

RUSTENBURG: THE IMPACT OF PLATINUM COMPANIES

October 2015

This infographic is part of the report produced by Eunomix on the 'high level analysis of the impact of platinum mining in Rustenburg' and highlights the main economic, social and financial contributions of these companies in Rustenburg from 2011 to 2014, as well as presents the main challenges, issues and quick-wins to improve Implats SD/CSR strategies and operations.

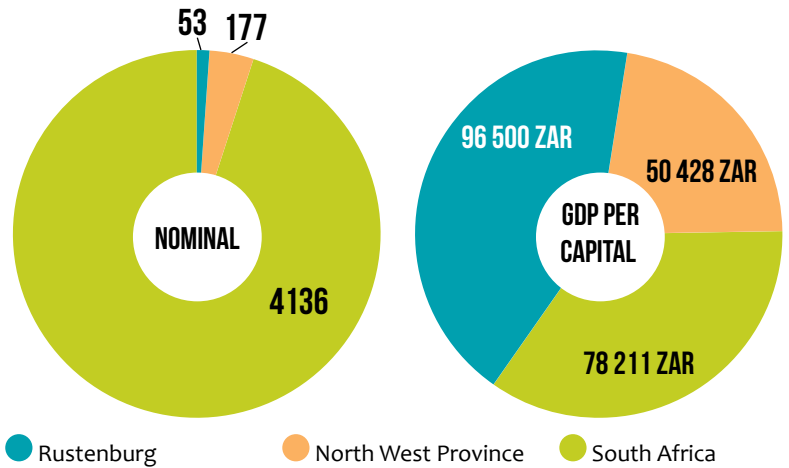
1. RUSTENBURG CONTEXT

While Rustenburg experienced rapid economic growth in the past 20 years, its economy remained 'concentrated' and dependent upon a single industry (platinum) for most of its geographic product. During these years, platinum companies made massive social investments in order to keep their social licences to operate. This strategy, known as the compliance model, was efficient for mining houses under certain macroeconomic and political conditions. However, South Africa's increased economic instability in recent years, union insurgency, economic inequality, on-going migrant labour system, and poor public services at national and local levels have all contributed to the series of wildcat strikes experienced in the country's platinum sector. While these strikes have altered the local and national socio-economic landscape, it is still unclear what this future might look like representing a number of uncertainties to the platinum industry. For more information, please read the 'high level analysis of the impact of platinum mining in Rustenburg' report.

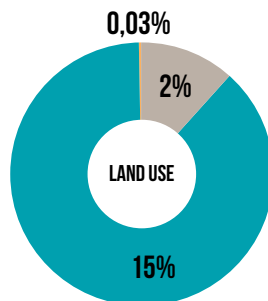
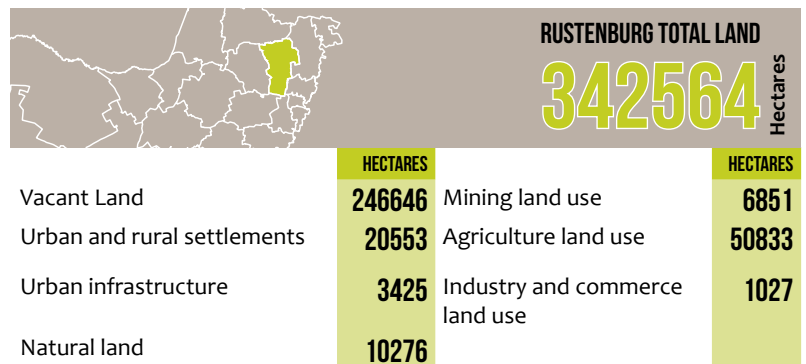
Population distribution



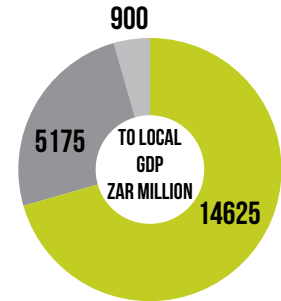
Rustenburg Nominal/GDP per capita Vs. North West Vs. National (Census '11)



Rustenburg land cover by economic sectors Vs. GDP (Census '11)

