients, and to social stigma due to the lack of regulation and the discreet nature of sex work.

## METHODOLOGY

Data collection included both door-to-door surveying and physical verification. The survey was conducted through a 35-item household questionnaire with closed and open-ended questions. Any adult member of the household was eligible for an interview. Nine communities within Kutloanong were surveyed as part of the social audit.



Community members were trained on SLP interpretation, social audit methodologies, and designing surveys. The questionnaire was designed and followed by a training of community organisers who would conduct the household interviews. During the training, the community organisers had an opportunity to test the questionnaire and agree on ways to probe questions. The training, which was facilitated by ActionAid South Africa (AASA) and MACUA WAMUA Advice Office (MWAO), was also used to solicit the community views on what future inquiries would focus on. The training was conducted from 25 February to 01 March 2019 and data collection occurred specifically on 7th February 2019. Interviews were held in the households. After the fieldwork, a de-brief meeting was conducted where all data collectors discussed issues arising from the survey, challenges, and strategies for making future community inquiries more effective.

Data entry for completed surveys was conducted by MWAO for analysis of the quantitative variables. Theme analysis and quantifying common responses was conducted for the qualitative variables.

The approach for the Social Audit included the following steps:

1. Holding a large meeting in the community and establishing a mandate
2. Preparing and organising the participants
3. Training participants
4. Analysing the Social and Labour Plan
5. Developing and testing the Social Audit questionnaire
6. Gathering evidence
7. Capturing community experiences and testimonies
8. Agreeing on the main findings and organising evidence
9. Reflecting and following up.

## **HARMONY GOLD COMMITTED TO UNDERTAKE THE FOLLOWING DURING THE SLP YEARS AUDITED (2013-2018):**

### **LOCAL ECONOMIC DEVELOPMENT (LED) SECTION<sup>4</sup>**

The SLP audited was from Harmony Gold Mining at Tshepong and Phakisa mine operations. From 2013-2017 the Harmony Gold committed to undertake the following under their Local Economic Development Section:

#### **1. Legacy Project of the film studio**

- Committed to building infrastructure for a film studio, creating an administrative block, editing suite, sound stages, studios for training, short films, TV sitcoms, racing track, actors' village, hotels, gym and spa, greater backlog, conference facilities and greening screens

---

<sup>4</sup> Harmony Gold Mining Limited. *Social and Labour Plan, Tshepong and Phakisa Mine, Free State:Randfontein: Harmony Gold Mining (Ltd). 2013, at 123.*

- Create 600 permanent jobs and 1500 temporary jobs
- Implementation: 2014-2015

\*During the community engagement meeting held on 09 March 2022, it was noted that Harmony replaced the project due to the project not being feasible. This cannot be verified until the nine grants MWOA the annual compliance report as requested.

## **2. Legacy project of Masiming 4 Hostel conversion to family units**

- Committed to contributing bridging funding to renovate, upgrade, and convert existing hostel blocks into family units
- 3000 temporary jobs created
- Budget: R350 000.00
- Implementation: 2013

## **3. Legacy project for Merriespruit 3 Hostel conversion to family units**

- Committed to contributing bridging funding to renovate, upgrade and convert existing hostel blocks into family units
- 3000 temporary jobs created
- Budget: R350 000.00
- Implementation: 2013-2014

## **4. Wellness Centre Kutloanong**

- To establish a multipurpose centre in the K9 ward, Kutloanong
- The municipal building was renovated for R521,000. Phase 2 is planned to include sporting activities and events.

## **5. Water reuse project**

- Committed to finding an alternative use for purified sewage water, along with other funders, other than discarding it in the Mostert Canal and Sand River.

## **6. Tourism Project**

- Committed to converting a shaft area into a gold mining tourism destination with an underground restaurant and hotel.

## **7. Thabong Light Industrial Park**

- Committed to establishing a park where informal businesses can sell their services and products.

## **8. Taxi Ranks**

- Committed to establishing a taxi rank with proper structure and shelter for commuters, hawker stands, ablution facilities and offices for taxi organisation's administrative purposes
- 70 temporary jobs to be created

## **DISCUSSION**

The results of the social audit (see Appendix A) were analysed in relation to the commitments made by Harmony Gold in their SLP. This includes an analysis of the awareness and knowledge of SLPs by the community, the Wellness Centre, and the Taxi rank.

### **Consultation**

When asked if they know what an SLP is, the community of Kuloanong responded with an overwhelming number (91%) of community members saying they do not know what an SLP is, which could be because they have not been consulted by the mine previously. Only 2 people, which constitutes 0.6% of the entire data set, had previously participated in consultations from which the mine formulates its SLP. The remaining 319 people, 99.4%, had never been involved in the formulation of the SLP, even though the majority had been living in Kutloanong for more than one year. Concerning the specific SLP of the mine audited, once again 98.1% of the respondents had never seen the SLP, which is concerning considering that communities affected by mining ought to know what benefits are due to them as host communities.

