



## Media statement by the Bench Marks Foundation

### Community's Plight underlines need for proper Compensation

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#### FOR IMMEDIATE RELEASE

The plight of a community near Sishen in the Northern Cape highlights once again the need to properly and adequately compensate people who are impacted by mining, according to John Capel, Executive Director of the Bench Marks Foundation.

Capel was responding to reports this week drawing attention to 25 families who are refusing to leave the town of Dingleton, Northern Cape, to make way for mining by Kumba Iron Ore.

Talks about relocating the town have been going on since the 1980s. Following a lengthy process of consultation and impact studies, many of the residents have been moved in the last two years.

However, a handful of residents are refusing to be moved and some want substantially more compensation for their homes before they will agree to relocate.

"This is a story we hear time and time again of mining companies who "negotiate" with communities from a position of strength, rather than of fair play. The end result is that people are persuaded to move for pitiful sums of money, which in no way reflect the value to the mining company of the land they own.

"In the case of Dingleton, it appears that some families have realised that the land they own is of far greater value than has been offered them as compensation and, understandably, are refusing to move.

"Unless and until mining companies play fair with communities in compensating them correctly according to the mineral rights contained in their land, these kinds of disputes will continue.

"Not only do the actions of mining companies create dissension between those who have moved and those who refuse to move, they hold up the economic progress of the expanding mine anyway. It's a lose-lose for everyone and underlines the need to provide fair compensation in the first place," Capel added.

Another community whose woes have recently been in the spotlight is that of the defunct Blyvooruitzicht Gold Mine near Carletonville in Gauteng, with a report released last week saying that the 6 000 people of the village are existing on the edge of the mine in extreme poverty.

For more than 70 years, the mine had been profitable and a village grew up around it. In 2013, however, the mine initiated insolvency proceedings and operations stopped overnight.

Capel says: “We at Bench Marks have said on numerous occasions that mines have to make provision and plan for the end of their economic lives. Without this, communities that have grown up around them and the environment are usually left impoverished and devastated.

“Of course, such provisions will impact on their bottom line; but this is one of the costs of mining that cannot be ignored,” he said.

Capel added that organisations such as Bench Marks Foundation and others will continue to lobby the mining industry and government to ensure that adequate planning for rehabilitation is done.

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Bench Marks Foundation is an independent non-governmental organisation mandated by churches to monitor the practices of multi-national corporations to

- ensure they respect human rights;
- protect the environment;
- ensure that profit-making is not done at the expense of other interest groups, and
- ensure that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporations.

The Foundation was launched in 2001 by the Rt Rev Dr Jo Seoka who chairs the organisation and by member churches of the SACC.

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