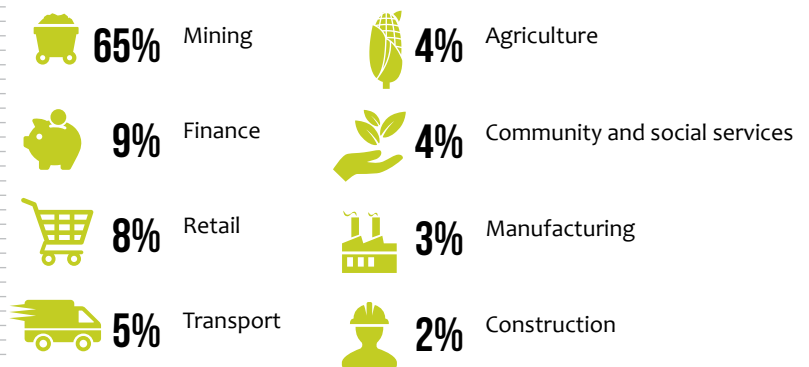


- Mining
- Agriculture
- Industry and commerce



- Mining sector contribution
- Industry and commerce contribution
- Agriculture contribution

Rustenburg GDP distribution by economic segments (Census '11)

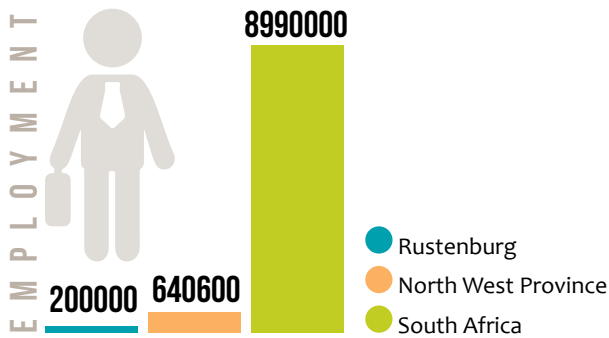


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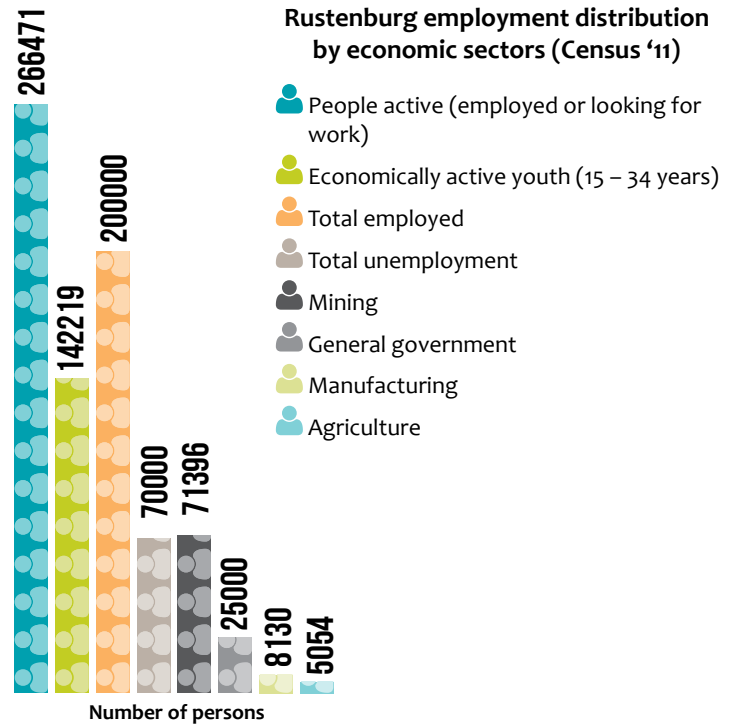
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2. RUSTENBURG SOCIO-ECONOMICS AND ECONOMIC ORGANISATION

Employment (Census '11)



Rustenburg employment distribution by economic sectors (Census '11)



Mining employment distribution (FY'13)

