

**LED8 of 2019**

**PROGRESS REPORT ON AGRICULTURAL ENTERPRISES IN MATJHABENG LOCAL MUNICIPALITY AED: LED) (15/2/3/28)**

**1. PURPOSE**

The purpose of the report serves to inform the Council about the agricultural enterprises that are operational and doing well in Matjhabeng Local Municipality.

**2. BACKGROUND**

Agriculture in South Africa has a central role to play in contributing to the ailing economy; hence agriculture can contribute significantly to food security. Agriculture is considered as one of the important economic sectors in the alleviation of poverty in South Africa. Taking agricultural production into consideration, the reduction of the unemployment rate, economic growth, and job creation are key challenges in South Africa. National Development Plan requires progress on abroad front in which the three identified priorities by this plan is raising employment through faster economic growth and jobs.

There are various grants, funding, and incentives that have been made available by the government to assist new entrants and existing farmers in developing agriculture. There last two enterprises of livestock production are co-managed by two farmers using their own funds and resources for their enterprises.

Only six enterprises which had been identified for this report are the following:

**2.1 Mohodung Corner Project**

The Matjhabeng Local Municipality is the owner of Farm Gelukspan 394 RD, Remainder of portion 2 situated in the district of Virginia (Free State Province) measuring 257 hectares. Local Economic Development Directorate has allocated land to Ms. Ntswaki Jeannet Lenyehelo who is one of the emerging farmers. The intention for this initiative was to empower Ms. Ntswaki Jeannet Lenyehelo who is a young woman to produce and cultivate the land in question for her to be able to participate in the mainstream of our economy.

The Department of Agriculture and Rural Development (Free State Province) has identified and approved Mohodung Corner Project for assistance in the financial year 2018/19 under CASP conditional grant to the total of R730 000.00 under the following conditions: She is expected to enter into a Transfer Payment Agreement with the Department of Agriculture and Rural Development.

1. To sign a Service Level Agreement and utilize the funds received from the Department in accordance with the Project Plan approved by the Department and the scope of the Project.
2. To support the scope of the implementation of the Project with due skill, care, and diligence.
3. To act in line with any requirements and specification of the Department.
4. Furthermore, Department of Agriculture and Rural Development convened a meeting on the 1st of November 2018, at Glen IPJ Hall to ensure that all the beneficiaries understood the terms and conditions of the grant(CASP). About 100 hectares of the farm was cultivated around January 2019 and harvesting is expected between May and June 2019.

## **2.2 Pepper's Primary Co-operative**

Department of Rural Development Rural Enterprise and Industrial development Branch has supported the Pepper's Primary Co-operative with the following Items

- 100 Bosmara breed cows with calves
- 5 Bonsmara Bulls
- 2500 bales of Lucerne
- 65kw tractor
- 2m renovator
- 25kg Lucerne smuts finger grass

## **2.3 Dihoai Cooperative**

Dihoai Farming is an agriculture business based in Welkom (Free State) and their primary products include the production of poultry feeds and broilers. Dihoai Farming is currently working with other small scale poultry producers to grow, process and distribute both fresh and frozen chicken in the local market, some retailers and mines.

Dihoai Farming is at the moment more involved with the production and processing of chickens on a small scale, the product is then sold in the local market either as live or frozen chicken. In addition to producing and supplying poultry feeds, they are also involved in assisting other small scale chicken producers in the local area by slaughtering of their live chickens at a reasonable fee.

Department of Agriculture and Rural Development has supported the Dihoai cooperative with the following items.

1. Building new abattoir which can slaughter 10 000 chickens per day
2. Pelletizer machine
3. Renovation of chicken houses
4. Upgrading of silos

## **2.4 Letlotlo cooperatives**

The cooperative that consists of six members. It is a youth project that is situated in Odendaalsrus Letlotlo have a lease agreement with the municipality in Kalkyl farm.

Department of Agriculture and Rural Development has supported the Letlotlo cooperative with the establishment of the following item of Layer chicken house for 1000 chicken capacity.

## **2.5 Farm Eva 127 RD, Portion 2 situated in the district of Odendaalsrus**

Matjhabeng Local Municipality is the owner of Farm Eva 127 RD, Portion 2 situated in the district of Odendaalsrus (Free State Province) measuring 64 hectares and Farm Eva 127 RD, Portion 10 also situated in the district of Odendaalsrus (Free State Province) measuring 04 hectares. Both pieces of land are allocated to Mr. Molatoli Thabiso Adam and Mr. Msibi Isaac Thabo for livestock production. Mr. Molatoli Thabiso Adam and Mr. Msibi Isaac Thabo are young people who are residing in Matjhabeng and their intentions are to do different enterprises in livestock farming and they are currently doing Cattle Farming, Goats and Piggery as a start to participate in the mainstream of our economy.

Currently, Piggery structures are constructed and two borehole systems that were vandalized were revamped at their own costs and the project is fully operational both the beneficiaries are having Mini Butcheries (Chesa Nyama) which are situated at Nkoane Road (Oriental Butchery) and Constantia Road (Senogo Butchery). They slaughter their livestock (Pigs and Cattle) at an abattoir which is situated at Theunissen (Masilonyana Local Municipality) and their market is currently local.

## **5. CHALLENGES TO BE ADDRESSED**

- There is too much doubt about the emerging farmers' ability to add value to their own economic status and address their social needs.
- There is a huge gap with regards to capacity building of emerging farmers.
- Lack of entrepreneurship characteristic of emerging farmers.
- Emerging farmers are entirely dependent on government support.
- Government-funded agricultural enterprises are unsustainable and collapse after government support
- Agricultural extension support does not adequately support farmers' needs.