It therefore holds that Harmony Gold did not sufficiently consult the community affected by its operations, with specific regard to their SLP and the benefits due to the community



of Kutloanong. This is problematic because it means that even if Harmony Gold neglected to implement any of the projects in their SLP, the community would not be aware of this breach. The community of Kutloanong would then not be able to hold Harmony Gold accountable for its failures.

### **Multipurpose Wellness Centre**

Harmony Gold committed to establishing a multipurpose centre in the K9 ward, Kutloanong. The multipurpose centre was to be situated in the Municipal building which had been renovated at a cost of R521 000.00 in Phase 1. Phase 2 was the establishment of a wellness centre for public use. The multipurpose centre would host sporting activities and events which were planned to be established between 2013 and 2017. Strangely, there was no budget attached to this item in the SLP and therefore it cannot be ascertained how much Harmony Gold had budgeted to do this project. It therefore follows that Harmony Gold did not have a monetary commitment to complete Phase 2.

When asked if they knew of such a multipurpose centre in their community 99.4% of the respondents did not know of such a centre. Furthermore, 317 people said that they did not know what services the multipurpose centre offers because there is no multipurpose centre in Kutloanong.

It can therefore be concluded that a wellness centre as described by Harmony Gold in

their SLP, does not exist in Kutloanong. This suggests that the mine had no intention of implementing this project from the onset. More so, because people in the community were never aware of such a commitment, they could never hold the mine to account in the years immediately following 2017, when the project should have been complete.

## **Taxi Rank**

Harmony Gold committed to establishing a taxi rank in Kutloanong by renovating an existing structure into a functional taxi rank with toilets, offices, hawker stalls and shelter for commuters.



*Image 2: Pre-existing taxi rank structure at Kutloanong*

Based on the survey responses 83.5% of the respondents asserted that they did not know anyone who had worked on the project, while 16.5% said that they knew of people from their community who had taken part in the construction of the taxi rank. When asked about the stands for hawkers, 98.4% of the respondents noted that there were no stands for hawkers, whereas 1.6% stated that selling stands existed at the taxi rank. When asked about ablution facilities at the taxi rank 3.4% of the respondents said there were such facilities at the taxi rank, 1.6% agreed with them, but added that the toilets are not functional. While 95% of the respondents were adamant that there are no ablution facilities at the taxi rank.

Most of the respondents (61.4%) knew of the taxi rank established by Harmony Gold, whereas 38.6% did not know of the taxi rank. On the face of it, it would seem as though the mine had fulfilled its obligation to the Kutloanong community. However, because the

mine was planning on renovating an existing taxi rank and making it more functional, these results of a known taxi rank in Kutloanong are inconclusive. This indicates that the taxi rank Harmony Gold committed to establishing, according to the specifications mentioned, was not built as per the SLP and that the upgrades that were due to take place did not take place. This conclusion is based on survey findings of residents that most participants do not know of, nor benefit from the purported upgrades to the taxi rank. The pre-existing taxi rank, therefore, remains non-functional for commuters.

During the social audit report-back community meeting, it was noted that:

1. The status of all the above projects, according to the community, has not improved since the social audit visits.
2. Community members have noted the presence of containers, which may be related to the Wellness centre. This could not be verified.

## **INTEGRATED REPORT DISCUSSION**

Harmony Gold published Integrated Reports (IR) during the SLP period 2013 – 2017, which explained their business, how they are governed; their strategy and how they implemented it; as well as the results achieved during each reporting period. The IRs are primarily targeted at stakeholders which Harmony Gold identifies as government; society- including the communities of operation and trade unions; industry- including shareholders and customers; and the media. These stakeholders can be described as the macro environment in which the company operates<sup>5</sup>. Interactions with their stakeholders is further reflected in the integrated reports as well as their financial success and general

---

<sup>5</sup> Harmony Gold Mining Company Limited. *Integrated Annual Report 2014*. Randfontein: Harmony Gold Mining (Ltd) 2015, at 2.



health of the company. This part of the report will explore the claims by Harmony Gold, their financial status as balanced by the SLP commitments to the Kutloanong community.

Harmony submitted their SLP in 2013, for approval for the five years to 2017<sup>6</sup>. In financial year FY13 they reported a

revenue of R15 902 billion from their entire global operations, which include South Africa and Papua New Guinea. During this financial year, they spent R119,2 million on community projects. They further reported that they contributed towards the upliftment and empowerment of historically disadvantaged South Africans through their attaining equity ownership above the 26 percent required by the Mining Charter at the time. Tshepong and Phakisa operations contributed 19 percent to the total production<sup>7</sup>.