TOTAL NUMBER OF JOBS IN THE MINING SECTOR

71396

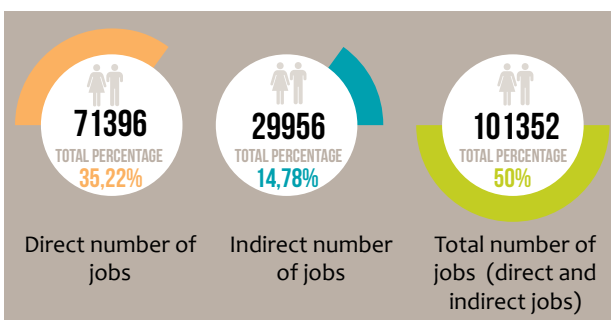
Number of persons



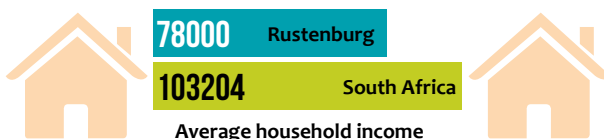
Other major local employers (agriculture and construction sectors)

Implats	Amplats	Lonmin	
25500	32900	7946	1400

Direct and indirect jobs created by platinum companies



Average household income distribution Vs. National (Census '11)



People in Rustenburg are relatively poor with almost 30% (of the economically active population) earning no income at all. In addition, more than 45,000 households live on less than R600 per month. This number of households represents almost 24% of households.

National Vs. Rustenburg number of jobs in the mining sector (FY '13)

TOTAL NUMBER OF JOBS IN THE MINING SECTOR IN SOUTH AFRICA

492000

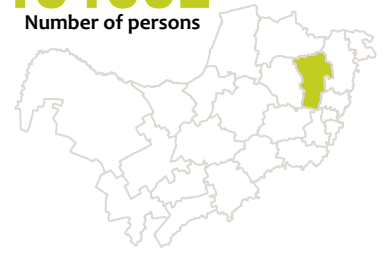
Number of persons



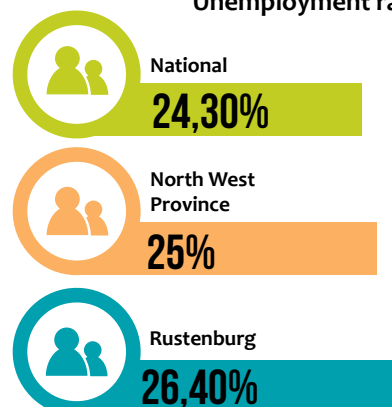
TOTAL NUMBER OF JOBS IN THE MINING SECTOR IN RUSTENBURG (DIRECT AND INDIRECT)

101352

Number of persons



Unemployment rate (Census '11)



Platinum companies are responsible for generating and contributing more than 50% of all direct and indirect jobs in Rustenburg. In addition, the total number of mining contractors (15% of the total jobs in town) is almost the same as the number of public servants in the municipality (14.7%).

3. SOCIAL AND ECONOMIC IMPACTS

Budget allocation (FY'13)



RUSTENBURG MUNICIPALITY BUDGET
2789 ZAR
 million



RUSTENBURG MUNICIPALITY BUDGET FOR HEALTH, EDUCATION, TRANSPORT, COMMUNITY SERVICES, HOUSING
295 ZAR
 million



MINING COMPANIES BUDGET FOR SD INVESTMENTS
853 ZAR
 million

In recent years, local government has consistently overestimated its revenue and underestimated its expenditure. In 2014 the original budgeted expenditure was around ZAR2.7 billion, then adjusted up to ZAR3.6 billion and finally re-adjusted to ZAR3.1 billion. This poor planning and management of the municipal budget increases the challenges faced by the public sector in improving social infrastructure and services in the municipality.

Education in Rustenburg Vs. Platinum companies' impacts (Census '11)



FUNDED BY MINING COMPANIES

Total number of students in Rustenburg
104000

Total number of people in internship programmes
263

Community members in training courses
438

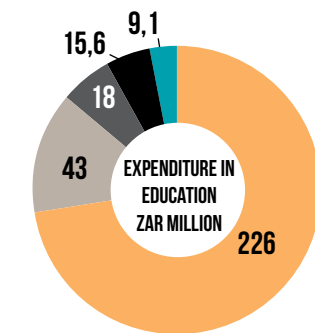
Total number of educators in Rustenburg (in the district)
5500