## **6. POLICY POSITION**

None

## **7. LEGAL IMPLICATIONS**

Lease Agreements entered into between the Municipality and Emerging Farmers

## **8. FINANCIAL IMPLICATIONS**

None

## **9. RECOMMENDATION:**

1. Submitted for noting

**LED9 of 2019**

**GRANTING OF SUPPORT TO THE MASAPO MINING AND REMINING SERVICES FOR THEIR ENVISAGED APPLICATION FOR MINING PURPOSE (AED: LED) (6/4/2/2)**

**PURPOSE**

This report serves to request the granting of support to the Masapo Mining and Remining Services in their endeavour to mining activities.

**BACKGROUND**

The Masapo Mining and Remining Services in a local emerging prospective mining entrepreneur Matjhabeng Local Municipality in Welkom. Their objective is to play a diversified role in the mining industry and also focusing in small scale mining as their main area of operation.

The Masapo Mining and Remining Services wants to use the opportunity that might be available because mining it has been the main driving force behind the history and development of this area and mostly it's economy. Gold discoveries played an important part in the growth of the early Matjhabeng Local Municipality's economy.

The Masapo Mining and Remining Services want to part of and support the achievement of the objectives of the National Development Plan which requires progress on abroad front in which the three identified priorities by this plan is the raising employment through faster economic growth and jobs. Furthermore, with regard to NDP priority areas, the government had promulgated the act known as the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA). The purpose of MPRDA is amongst others to transform the mining and production industries in South Africa. Within the Department of Mineral Resources (DMR), there is a Directorate for Small-scale Mining. This department was set up to implement government policy with regards to supporting the development of the Small-scale Mining.

**CHALLENGES FACED BY PROSPECTIVE SMALL SCALE MINING**

Noting that mining of any type of mineral is regulated following the promulgation of the MPRDA. The main challenge faced by these prospective applicants is a financial resource which is supposed to be used for issues of consultation for the development of the environmental plan which should include the financial provision. This provision presents a barrier for many people wanting to enter the sector at this level.

Even if the small scale mining managed to source funding in order to meet the applicable requirements, their application more often get rejected by DMR because Harmony still holds the mining license for most of the areas identified by applicants even if there are no operations taking place or shafts or even areas had a long time declared closed by Harmony Gold Mining Company Limited.

**POLICY POSITION**

**(MPRDA) 2002:** The Small scale mining sector in South Africa is regulated through the Mineral and Petroleum Resources and Development Act (MPRDA) 2002

**NATIONAL DEVELOPMENT PLAN 2020, CHAPTER 3:**

**ECONOMY AND EMPLOYMENT**

**Aims to decrease** the unemployment rate from 24.9 percent as in June 2012 to 14 percent by 2020 and to 6 percent by 2030. This requires an additional 11 million jobs. Total employment should rise from 13 million to 24 million.

**LEGAL IMPLICATIONS**

No legal implications

**FINANCIAL IMPLICATIONS**

No financial in implications

**RECOMMENDATIONS:**

1. Support by means of a letter be given to Masapo Mining and Remaining Service

**LED10 of 2019**

**REQUEST FOR THE PURCHASING OF FARMS FOR PURPOSE OF  
COMMONAGE DEVELOPMENT (AED: LED) (8/3/3/5)**

**PURPOSE**

The purpose of this report is to request approval from the Council to request the Department of Rural Development and Land Reform for the acquisition of farm for commonage purposes.

**BACKGROUND**

The Department of Rural Development and Land Reform has acquired land for the municipality for different purposes over the years, one of which is commonage purposes. The land acquired has, however, come with challenges as the number of small scales farmers continue to increase resulting in reduced grazing capacity, and in cases the land not being suitable for other agricultural projects. In other instances such as in Bronville, Kutlwanong, Welkom, and Ventersburg the agricultural land had been taken and is used for human settlements.

The primary purpose of the Commonage program is to give subsistence farmers and emergent farmers access to municipal land. The subsistence farmer makes use of commonage to supplement income and to provide for household consumption, while the emerging farmer makes use of commonage as a stepping-stone where the gradual transition from subsistence to semi-commercial to commercial can be accommodated.

The Department of Rural Development and Land Reform provide funds to enable resource-poor municipalities to acquire land to extend or create commonage. The Grant for the Acquisition of Municipal Commonage enables municipalities to acquire land for commonage purposes.

**PROBLEM STATEMENT**

The land agrarian reform in South Africa is driven by a political, social and economic program that has to redress the unfair and unjust land acquisition by the minority of the South Africa country against the majority communities). Political pressure is gaining momentum to find a solution in order to redistribute land as a way to remedy past injustice and lay reasonable programs. 1996, the South African Constitution set a foundation as to where to start in order to address the land issue.

The 1996 Constitution of South Africa is the principal and highest authority law of the country, as stipulated in Chapter 2 of the bill of rights.

Section 25(5) of the 1996 Constitution of South Africa states that; “The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.” Thus this sections guide the land reform policies and all agrarian support strategies and programs.

Agriculture is considered as one of the important economic sectors in the alleviation of poverty in South Africa. Taking agricultural production into consideration, the reduction of the unemployment rate, economic growth, and job creation are key challenges in South

Africa. These formidable challenges still exist despite government's extraordinary efforts through the introduction of the poverty mitigation strategies of which agricultural development is one sector which is receiving the support. The South African government is trying to reduce the unemployment rate by introducing various agricultural related strategies which seem not to succeed.

Livestock serves as a threat to traffic as there are no fences. The extension of commonage around Matjhabeng Local Municipality will improve livestock management, reduce accidents caused by stray animals, create job opportunities, attract funders for agricultural activities, and improve the lives of the poorest communities.

