INDUSTRY INNOVATOR | SERIES: PART 5

Meeting with local traditional authority leadership in Limpopo

Talking to mining communities

About mine closure

In theory, everyone involved in mining understands that a mine has a limited life and will eventually deplete its ore reserves and close; however, the likely impact of closure on communities is generally not a topic that many stakeholders want to discuss.

According to Adel Malebana, senior social scientist at SRK Consulting, there has been some recognition of the value of this engagement by certain large mining houses. "We have seen corporate policy starting to respond to this issue," she starts. "In some companies there are guidelines on how to engage with stakeholders on issues of mine closure, and there is growing awareness that this needs to be done sooner rather than later in the mine's life cycle."

On the other hand, there is also a pervasive attitude in the mining industry that prefers to avoid the topic. After all, it could demotivate employees and affect the running of the business – especially if the process is left until the mine is already struggling to remain viable.

There is currently no legal requirement to engage with communities on closure

issues until very late in the mine's life. As part of mine closure, mine owners are commonly required by law to undertake an environmental authorisation process. In South Africa, for example, this is driven by the fact that the decommissioning of the operation is a listed activity in terms of the country's National Environmental Management Act (NEMA). This process includes stakeholder engagement, which is often the first time that local communities and other affected stakeholders officially hear about the impending closure of the mine.

"History has taught us that mines have tended to engage with local communities mainly as part of the requirement of authorisation processes," Malebana notes. "More recently – as mines acknowledge the demands of their social licence to operate (SLO) – there have been more engagement platforms created to reach out to communities."

These platforms, however, often have their own focus areas which do not include mine closure. In most cases they might be more focussed on specific areas of activity, such as corporate social investment projects.

She highlights that there are various stakeholders that rely on the mine, who need to be considering the impacts that closure will have on them. For labour unions and mine employees, an important engagement platform in the South African context is the Future Forum, which is required as part of Social and Labour Plan obligations in terms of the Minerals and Petroleum Resource Development Act (MPRDA).

"In other instances, where there are payments being made for lease agreements and royalties, community structures and leadership need to be well informed and in advance," she says. "Mines also often support the building and operation of community

infrastructure like schools; the partners in these kinds of projects need early information on the mine's plans, so that they can strategically plan their sustainability going forward."

She notes that it remains common for mine-supported projects to collapse when a mine downscales or closes – as there is insufficient planning for handover that ensures long-term survival.

"Another aspect to consider is the expectation held by future generations," says Malebana. "In mining towns, school learners will often be encouraged to pursue studies that align with a potential career on a mine. If there is an awareness that the mine will not always be there – or indeed specific knowledge of when a mine might close – these expectations could be better managed."

Part of the mine's SLO is therefore to help these groups and individuals to mitigate the effects of closure, by planning ahead. However, difficult past relationships with local communities – including various legacy issues – can make mines reticent to initiate any engagement on the impacts of closure. At the same time, there is often a sense of denial, even within the communities themselves, about prospects of closure.

"This makes it vital that engagement starts early in the mine's life, so that the subject is 'normalised' and is not seen by communities as just an argument to push through retrenchments, for instance," she emphasises.

The views of mine stakeholders – from employees to other community members – should also be encouraged, as valuable contributions to closure solutions. This is best done at a time when the mine is operating profitably, so that ideas to make communities more resilient can be turned into plans and implemented. Collaborating in this way also allows communities and partners to identify closure opportunities and own the solutions, thus improving their chances of success.

She reveals that while mines often try and keep closure discussions confidential, they need to remember that employees – and the communities they live in – are usually aware of what is taking place. Communities may also formulate their own interpretations of events, which could lead to tensions.

"Word of mouth is still the most common means of information sharing, hence people will interpret messages as they understand them if there is no clear guidance from the mine," Malebana explains. As in crisis communication, mines need to take the initiative and be the first source of information on mine closure. This demands that their information is correct and credible, and should create the opportunity for stakeholders to act constructively in response.

Exploring 'social closure' of mines

All mines will close, and this closure has a profound and often devastating impact on surrounding communities and towns. It is accepted that responsible mines have a central role to play in mitigating this impact, by helping improve the resilience of local economies in the face of mine closure. How to facilitate such a 'social transition' away from dependence on mining is a complex task.

This article is the fifth, and last, in a series where professionals from SRK Consulting share experience, lessons and insights that contribute to resolving this inevitable challenge. It tackles the conundrum of how a mine should engage transparently with community stakeholders about mine closure. **MRA**

KEY TAKE-OUTS FROM THE SERIES:

- *Article 1: Sustainable social transitioning to life after closure*
  - Begin with a paradigm shift in corporate thinking
  - Communities are not just passive beneficiaries
  - Appreciate the assets in a community
  - Use these assets to build socio-economic sustainability

- *Article 2: Lessons learnt in self-sustainable community projects*
  - Avoid dependency on mine only
  - Business training for self-sufficiency
  - Broaden customer base beyond mine

- *Article 3: Economic diversification in the local economy of a mine*
  - Promote diversification through supply chains
  - Build capacity in smaller suppliers
  - Support informal sector with training, infrastructure

- *Article 4: Launching retrenched employees into new avenues*
  - Conduct skills audit
  - Address problem of over-indebtedness
  - Create options with retrenchment packages

- *Article 5: Engaging communities to plan for mine closure*
  - Start closure engagements early in mine life
  - Build the right platforms for communicating
  - Be first with information, and be credible

↑ From left to right: Adel Malebana, Lisl Fair, Ashleigh Maritz and Jessica Edwards