Total number of students in education programmes
25379

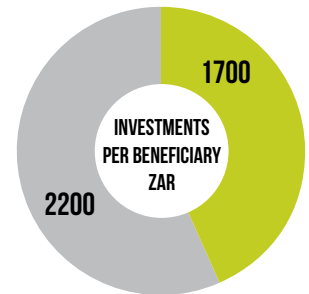
Total number of educators in educational programmes
150

FUNDED BY MINING COMPANIES

Education: Public investments in education Vs. mining investments in FY'13 (FY'11 to '13)



- Rustenburg municipality
- Platinum companies (training and education)
- Implats
- Amplats
- Lonmin



- Mining educational programme
- Public educational programmes

Platinum companies' educational programmes assist about 24% of students in town. The investments per beneficiary in mining educational programmes is about ZAR 1,700 meanwhile the investments per beneficiary in the public sector is ZAR 2,200

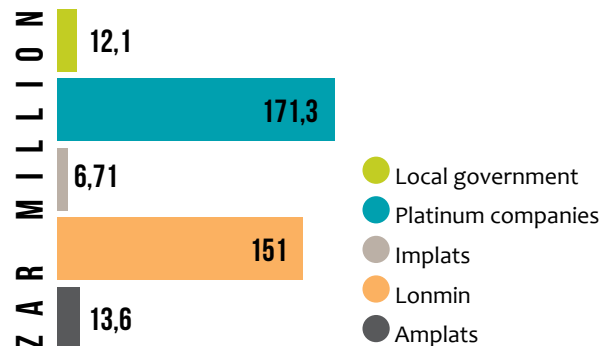
Health: General data (Census '11)



HIV INCIDENCE IN RUSTENBURG **68269** Number of cases

HIV tests applied by mining companies	59 864 people tested
Population with HIV in Rustenburg	21%
Population with HIV in South Africa	10,50%
Female population with HIV in South Africa	51,00%
Female population with HIV in Rustenburg	39 120 number of cases

Public investments in health Vs. mining investments (FY'11 to '13)



- Local government
- Platinum companies
- Implats
- Lonmin
- Amplats

Health programmes and outputs



16875
 TOTAL NUMBER OF PEOPLE RECEIVING HEALTH CARE SERVICES (FUNDED BY PLATINUM COMPANIES)



59864
 per year
 TOTAL NUMBER OF HIV TESTS (FUNDED BY PLATINUM COMPANIES)



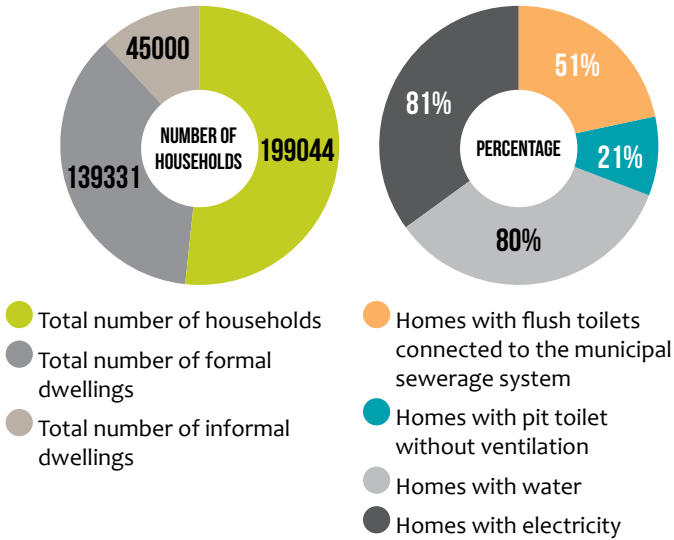
38
 TOTAL NUMBER OF HEALTH FACILITIES IN RUSTENBURG

Platinum companies invest 14 times more in health than the public administration in Rustenburg. Despite these efforts and investments the HIV prevalence in the town is still significant and problematic. For instance:

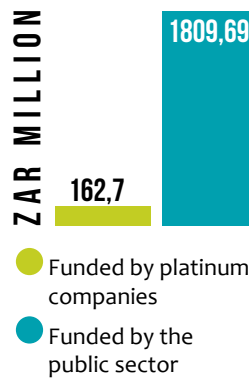
- One in every five truck driver is HIV positive
- 90% of mineworkers interviewed have access to free HIV testing, training courses and treatment, but only 22% use condoms during intercourse
- Three out of four mineworkers infected with HIV were not aware that they carried the virus.