## **DISCUSSION**

The Directorate of LED, Planning and Human Settlements has in the past years identified different farms to be used for commonage purposes; it is for this reason that we request the council to give approval for the process of identification and acquisition to go ahead. This will benefit different small-scale farmers in Matjhabeng Local Municipality.

## **LEGAL IMPLICATIONS**

A council resolution is needed for the Department of Rural Development and Land Reform to acquire land for commonage purposes.

## **FINANCIAL IMPLICATIONS**

Land Acquisition is the competency of the Department of Rural Development and Land Reform and as such the department will provide funds to acquire land for commonage purpose. All cost related to the sale and transfer of the property will be for the account of the Department of Rural Development and Land Reform. It will be again for the municipality as the farm will be an additional asset.

## **POLICY/LEGISLATIVE POSITION**

The objects and duties of local government with regard to development, section 152 of the Constitution sets out the five objects of local government (all of which relate directly and/or indirectly to matters pertaining to development, including rural development).

The developmental duties of municipalities are identified in section 153, which section states that all municipalities must prioritize the basic needs of the community and promote social and economic development.

Municipalities must also participate in national and provincial development programs. This includes local government's compulsory participation in national and provincial rural development programmes.

After purchasing, the farm will be transferred to Council which makes it be a legal custodian and will then be leased to the interested and prospective emerging farmers in Matjhabeng Local Municipality.

## **RECOMMENDATIONS**

1. It is recommended that Council to resolve that the Department of Rural Development and Land Reform (DRDLR) be requested to purchase the farms as an extension of current commonage farms for the Matjhabeng Local Municipality which will be used for commonage purpose.

LED11 of 2019

**REPORT ON NATIONAL TOURISM INFORMATION MANAGEMENT SYSTEMS (NTIMS) DATA COLLECTION PROJECT (AED: LED) (15/2/3/55)**

The purpose of the report is to report on the Free State Tourism Buddies 2016 programme.

**BACKGROUND**

The Department of Tourism is embarking on a 12 months programme to recruit, train, capacitate and place 600 unemployed youth (2 per local municipality) in all 257 municipalities across the country. The primary objective of this programme is to collect Tourism related data needed to understand the tourism footprint and to build a National System that will host content for the entire tourism sector. This initiative will also equip youth with skills to collect essential and quality data on tourism businesses, services and products which is fit for use, analysis and dissemination. Furthermore, this project is aimed at capacitating unemployed youth with skills necessary for future employment and entrepreneurial prospects.

The NTIMS data collection project is a multi-stakeholder project spanning all the three spheres of government. The stakeholders for this project include, among others, Department of Labour, Statistics South Africa, Provincial Tourism Departments, Municipalities, SALGA, COGTA and various Tourism Authorities.

**OBJECTIVE OF THE PROJECT**

The data to be collected will establish the entire footprint and related businesses and services so that analysis can be done to understand the geographic spread, trends, etc. to inform planning and strategic initiatives growth of the sector.

**DISTRIBUTION OF THE NTIMS LEARNERS:**

Food and Beverage NQF4; Twenty five (24) learners from Matjhabeng Local Municipality of which:

- 1 are from Thabong
- 2 are from Odendaalsrus
- 1 is from Hennenman

**Selection of beneficiaries:**

1. The National Department of Tourism (NDT) approached the Department of Labour to assist in identifying the relevant candidates for the programme from their database.
2. The Matjhabeng Local Municipality's LED Department was also approached.

**1. ACTION PLAN**



<b>ACTION</b>	<b>COMMENTS</b>
1. Disseminate and publish the advertisement on the training programme	Short notice was given
2. Assist with the process of recruitment and selection of youth	Names have been submitted
3. Host data collectors and capturers in our municipality	The data collectors have started reporting to the municipality
4. Provide essential working tools where needed.	An office has been provided to the learners
5. Provide supervisory personnel for the data collectors for proper monitoring and reporting	The learners are being supervised by the municipality

## **2. FINANCIAL IMPLICATIONS**

Learners to receive a stipend of R159.99 per day which would amount to R3 519.78 in a month for twelve months. The National Department of Tourism appointed MMC as a consultant for this programme. The funds are subject to availability of the EPWP budget.

## **3. CHALLENGES AND SOLUTIONS**

<b>CHALLENGES</b>	<b>SOLUTIONS</b>
1. Communication from the NDT not good.	1. Every step of the project to be communicated with the municipality
2. Learners uniform not ordered on time as a result to date learners have not commenced with the actual work they were recruited for.	2. Learners uniform to be ordered so that they can commence with their work.

## **4. POLICY / LEGISLATIVE POSITION**

The Constitution of the Republic of South Africa 1996  
The White paper on National Tourism Policy as amended in 1996  
Tourism BEE Charter  
National Tourism Sector Strategy  
Matjhabeng Tourism Sector Strategy

## **11. RECOMMENDATIONS**

1. That the report be noted

LED12 of 2019

**REPORT TITLE: FORMULATION OF MATJHABENG LED STRATEGY (AED: LED) (18/1/18)**

## **1. PURPOSE OF REPORT**

The purpose of the report is to report on the process of the Matjhabeng LED Strategy formulation.

