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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF MINERAL RESOURCES

NO. R. 1590

11 DECEMBER 2019

**HOUSING AND LIVING CONDITIONS STANDARD FOR THE
MINERALS INDUSTRY, 2019**

I, **SAMSON GWEDE MANTASHE, MP**, Minister of Mineral Resources and Energy, have in terms of section 100(1)(a) of the Mineral and Petroleum Resources Development Act, 2002, (Act No. 28 of 2002), after consultation with the Minister of Human Settlements, Water and Sanitation developed the housing and living conditions standard for the minerals industry, 2019.

The housing and living conditions standard shall come into effect on the date of publication.



MR S G MANTASHE, MP
MINISTER OF MINERAL RESOURCES AND ENERGY

DATE: 15/11/2019



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

**HOUSING AND LIVING CONDITIONS STANDARD FOR THE SOUTH AFRICAN
MINING AND MINERALS INDUSTRY, 2019**

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Vision

To give effect to section 100 (1) (a) of the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002), the National Housing Act, 1997 (Act No. 107 of 1997), the National Housing Code of 2009 and other related policies and legislation by ensuring that adequate housing, healthcare services, balanced nutrition and water are adequately provided to mine employees in South Africa.

Mission

To provide for progressive realisation and protection of mine employees basic constitutional right to human dignity through provision of adequate access to housing, better living conditions and related amenities of life.

Purpose of the document

To ensure that mining right holders provide decent livable integrated human settlements, healthcare schemes, balanced nutrition, water and related amenities to mine employees.

Applicability of housing and living conditions standard

The housing and living conditions standard is applicable to an existing or new mining right holder providing housing and living conditions to mine employees.

This housing and living conditions standard repeals the 2009 housing and living conditions standard.

DEFINITIONS AND ACRONYMS

“Constitution” means the constitution of the Republic of South Africa, 1996;

“Days” means day/s as defined in the MPRDA;

“Department” means the department of Mineral Resources and Energy;

“Existing mining right” means a mining right which was granted prior to commencement of the housing and living conditions standard for the mining and minerals industry, 2019;

“FLISP” means Finance Linked Individual Subsidy Programme;

“Framework agreement” refers to the Framework Agreement for a Sustainable Mining Industry entered into by organised labour, organised business and Government, 2013;

“Housing and living conditions plan” refers to the plan contemplated in item 10 & 11 of the standard;

“Housing and living conditions standard” means housing and living conditions standard for the minerals industry developed in terms of section 100(1)(a) of the Mineral and Petroleum Development Act, 2002 (Act No. 28 of 2002);

“IDP” refers to Integrated Development Plan;

“Mining Charter” means Broad-Based Socio-Economic Empowerment Charter for the Mining and Minerals Industry developed in terms of Section 100 (2) (a) of the MPRDA;

“Minister” means the Minister responsible for Mineral Resources and Energy;

“Mine employee” refers to an employee as defined in the MPRDA;

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

“NDP” refers to the National Development Plan, 2030;

“New mining right holder” refers to a holder of a mining right granted after coming into operation of the housing and living conditions standard for the mining and minerals industry, 2019;

“Norms and Standards” refers to norms and standards developed in terms of section 3(2) (a) of the National Housing Act, 1997 (Act No. 107 of 1997);

“Regional Manager” means Regional Manager as defined in the MPRDA;

“Single accommodation” means an apartment which has been built or renovated in accordance with the housing and living conditions standard intended to accommodate a single person;

“Social and Labour Plan” means social and labour plan provided for in terms of section 23 and regulation 46 of the MPRDA;

“Stakeholder” refers to a person, group of persons and organisations affected or who can be affected by an organisation’s actions which may relate to policies intended to allow the aforementioned to participate in the decision-making in which all may have a stake; and

“Stakeholder Declaration Strategy” refers to the Stakeholder’s Declaration on Strategy for the Sustainable Growth and Meaningful Transformation of South Africa’s Mining and Minerals Industry, 2010.