4. SOCIAL AND ECONOMIC IMPACTS

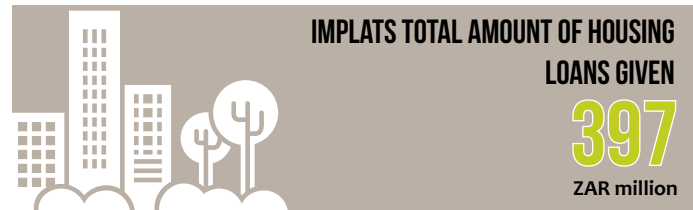
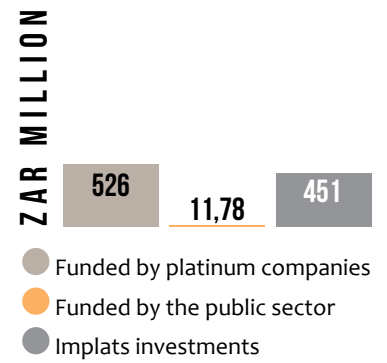
Rustenburg households structure



Investments in infrastructure

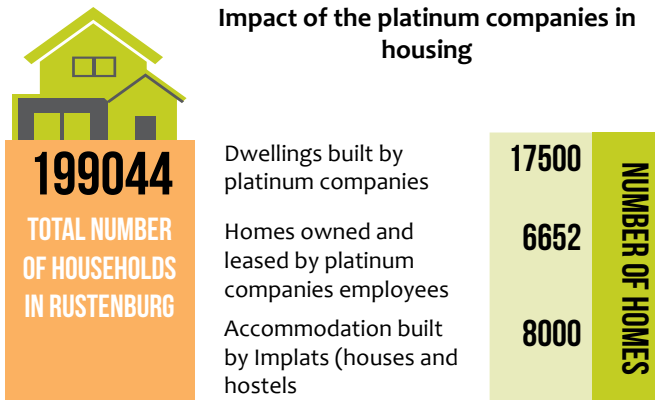


Investments in housing projects (in FY'13)



Investments made by the platinum houses in new formal dwellings helped Rustenburg reduce the percentage (around 30%) of the settlements without formal flush toilet and/or toilets that are not connected to the municipal sewerage system. Platinum houses' investments made in the last three years in accommodation programmes is more than ZAR1,2 billion. This amount is 60 times the total municipal expenditure in housing programmes in the period.

Impact of the platinum companies in housing

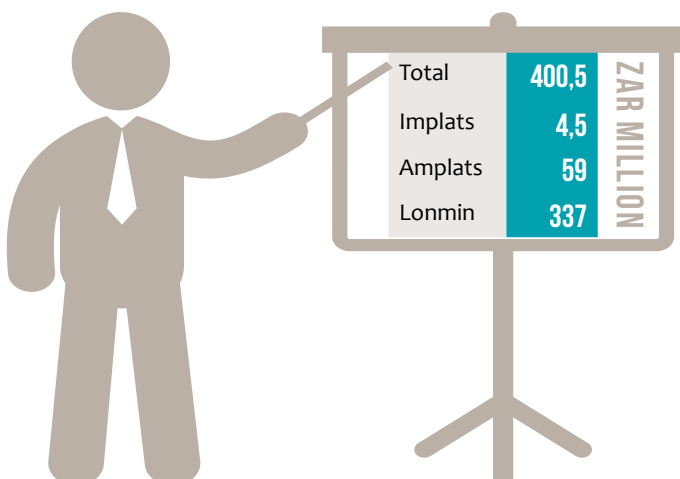


45% of Rustenburg rent their homes and about 30% own their property. The remaining population (around 20%) either live in hostels or in rent-free accommodation. This is clear evidence of the reach of the housing options presented by platinum companies to the community and employees.

Platinum companies investments in SMEs and ED programmes (FY'12 to FY'13)



Local procurement expenditure (FY '11 to '13)



Mining companies investments in community welfare Vs. Rustenburg municipality Vs. Implats (FY'11 to '14)