## **2. BACKGROUND**

Local Economic Development (LED) is a means of systematic identification, development and utilisation of economic opportunity. As the local economy grows, poverty is reduced and the public sector income increases. The context and the direction for the role of municipalities in economic development is provided in the White Paper on Local Government. It states that “Local government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities”. Its role is therefore to create a conducive environment for economic development and growth

A strategic plan is a document used to communicate with the organisation the organisations goals, the actions needed to achieve those goals and all of the other critical elements developed during the planning exercise. An LED Strategy document needs to be developed in order for the municipality to align itself with long term goals. The purpose of this document is to collate all economic information and investigate the options available to broaden the economic base of the Matjhabeng Local Municipality. The project aims to have a meaningful impact on the local economy thereby addressing the challenges of economic growth, poverty alleviation and job creation.

It is in this light that the Matjhabeng Local Municipality approached the Harmony Mining Company as part of the Social Labour Plan (SLP) to fund the formulation of this document.

### **2.1 PROJECT NAME**

Matjhabeng LED Strategy

### **2.2. PROJECT LOCATION**

Matjhabeng

### **2.3. BENEFICIARIES AND WHAT THE PROJECT MUST ACHIEVE**

- The goal of this document is to assist and support the Matjhabeng Local Municipality to identify LED opportunities and to develop a LED strategy for the Municipality.
- The LED strategy will identify and evaluate the most recent development changes in the local economy. It will also align the document with district, provincial and national initiatives.
- The LED strategy aims to develop feasible implementation plans to thrust the economic development of the municipality forward onto additional paths of economic growth and expansion.

- The LED study forms part of the IDP process.
- The purpose of the LED is to assist the Matjhabeng Local Municipality in creating an enabling environment that allows for economic development to occur within sustainable parameters.

## 2.5 ACTION PLAN AND PROGRESS

Four potential service providers were invited to make presentations at the Harmony Offices on the 23 November 2018.

**\*\*\* See attached the LED Strategy presentation notes 23 November 2018 on page 1 to page 4 of the Annexures.**

One company Urban-Econ has been identified as a service provider of choice in a meeting held on the 5 December 2018.

**\*\*\* See attached the LED Strategy Presentation notes 05 December 2018 on page 5 to page 7 of the Annexures.**

Appointment letter was issued on the 14 March 2019 to Urban-Econ Development Economists. It will remain in full force and effect until 14 August 2019.

**\*\*\* See attached Urban-Econ appointment letter on page 8 to page 10 of the Annexures.**

On 2 April 2019 an inception report was submitted.

**\*\*\* See attached MLM LED Inception Report 2019 on the Separate Cover 1.**

On 12 June 2019 the Matjhabeng Status Quo was Presented and Submitted.

**\*\*\* Matjhabeng LM - Draft Status Quo Report on the Separate Cover 2.**

## LEGAL IMPLICATIONS

The Local Government Transiting (amendment act) Act of 1996  
National Development Plan (NDP)  
National Framework for LED in South Africa

## 3.RECOMMENDATIONS

1. That the report be noted

**LED13 of 2019**

**PROGRESS REPORT ON PANNEL OF SERVICE PROVIDERS FOR THE TRANSACTIONAL ADVISORY SERVICES TO MATJHABENG LOCAL MUNICIPLITY FOR A PERIOD OF THREE (3) YEARS (AED: LED) (11/5)**

**PURPOSE**

Purpose of the item is to give a feedback on progress made to date in regard to Appointment of panel of Transactional Advisors for Matjhabeng Municipality.

**BACKGROUND**

Management consulting is the practice of offering business third party advice, expertise, and support with the aim of enhancing the business's performance resulting in an overall increase in the value of the business for its shareholders and other stakeholders.

The Matjhabeng Local Municipality seeks to need to re-organise business functions and to create and rejuvenate revenue streams and increases the pressure for supply chain to react to business need for management consultants speedily.

The Lejweleputswa District Municipality's vision is "to be a leader in sustainable development and service delivery by 2030". As part of Lejweleputswa District, the Matjhabeng Local Municipality seeks services of a transactional advisor to assist them in the planning, procurement and implementation of large – scale transactions for water, roads and electricity, transactional planning, feasibility analysis, procurement and contract management.

The panel will consist of specialised, highly experienced professionals and service providers with an international footprint, able to provide the local municipality with access to practical experienced consultants. The selected service providers shall consist of these categories:-

- Business management
- Finance consulting
- Supply chain consulting
- Capital project and real estate management
- Information, communication and technology consulting

**PROGRESS TO DATE**

Invitation to tender was re-advertised on 30<sup>th</sup> March 2019, reason for re-advertisement was due to previous advertisement not listed on Central Supplier Database (CSD). The tender closed on the 22<sup>nd</sup> May 2019, and more than 10 companies responded to the bid, the documents are still at supply chain for verification of compliances. The Evaluation and Adjudication processes expected to be concluded by 1<sup>st</sup> August 2019, the report will be presented in the next meeting.

**FINANCIAL IMPLICATIONS**

Rejuvenate revenue streams to the Municipality.

**RECOMMENDATIONS**

1. That the Committee note the report.

**LED 14 of 2019**

**THE IMPLEMENTATION PLAN FOR PROJECTS TO BE FUNDED BY SAND VAN HEERDEN (EDMS) BPK (VIRGINIA, FREE STATE) THROUGH SOCIAL AND LABOUR PLAN COMPLIANCE (AED:LED)(3/1/4/3)**

**PURPOSE**

The purpose of this report is to submit the project implementation plan for the water reticulation in Nieuwemoed and fencing for Youth Businesses Corners to be located in Virginia, Meloding.

**BACKGROUND**

According to the Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, Mining companies must submit their Mine Works Plan (MWP), Environmental Management Plan (EMP) and Social and Labour Plan (SLP) when applying for mining rights. The five-year Cycle of SLP must ensure that upon the granting of mining rights, the mining activities cater for the needs of the current and future generations through community development initiatives.