Following the approval of the SLP submitted, FY14 data was then provided, reflecting the relevant efforts towards implementing the commitments made thereto. Harmony Gold generated R15 682 billion in revenue for the financial year, a decrease from the R15 902 billion they made the previous financial year and shedding 1738 jobs<sup>8</sup>. A commitment of R261 million was made towards SLP projects over the next five years<sup>9</sup>, allocation for LED spending was decreased from R74.4 million to R71.7 million for this financial year 'due to delays.'<sup>10</sup> Harmony Gold did not elaborate on these 'delays', nor did they report on the proposed LED projects earmarked for Kutloanong, although other local projects for other communities were noted. They further claim that a forum regularly meets local stakeholders to discuss and agree on key projects<sup>11</sup>, yet the data from the social audit prove otherwise.

---

<sup>6</sup> Harmony Gold Mining Company Limited. *Integrated Annual Report 2014*. Randfontein: Harmony Gold Mining (Ltd) 2015, at 75.

<sup>7</sup> Ibid, at 67.

<sup>8</sup> Ibid, at 49.

<sup>9</sup> Ibid 75.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

Revenue generated for FY15 declined to R15 435 billion and Harmony further removed 3674 people from their workforce<sup>12</sup>. They spent R62.5 million on LED project, a further cut into the SLP programme due to 'reduced levels of profitability'<sup>13</sup>. According to the report, the Wellness Centre was renovated at a cost of R521 000 by local black empowered company and three temporary jobs were created<sup>14</sup>. It must be noted that this was phase one of the project that was already completed at the submission of the SLP, phase two was not implemented and only three of the thirty temporary jobs promised were created. There was no mansion for the second phase of this project.

FY16 was a positive year for the mine, not so for the Kutloanong community. Revenue increased to R18 334 billion, yet 465 more breadwinners employed at Harmony Gold at lost their income due that year<sup>15</sup>. It is noteworthy that in total, Harmony Gold contributed only 1.1 % towards taxes<sup>16</sup>, royalties, and LED projects during the financial year, while increasing their market price performance against peers in South Africa.

Harmony Gold spent R17 million on LED projects, an incredible decrease from R63.5 million from the previous year<sup>17</sup>. This was attributed to 'reduced levels of profitability and consequent inability to fund these projects in the first half of YF16'<sup>18</sup>. However, the data provided in the same report proves astronomical improvements in revenue in the financial year. There was no specific report on LED projects at all in the relevant section.

The upwards trajectory in revenue generation continued in FY17 where Harmony Gold made R19 264 billion overall<sup>19</sup>. They employed 33 201 people, an improvement that placed their workforce slightly below their FY14 levels<sup>20</sup>. Another increase in LED

---

<sup>12</sup> Harmony Gold Mining Company Limited. *Integrated Annual Report 2015*.Randfontein: Harmony Gold Mining (Ltd) 2016, at 8.

<sup>13</sup> Ibid, at 87.

<sup>14</sup> Ibid, at 91.

<sup>15</sup> Harmony Gold Mining Company Limited. *Integrated Annual Report 2016*.Randfontein: Harmony Gold Mining (Ltd) 2016, at 6.

<sup>16</sup> Ibid, at 9.

<sup>17</sup> Ibid, at 56.

<sup>18</sup> Ibid.

<sup>19</sup> Harmony Gold Mining Company Limited. *Integrated Annual Report 2017*.Randfontein: Harmony Gold Mining (Ltd) 2018, at 10.

<sup>20</sup> Ibid.

spending to R24 million was recorded and was attributed to 'improved profitability'<sup>21</sup>. Maintaining this positive note, Harmony Gold further pledged plans to provide home-based care to medically incapacitated employees in all areas<sup>22</sup>. This gesture is commendable, however at this final reporting in terms of the SLP, there is no mention of the taxi rank commitment.

A further claim that regular community forums with stakeholders to discuss projects at host communities, as well as to discuss and develop industries lacking in the local economy and enterprises necessary to service those industries<sup>23</sup>, is highly disputed. Based on the social audit findings, most Kutloanong residents surveyed were not aware of any consultative gatherings conducted by Harmony Gold during this period.

## **CONCLUSION**

Based on the data collected, it appears that Harmony Gold did not fulfil their commitments based on the 2013-2017 Social Labour Plan for Tshepong and Phakisa<sup>24</sup> mining operations submitted to the Minister. The Kutloanong community generally acknowledges the projects that were partially completed; however, most community members were not aware of some project and could therefore not engage with or hold Harmony Gold accountable. On the items audited, there seems to be concerning lack of consultation with the community. As a result, the community was not able to express areas of priority that would empower the community and create the perception of mutual benefit from the existence of the mine. More importantly, the projects selected were either not completed, or not implemented at all.