1. INTRODUCTION

The location of the mining operations which in most cases tends to be far from existing settlement has necessitated the need for mining right holders to make provision for housing as an undertaking to be part of the infrastructure required to develop a mine. In the late nineteenth century, the beginning of modern mining industry which was characterised by barracks of single sex hostels was the cornerstone of the segregation policy compromised the privacy and dignity of mine employees. The lack of proper housing and living conditions and non-adherence to nutritional diet for majority of mine employees in the mining and minerals industry were of substandard nature, adversely impacting on their social lives, health and productivity.

The appalling living conditions under which black mine employees were made to live before the advent of democracy led to a myriad of social ills, including the destruction of the social fabric of community, substance abuse, as well as the contribution and spread of diseases particularly tuberculosis and HIV/AIDS. To address the above challenges the industry stakeholders committed through the Stakeholder's Declaration on Strategy for the Sustainable Growth and Meaningful Transformation of South Africa's Mining Industry, 2010 to restore human dignity of mine employees in line with the Constitution by attaining the occupancy rate of one person per room, upgrading or conversion of hostels into family units, provision of home ownership options and balanced nutrition.

Although the South African mining industry has since made noticeable inroads in progressively upgrading hostels and converting them to single accommodation units, there is still a need to ensure that mining right holders continue to and maintain adequate and liveable housing and living conditions for mine employees. Even though many hostels were converted into single and family units there is still

work that must be done to address the broader objective of ensuring that mine employees live in decent accommodation.

Government recognises mining industry's and various initiatives aimed at progressive realisation of human dignity and decency for mine employees. The collaborative initiatives by all relevant stakeholders including the Special Presidential Package on revitalisation of ghost mining towns, Operation Phakisa process, and framework agreement, are commended and must be pursued and the implementation thereof be expedited.

The overall objective of this document is therefore to provide for housing and living conditions standard with clearly defined principles and processes and to guide mining right holders in providing decent housing and living conditions to mine employees

2. MINE EMPLOYEES HOUSING CONDITIONS PRINCIPLES

To give effect to adequate and decent housing for mine employees' current and future housing needs, the following principles must be considered:

2.1 Develop social, physical and economic integrated housing development within a mine community

- (a) Mine employees housing as part of the remuneration package must be negotiated through collective bargaining;
- (b) A mining right holder who intends developing accommodation for its mine employees shall after consultation with relevant stakeholders, where feasible, acquire land within close proximity of the mine operations and plan housing needs in support of compact, integrated and mixed land use environment;

- (c) The planned housing development must be consulted with relevant municipalities;
- (d) Housing development must be done in a location conducive for the development of a residential area;
- (e) The housing or accommodation of mine employees must be administered on non-racial and non-ethnic lines;
- (f) Housing development must address social facilities and adequate space to accommodate recreational facilities to ensure the elimination and prevention of slums conditions;
- (g) A mining right holder must promote housing delivery for a range of income groups; and
- (h) Housing development must be administered in a transparent, accountable and equitable manner and uphold the practice of good governance.

2.2 Measures to address the housing demand

- (a) A mining right holder must make sufficient provision to respond adequately to the housing needs of mine employees consistent with its growth plans;
- (b) A mining right holder must offer mine employees a range of housing options which includes, amongst others rental accommodation, private home ownership, government subsidised home ownership and living out allowance;
- (c) Housing options must include single and family accommodation and home ownership within places of origin or residence and the place of work; or rental flexibility considering their occupational mobility and a need for temporary accommodation;
- (d) Housing provided by the employer must be redeveloped or developed to have access to electricity, facilities for hot water supply and running water, basic fixtures and fittings in rental stock and access to ablution facilities.

2.3 Involvement of mine employees in the housing administrative systems

A mining right holder must:

- (i) Encourage and support its employees to ensure that their housing needs are addressed; and
- (ii) Put measures in place to educate, train and inform employees of the housing options offered by a mining right holder.

2.4 Promote best practices and compliance with minimum norms and standards in relation to the delivery and management of housing

A mining right holder must:

- (i) Comply with National Minimum Norms and Standards for Permanent Housing Structures as well as the National Minimum Norms and Standards for High Density Residential Buildings approved by the Minister of Human Settlements, Water and Sanitation for the construction of permanent housing or rental;
- (ii) Ensure consistency in housing delivery and the maintenance of acceptable level of quality and sustainable housing development; and
- (iii) Ensure that procurement for housing development is conducted in line with the requirements of the applicable Mining Charter.