The SLPs also covers the human resources development plans (HRD), employment equity (EE) plans, plans for the housing and living conditions of employees, and for the management of downscaling and retrenchments. The main objective of SLPs is to promote economic growth and employment, and advance social welfare by ensuring that mining companies contribute towards socio-economic development in areas in which they are operating (DMR, 2010).

The purpose of the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) is amongst others to transform the mining and production industries in South Africa. In order to ensure effective transformation in this regard, the Act requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights.

**PROBLEM STATEMENT**

If mining SLPs are not properly aligned with municipal IDPs as required by DMR guidelines, this may result in the loss of an investment opportunity for community development, economic growth, poverty reduction and infrastructure development.

See page to of annexures for copy of proposal for water reticulation in Nieuwemoed farm and fencing proposal for Youth Businesses Corners all to be located in Virginia, Meloding.

**DISCUSSION**

Directorate Strategy and Support Services (IDP)  
Project beneficiaries  
Department of Mineral Resource (DMR)  
Sand van Heerden (Edms) Bpk (Virginia, Free State)  
Engedime mining consultants

**POLICY POSITION**

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA. 1996 (ACT 108 OF 1996).

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002,  
The Mining Charter (Broad Based Black Economic Empowerment in south African Mining and Minerals)

Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIPs)

The Chapter 10 of the Matjhabeng Local Municipality Integrated Development Plan (IDP) which encapsulate Social and Labour Plan initiatives, programmes and projects make provision According to the Chapter 10 of the Matjhabeng IDP 1017-2022, this chapter in the IDP is meant specifically to respond to this requirement of the above-mentioned legislation in making sure that all player in the Mining and Quarry Extraction Industry are compliant and their Social and Labour Plans, in particularly Community Development project are geared toward Local Economic Development. The IDP is a 5 year renewable annually based on the negotiations with a mining house the Service Delivery & Budget Implementation Plan (SDBIPs) for the financial year 2017 – 2018/ 2018 – 2019 which its objective is to facilitate the planning and the implementation of the Mining Social Plans in Matjhabeng Local Municipality.

### **LEGAL IMPLICATIONS**

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, According to section 23, 24 & 25 of the MPRDA, mining companies must submit a Social and Labour Plan (SLP) when applying for mining rights, and the local economic development (LED) of the SLP must be aligned with the Local and District Municipality Integrated Development Plan (IDP). The alignment between the SLP and IDP Local Economic Development initiatives provides a platform for investment opportunity, economic growth, poverty reduction and infrastructure development

The objectives of the Social and Labour Plan are to:

- (a) Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the (MPRDA);
- (b) Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA);
- (c) Ensure that holders of mining or production rights contribute towards the socioeconomic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (Section 2 (i) of the MPRDA, and the Charter); and
- (d) To utilize and expand the existing skills base for the empowerment of HDSA and to serve the community. (Revised Social and Labour Plan Guidelines October 2010)

Once a company is awarded a mining right, the Social and Labour Plan (SLP) they submitted becomes a binding legal document.

### **FINANCIAL IMPLICATIONS**

Financial inflows: Financial investment in in farms in

### **RECOMMENDATION**

1. That the Item Be noted and accelerated to council.

**LED15 of 2019**

**THE IMPLEMENTATION PLAN FOR PROJECTS TO BE FUNDED TETRA4 IN (VIRGINIA, FREE STATE) THROUGH SOCIAL AND LABOUR PLAN COMPLIANCE (AED: LED) (3/1/4/3)**

**PURPOSE**

The purpose of this report is to submit the project implementation projects to be funded by Tetra4 which intended be located in Virginia, Meloding.

**BACKGROUND**

**2.1 Social and Labour Plan (SLP)**

According to the Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, Mining companies must submit their Mine Works Plan (MWP), Environmental Management Plan (EMP) and Social and Labour Plan (SLP) when applying for mining rights. The five-year cycle of SLP must ensure that upon the granting of mining rights, the mining activities cater to the needs of the current and future generations through community development initiatives.

The SLPs also covers the human resources development plans (HRD), employment equity (EE) plans, plans for the housing and living conditions of employees, and for the management of downscaling and retrenchments. The main objective of SLPs is to promote economic growth and employment and advance social welfare by ensuring that mining companies contribute towards socio-economic development in areas in which they are operating (DMR, 2010).

The purpose of the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) is amongst others to transform the mining and production industries in South Africa. In order to ensure effective transformation in this regard, the Act requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights.

**2.2 Tetra4**

Tetra4 is a vertically integrated and gas producer operating in South Africa around the Virginia Magisterial District. They currently have a petroleum production license issued by the Department of Mineral Resources (DMR) through the Petroleum Agency of South Africa (PASA).

**2.3 The Meloding taxi rank**

Tetra4 intends to provide solar energy for the taxi rank complex as there is non-existence of any electricity which affects the 26 formal kiosk tenants to sustain their business. The Meloding taxi rank serves as a central point of the commuters transport system. There is a taxi administrative offices, ticket sale offices, ablution facilities and also have kiosk planned to be used for SMME trading hubs. The taxi rank is complemented by formal trade structure which is meant to accommodate local traders.

Situated immediately to the west adjacent the township location of Meloding within the jurisdiction of the Matjhabeng Local Municipality. Is situated in Meloding Street about 25

km southeast of Welkom city center. Access to the property is through the Meloding way (street).

The Meloding taxi rank has 26 formal kiosks with electricity and water. Out this number only ten are occupied and functional. But even those which are functional lack a lot of support and acquisition of necessary equipment.