The Kutloanong community yearns to benefit from the Harmony Gold mining operations in their area in real and sustainable terms. Given the high unemployment in this community young women, who are the most affected by unemployment and the social consequences it has in the Kutloanong community, an intentional effort to address women

---

<sup>21</sup> Ibid, at 57.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid.

<sup>24</sup> Harmony Gold Mining Limited. *Social and Labour Plan, Tshepong and Phakisa Mine, Free State*:Randfontein: Harmony Gold Mining (Ltd). 2013, at 123.

related issues was in need. Admittedly, this audit did not ascertain who of the interviewed are Harmony Gold employees, however this shortfall can be remedied by reliance on the numbers provided by Harmony Gold in the Integrated Annual Reports for the respective years. It should further be noted that restricted access to historic SLPs for the mining operations at Tshepong and Phakisa limits the scope, analysis and referencing of the data collected.

## APPENDICES

### Appendix A:

#### Results and Observations

4 Sections in Kutloanong were selected to do the social audit with a total of 382 respondents interviewed within the different sections. The average age of the respondents was between 30 and 39.

ITEM	QUESTIONNAIRE	ANSWER	COMMENTS WITH YEAR AND NUMBER
DEMOGRAPHICS	<i>Age</i>	10-19 = 3 20-29 = 81 30-39 = 105 40-49 = 57 50-59 = 36 60-69 = 32 70-79 = 6 80-89 1	
CONSULTATION	<i>Do you know what a Social Labour Plan is?</i>	Yes = 29 No = 292	9% of the respondents did know what an SLP is, while 91% did not know.
	<i>Have you ever seen the Social Labour Plan of Tshephong/Phakis a Mine?</i>	Yes = 6 No = 315	Only 1.9% of the respondents had seen the SLP of Harmony Gold, however 98.1% had never seen one before in their lives.
	<i>Have you ever been consulted by any mining</i>	Yes = 2 No = 319	When asked if they had been consulted by the mine in the formulation of the

	<i>company during their SLP drafting process?</i>		SLP, only 0.6% had participated previously, while the rest of the 99.4% had never been involved at all in any such process.
WELLNESS CENTRE	<i>Do you know of any multipurpose wellness centre that was established in K9 Section by Harmony Gold (Tshephong/Phakisa) between 2013 &amp; 2017?</i>	Yes = 2 No = 319	0.6% of the respondents knew of the wellness centre, even though 27.1% of the respondents were from the area, but only one person knew the location and stated it as Babaza road in section K9. The rest of the respondents (99.4%) did not know of any such multipurpose wellness centre established by Harmony Gold.
	<i>Do you know how much it costs to establish the multipurpose wellness centre?</i>	No = 321	100% of the respondents knew nothing of the budget allocated to the project. And more importantly the majority of respondents did not know what services it offers because there is no multipurpose wellness centre. However, 2 people asserted that the centre provides training and youth activities. <sup>48</sup>
	<i>What services does it offer?</i>	Don't know = 314 There's no multipurpose wellness centre = 3 Training = 1	

		Youth activities = 1 N/A = 2	
TAXI RANK	<i>Do you know of any taxi rank which was established by Harmony Gold (Tshephong/Phakisa) in Kutlwanong between 2013 &amp; 2017?</i>	Yes = 197 No = 124	The majority of respondents (61.4%) knew of the taxi rank established by Harmony Gold, whereas 38.6% did not know of the taxi rank.
	<i>Do you know the budget of the project?</i>	No = 317 1.7 million = 1 2 million = 1 N/A = 2	98.8% of the respondents did not know anything about the budgeted amount of the project, however 2 people guessed that the project was worth between 1.7 million and 2 million rands.
	<i>Do you know of anyone within Kutlwanong community who has ever worked on the project?</i>	Yes = 53 No = 268	83.5% of the respondents asserted that they did not know anyone who had worked on the project, while 16.5% said that they knew of people from their community who had taken part in construction of the taxi rank.

	<i>Does the taxi rank have selling stands for hawkers?</i>	Yes = 5 No = 316	98.4% of the respondents noted that there were no stands for hawkers, whereas 1.6% stated that the selling stands existed at the taxi rank.
	<i>Does the taxi rank have toilets?</i>	Yes = 11 Yes, but they don't work = 5 No = 305	3.4% of the respondents said there were toilets at the taxi rank, 1.6% agreed with them, but added that the toilets don't work. Whereas 95% were adamant that there are no toilets at the taxi rank.