2.5 Promote the use of financing schemes in a transparent and accountable manner:

A mining right holder must ensure:

- (i) Transparency in decision making process, information exchange,

accountability and efficiency in the administration of the financing schemes;

- (ii) That financing schemes are used to improve mine employees housing and living conditions;
- (iii) That its employees are informed of available financing schemes for home ownership; and
- (iv) The involvement of mine employees in the form of organized labour during negotiations with financial institutions.

3. HOUSING OPTIONS

A mining right holder must ensure that the housing and living conditions plan submitted to the department includes amongst others, the following options:

3.1 Private home ownership

This type of home ownership refers to ownership where the employee is fully responsible for the payment of the mortgage bond including any subsidies agreed with the employer.

3.1.1 A mining right holder who builds houses or subsidises its employees for building packages or for purchasing an already existing house, either in the place of origin or place of work/residence, must ensure that such housing where feasible is integrated with existing human settlements in line with the Department of Human Settlements Water and Sanitation policies on Sustainable Integrated Human Settlements; and

3.1.2 Where a mining right holder builds houses for home ownership purposes, the mining right holder shall remain responsible for identification, purchasing and rezoning of such land.

3.2 Government subsidised home ownership

Government subsidised home ownership (FLISP) is a subsidy instrument intended to assist qualifying households in the affordable gap housing market by providing a once-off payment to those households who have secured mortgage finance or bond to acquire a residential property for the first time.

To ensure that employees falling within the affordable gap housing market have access to the FLISP, a mining right holder must:

- 3.2.1 After consultation with organized labour identify qualifying mine employees falling within this category and facilitate acquiring of FLISP for such mine employees;
- 3.2.2 Negotiate conducive terms and conditions of the mortgage finance or bond issued by a private financial institution for this category of mine employees; and
- 3.2.3 Ensure that affordable housing market is integrated with existing human settlements.

3.3 Rental Accommodation

- 3.3.1 A mining right holder must subsidise mine employees for rental accommodation built by the mining right holder or provided by third parties as agreed during collective bargaining and in line with the proposed housing and living conditions plan.
- 3.3.2 Where a mining right holder is developing rental accommodation, the mining right holder must after consultation with the relevant local government and organized labour identify a land/area or an area zoned for human settlement for purposes of developing rental accommodation for its employees.

- 3.3.3 The identified land/area must where feasible be integrated with an existing human settlement within a local municipality, metropolitan or a district municipality.
- 3.3.4 The identified land/area may be owned privately, by a mining right holder or local government.
- 3.3.5 Where rental accommodation is provided by a third party, the mine employee must submit proof of decent rental accommodation.
- 3.3.6 A rental subsidy shall not be payable to mine employees without proof of decent rental accommodation.
- 3.3.7 Rental accommodation must include single and family units based on the needs of mine employees.

3.4 Living out allowance for housing purposes

- 3.4.1 A mining right holder must after consultation with organized labour determine a living out allowance payable to a mine employee who is not receiving any rental or homeownership subsidy from the mining right holder.
- 3.4.2 A living out allowance shall be payable to an employee who has proof of decent accommodation.

4. EXISTING MINING RIGHTS

An existing mining right holder must within a period of twelve months from the date of publication of the Standard and after consultation with organised labour, submit a detailed Housing and Living Conditions plan indicating the following:

- 4.1 Maintenance of single and family units in line with the National Norms and Standard approved by the Minister of Human Settlement, Water and Sanitation.
- 4.2 Where applicable, a detailed plan to finalise single and family units hostel conversion upgrades.

- 4.3 A three-year detailed plan to phase out living out allowances where proof of decent accommodation has not been submitted.
- 4.4 Current and future housing option schemes/allowances, if applicable; and
- 4.5 In addition to a detailed plan referred to above, submit an Employer Assisted Housing Scheme consistent with its growth plans.