### **2.3 Meloding Community Centre (Hall)**

Meloding Community Centre (Hall) also serves as a base from which a wide range of services and products can reach communities. The aim is for communities to access such services and engage in government programs for their empowerment. As a result, Meloding Community Centre (Hall) is a necessary poverty alleviation strategy that needs to be promoted for the improvement of the quality of community life.

Generally, the Meloding community center is being used as a facility providing meeting spaces; social, educational and recreational activities; and health, support, and information. This center includes a community center, local halls, and meeting room.

A community facility is generally denoted as a physical structure or center, whereas a service is often a program or activity that is delivered to the community. Thus a community facility, provided it is designed and managed properly, can be used to house and provide any number of community services, programs, and activities. Often communities during public participation engagements/meeting do not express an explicit need for an actual physical center (Infrastructure). Instead, they will express their demand for services such as youth development programs, arts, and crafts activities, dance classes Sports, recreation, and other activities promoting physical fitness and teamwork;

Understanding the service needs in a community is fundamental to determining the appropriate extent and design of community facilities required to support the (often diverse) range of activities that residents wish to see provided for their community.

#### *2.3.1 Community Hall*

Community infrastructure can be defined as community services, facilities, and networks which support individuals, families, groups and communities to meet their social needs, to maximize their potential for human development and to enhance community wellbeing.

#### *2.3.2 Youth Facilities*

A youth center is a community center specializing in meeting the needs of young people. The facility can usually house a youth worker or program coordinator to deliver on-site and outreach youth programs and services. Youth centres may be accommodated within library or hall facilities but require a specific focus. There is currently no dedicated youth center provided in Meloding.

#### *2.3.3 Library*

A branch library caters for a more localized area and offers access to both text and online resources for learning, and can also incorporate meeting spaces and areas for study.

### **3. Tikwe Primary School**

Tikwe Primary School is a state primary school located at 369 Kopanong Street, Meloding, Virginia. The school has enrolled about 1200 learners. During the visit to the school and discussion with staff, it was realised that the sports facility is not in a good state. Having recreation and sports facilities at schools not only contribute to the overall wellbeing of



learners but also nurtures their talents outside the classroom. Tetra4 have agreed to fund facilities for the development learners. Sport is a contributing factor to prepare learners for their later life. In order to prepare learners through sport and movement, it is necessary to put in place a balanced recreation and performance program.

### **3. PROBLEM STATEMENT**

If mining SLPs are not properly aligned with municipal IDPs as required by DMR guidelines, this may result in the loss of an investment opportunity for community development, economic growth, poverty reduction, and infrastructure development.

### **4. DISCUSSION**

- 4.1 Petroleum Agency of South Africa (PASA)
- 4.2 MMC's for LED and Planning
- 4.3 Ward councillors
- 4.4 Tetra4

### **5. POLICY POSITION**

#### **CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA. 1996 (ACT 108 OF 1996).**

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002,  
The Mining Charter (Broad-Based Black Economic Empowerment in South African Mining and Minerals)

Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIPs)

Chapter 10 of the Matjhabeng Local Municipality Integrated Development Plan (IDP) which encapsulate Social and Labour Plan initiatives, programs and projects make provision

According to the Chapter 10 of the Matjhabeng IDP 1017-2022, this chapter in the IDP is meant specifically to respond to this requirement of the above-mentioned legislation in making sure that all player in the Mining and Quarry Extraction Industry are compliant and their Social and Labour Plans, in particularly Community Development project is geared toward Local Economic Development. The IDP is a 5-year renewable annually based on the negotiations with a mining house the Service Delivery & Budget Implementation Plan (SDBIPs) for the financial year 2017 – 2018/ 2018 – 2019 which its objective is to facilitate the planning and the implementation of the Mining Social Plans in Matjhabeng Local Municipality.

### **6. LEGAL IMPLICATIONS**

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, According to section 23, 24 & 25 of the MPRDA, mining companies must submit a Social and Labour Plan (SLP) when applying for mining rights, and the local economic development (LED) of the SLP must be aligned with the Local and District Municipality Integrated Development Plan (IDP). The alignment between the SLP and IDP Local Economic Development initiatives provides a platform for an investment opportunity, economic growth, poverty reduction, and infrastructure development

The objectives of the Social and Labour Plan are to:

- (a) Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the (MPRDA);

- (b) Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA);
- (c) Ensure that holder of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (Section 2 (i) of the MPRDA, and the Charter); and
- (d) To utilize and expand the existing skills base for the empowerment of HDSA and to serve the community. (Revised Social and Labour Plan Guidelines October 2010)  
Once a company is awarded a mining right, the Social and Labour Plan (SLP) they submitted becomes a binding legal document.

## **7. FINANCIAL IMPLICATIONS**

Financial inflows: Financial investment in farms in municipal property.

## **8. RECOMMENDATION**

1. That the report be noted, supported and accelerated to Council.

LED16 of 2019

**REQUEST MUNICIPALITY, TO GRANT TSHABA-NELO (PTY) LTD SUPPORT FOR THE INTENDED REHABILITATION PROGRAMME OF A SLIME DUMP (AED: LED) (6/4/2/2)**

**PURPOSE**

To request Municipality, to grant Tshaba-Nelo (PTY) LTD support for the intended rehabilitation programme of a slime dump. The slime dump that has been identified is in the jurisdiction of Virginia, Virginia Farm (15) according to Municipal evaluation belongs to Harmony Gold Mine.

**BACKGROUND**

Tshaba-Nelo (PTY) LTD is a Small Scale Mining Company and 100% black owned entity. Tshaba- Nelo (PTY) LTD is a company that belongs to the community members from Matjhabeng Local Municipality, Tshaba- Nelo appointed Engedi Minerals and Energy (Pty) Ltd as consultant to lodge a mining permit application with the Department of Minerals Resources (DMR). The application was lodged on the 2<sup>nd</sup> of April 2019. Harmony Gold Mine is a mining right holder of the slime dump situated in Virginia Farm 15

The Company is to engage Harmony with the aim of concluding a co-operative agreement in respect of how the two operations will co-exist over the same area which agreement must be submitted to the office DMR for the finalization of the application.

Tshaba-Nelo (PTY) LTD has also made commitments to assist in terms of rehabilitating the slime dump on the above mentioned farm. The stimulation and the development of Small Scale Mining in this region will however boost the local economy The company has estimated cost implications to be around R65 million.

**Tshaba-Nelo (PTY) LTD is focusing on:**

- Poverty alleviation
- Job creation the Company aims to employ the youth and women from the historical disadvantaged communities.
- The Company has further made a commitment to give exposure to HDI/Companies to mining business in the Free State.

**LEGAL IMPLICATION**

Liability transfers

**FINANCIAL IMPLICATION**

No financial implications for the Municipality.

**RECOMMENDATIONS**

1. The Municipality to grant Tshaba-Nelo (PTY) LTD necessary support.

LED17 of 2019

**PROPOSED SOCIAL AND LABOUR PLAN BY AFRICAN CARBON ENERGY PTY LTD (AFRICARY) THEUNISSEN UCG PROJECT. (AED: LED) (13/2/1/1)**

**1. PURPOSE**

The purpose of this report is to submit the proposed projects to be funded by African Carbon Energy (Pty) Ltd (AFRICARY).

**2. BACKGROUND**

**2.1 Social and Labour Plan (SLP)**

According to the Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, Mining companies must submit their Mine Works Plan (MWP), Environmental Management Plan (EMP) and Social and Labour Plan (SLP) when applying for mining rights. The five-year cycle of SLP must ensure that upon the granting of mining rights, the mining activities cater to the needs of the current and future generations through community development initiatives.

The SLPs also covers the human resources development plans (HRD), employment equity (EE) plans, plans for the housing and living conditions of employees, and the management of downscaling and retrenchments. The main objective of SLPs is to promote economic growth and employment and advance social welfare by ensuring that mining companies contribute towards socio-economic development in areas in which they are operating (DMR, 2010).

The purpose of the Mineral and Petroleum Resources Development Act, 2002, (Act No 28 of 2002) (MPRDA) is amongst others to transform the mining and production industries in South Africa. To ensure effective transformation in this regard, the Act requires the submission of the Social and Labour Plan as a pre-requisite for the granting of mining or production rights.

**2.2 AFRICAN CARBON ENERGY (PTY) LTD (AFRICARY)**

The Theunissen African Carbon Energy, through its subsidiary: Africary Holdings (Pty) Ltd and all its related subsidiaries are collectively known as “Africary”. The company Africary has obtained exclusive rights to develop its 1 billion ton coal resource and wishes to exploit its coal with the clean and environmentally friendly UCG mining method.

The Theunissen UCG Project is situated approximately 30km east of Bultfontein, 12km south of Welkom and 20km north-west of Theunissen, in the Lejweleputswa District Municipality. The project area straddles across three local municipalities, namely Matjhabeng, Masilonyana,

and Tswelopele, with the most substantial portion of the project area falling within the Matjhabeng Local Municipality.

\*\*\*\* **Attached on a Separate Cover 3 is a copy of the Project overview Africary Holdings (Pty) Ltd (why you should support the TUCG project)**

### **2.3 ROADS MAINTENANCE**

Roads maintenance is a key Mayoral priority. Roads in all communities require repair, especially in the more deprived areas. (See Matjhabeng IDP p47. R1, 100,000 over four years

\*\*\*\* **Attached on a Separate Cover 4 is a copy of the Social And Labour Plan African carbon energy PTY ltd (Africary) Theunissen UCG project accompanying application for a mining right over two existing prospecting rights (FS30/5/1/1/2/131PR AND FS30/5/1/1/2/132PR) renewed as: (FS 30/5/1/1/2/10046 PR and FS 30/5/1/1/2/10052 PR) May 2019**

The sustainable economic development is underpinned by a sound road network, our challenge as the Municipality is limited financial resources needed for road investment optimization and prioritization. It is essential for us to as the Municipality to keep investing in the upgrading and maintenance of roads infrastructure to pave the way for economic growth and development. This will improve the flow of goods and services around the Municipality, which will ultimately lead to more economical means of doing business. In terms of our future projects, our drive will always be to maintain our road networks, as, without maintenance, these assets will deteriorate.

### **2.3 LIVESTOCK MARKET CENTRE (AUCTION CENTRE) AND LIVESTOCK POUND**

The establishment of Livestock market center (Auction Centre) and incorporation of livestock pound in farm Kalkkuil 153, situated near Odendaalsrus. Phase one establishment of kraals.

Economic Development is one of the key Mayoral priority. There are currently no potential auction facilities for the livestock owners of Matjhabeng and livestock auctions is regarded as the most critical marketing channel for livestock. Livestock auctions bring buyers and sellers together at regular times and strategic points. Livestock market center (Auction Centre) will be established next to the planned Farmer Production Support Unit (FPSU). Farmer Production Support Unit (FPSU) is one component of Agri-Park also being a rural outreach unit connected with the Agri-Hub and focusses on the primary collection, storage, processing, and extension

services including mechanization. The (FPSU) would do the primary collection, some storage, some processing for the local market and extension services, including mechanisation and inputs supplies for subsidised emerging farmer support. So the establishment of Livestock market center (Auction Centre) will be used for trading of livestock.