5. NEW MINING RIGHTS

- 5.1 A new mining right holder must within a period of twelve months from the date of granting of the mining right consult with organized labour, relevant municipality and the Department of Human Settlements, Water and Sanitation regarding its mine employee housing and living conditions needs.
- 5.2 A mining right holder must after consultation with stakeholders referred to in 5.1 develop an Employer Assisted Housing Scheme.
- 5.3 The scheme referred to in paragraph 5.2 must be submitted to the department for noting and recording.
- 5.4 An employer assisted housing scheme must make provision for the following housing options:
 - (a) Private home ownership
 - (b) Government subsidized Housing;
 - (c) Rental accommodation; and
 - (d) Living out allowance.
- 5.5 The employer assisted scheme must also make provision for differentiated financial solutions for mine employees.

6. MINIMUM BASIC SERVICES APPLICABLE TO NEW AND EXISTING MINING RIGHTS

A mining right holder must adhere to the minimum basic services prescribed (water, electricity, roads, sanitation etc.) by the department of Human Settlement, Water and Sanitation.

7. BASIC FEATURES OF A SINGLE UNIT AND FAMILY UNIT

A mining right holder must ensure that the development/construction of any form of accommodation is in line with the approved minimum standards published by the National Department of Human Settlement, Water and Sanitation.

8. COLLABORATION WITH GOVERNMENT DEPARTMENTS AND/OR ENTITIES OF GOVERNMENT

8.1 In most mine communities, bulk infrastructure is owned by mining companies as opposed to the local municipality. In such instances a mining right holder may collaborate with government or entities of government, other mining companies operating within the same mine community and other private sector role players to deliver decent human settlement for its employees.

8.2 Therefore the approach to existing and new cooperative collaborations may entail the following:

- (a) Greater alignment of the various economic and social players;
- (b) Project development structuring, end-user finance, the blending of accommodation of employees and mine community members; and
- (c) Sharing of available infrastructure with municipalities for social purposes other than mining.

8.3 Where the collaboration referred to above has linkages with or impacts on the mining right holders approved Social and Labour Plan and requires amendment of the approved Social and Labour Plan, such mining right holder must apply to the department to amend the approved Social and Labour plan as provided for in terms of Section 102.

9. PRINCIPLES FOR LIVING CONDITIONS

Sufficient, suitable and adequate mine employee living conditions are crucial components linked to productivity of mine employees and must be provided for at an affordable, equitable and sustainable manner by the mining right holder. In order to ensure employees decent living conditions, a mining right holder must provide:

- (a) Affordable, equitable and sustainable health care schemes for the employees.
- (b) Sufficient, suitable balanced nutrition and portable water; and
- (c) Clean, safe and healthy environment.

10. HOUSING AND LIVING CONDITIONS PLAN

Human dignity and privacy for mine employees are the hallmarks to enhance productivity and expedite transformation in the mining industry in terms of housing and living conditions.

In this regard an existing mining right holder or a new mining right holder who intends to provide housing options to its mine employees must, take into account the principles enshrined in this standard and submit a Housing and Living Conditions plan.

11. CONTENTS OF A HOUSING AND LIVING CONDITIONS PLAN

The Housing and Living Conditions plan must be consulted with organised labour, relevant municipality and related stakeholders.

The Housing and Living Conditions Plan must address amongst others, the following issues:

- (a) Outline measures on how the mining right holder will implement the housing and living conditions principles that are outlined in this Standard.
- (b) Provide the current status of available accommodation for employees and a targeted response to specifically quantified and profiled housing needs of employees;
- (c) Preferred options for housing and living conditions of the mine employees;
- (d) Where applicable provide the status of progress in converting or upgrading of hostels into single quarters and family units;
- (e) An Employer Assisted Housing Scheme;
- (f) Mine closure and post mining development.

12. REVIEW OF THE HOUSING AND LIVING CONDITIONS STANDARD FOR THE SOUTH AFRICAN MINING AND MINERALS INDUSTRY

The Minister may, after consultation with the Minister responsible for Human Settlements, Water and Sanitation, review the Housing and Living Conditions Standard for the South African Mining and Minerals Industry by notice in the Government gazette.