For sheep and goats, were selling through the temporary steel made kraals is more common in Matjhabeng towns (Thabong, Kutlwanong, and Virginia), the seller will normally sell them as batches. See page 8 to 10 of annexures for copy of structural plans by

**PAGE 47 OF ANNEXURES**

## **2.4 PROVISION OF FRUIT TREES TO TOWNSHIPS AND EMERGING AND SUBSISTENCE FARMER**

Matjhabeng LM Ward 24 Emerging farmers and households. Two new jobs will be created – one lead and one youth to educate beneficiaries on the planting and treatment of the trees planted. However, in built-up areas, the overall attractiveness will aid in improving the attractiveness and mood of the city, as well as providing quality nourishment once the trees start bearing fruit. Local nurseries will be supported. Females will be encouraged since they are the keepers of the home and most concerned about nutrition. Training to be provided in Y1.

## **3. PROBLEM STATEMENT**

If mining SLPs are not properly aligned with municipal IDPs as required by DMR guidelines, this may result in the loss of an investment opportunity for community development, economic growth, poverty reduction, and infrastructure development.

## **4. DISCUSSION**

4.1 DMR support the identified projects

4.2 African Carbon Energy (Pty) Ltd (AFRICARY).

## **5. POLICY POSITION**

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA. 1996 (ACT 108 OF 1996).

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002,

The Mining Charter (Broad-Based Black Economic Empowerment in South African Mining and Minerals)

Integrated Development Plan (IDP) and the Service Delivery & Budget Implementation Plan (SDBIPs)

Chapter 10 of the Matjhabeng Local Municipality Integrated Development Plan (IDP) which encapsulate Social and Labour Plan initiatives, programs and projects make provision

According to the Chapter 10 of the Matjhabeng IDP 1017-2022, this chapter in the IDP is meant specifically to respond to this requirement of the above-mentioned legislation in making sure that all player in the Mining and Quarry Extraction Industry are compliant and their Social and Labour Plans, in particularly Community Development project is geared toward Local Economic Development. The IDP is a 5-year renewable annually based on the negotiations with a mining house the Service Delivery & Budget Implementation Plan (SDBIPs) for the financial year 2017 – 2018/ 2018 – 2019 which its objective is to facilitate the planning and the implementation of the Mining Social Plans in Matjhabeng Local Municipality.

## **6. LEGAL IMPLICATIONS**

Mineral and Petroleum Resources Development Act (MPRDA) 28 of 2002, According to section 23, 24 & 25 of the MPRDA, mining companies must submit a Social and Labour Plan (SLP) when applying for mining rights, and the local economic development (LED) of the SLP must be aligned with the Local and District Municipality Integrated Development Plan (IDP). The alignment between the SLP and IDP Local Economic Development initiatives provides a platform for an investment opportunity, economic growth, poverty reduction, and infrastructure development

The objectives of the Social and Labour Plan are to:

- (a) Promote economic growth and mineral and petroleum resources development in the Republic (Section 2 (e) of the (MPRDA);
- (b) Promote employment and advance the social and economic welfare of all South Africans (Section 2 (f) of the MPRDA);
- (c) Ensure that holder of mining or production rights contribute towards the socio-economic development of the areas in which they are operating as well as the areas from which the majority of the workforce is sourced (Section 2 (i) of the MPRDA, and the Charter); and

(d) To utilize and expand the existing skills base for the empowerment of HDSA and to serve the community. (Revised Social and Labour Plan Guidelines October 2010)

Once a company is awarded a mining right, the Social and Labour Plan (SLP) they submitted becomes a binding legal document.

## **7. FINANCIAL IMPLICATIONS**

Financial inflows: Financial investment in roads and agricultural infrastructure.

## **8. RECOMMENDATION**

1. That the Social Labour plan projects by African Carbon Energy (Pty) Ltd (AFRICARY) must be approved by the Section 80 Committee.
2. That the approved projects should for this SLP be subjected to be reviewed with regard to their relevance at time of implementation.



LED18 of 2019

**REQUEST MUNICIPALITY, TO GRANT MOPULAMATSI MINING AND MANAGEMENT SERVICES SUPPORT FOR THE INTENDED REHABILITATION PROGRAMME OF A SLIME DUMP (AED: LED) (19/9/1/7)**

**PURPOSE**

To request Municipality, to give support to Mopulamatsi Mining and Management Services.

**BACKGROUND**

Mopulamatsi Mining and Management Services is Small Scale Mining Company and 100% black owned entity. Mopulamatsi Mining and Management Services is intending to appointed Engedi Minerals and Energy (Pty) Ltd as consultant to lodge a mining right application with the Department of Minerals Resources (DMR). The application will be lodged when all the requirements have been met by the company. Harmony Gold Mine has requested the company to get support from the Municipality in order for Harmoy Gold Mine to allow them to conduct economic viability in to its assests. The Company is to engage Harmony with the aim of concluding a co-operative agreement.

It is in this background that we request the Municipality to grant support to Mopulamatsi Mining and Management Services.

**Mopulamatsi Mining and Management Services is focusing on:**

- Poverty alleviation
- Job creation the Company aims to employ the youth and women from the historical disadvantaged communities.
- The Company has further made a commitment to give exposure to HDI/Companies to mining business in the Free State.

**LEGAL IMPLICATION**

Liability transfers

**FINANCIAL IMPLICATION**

The financial implication will be clarified as projects roll out.

**RECOMMENDATIONS**

That the Council grants Mopulamatsi Mining and Managent Services Support.

**LED19 of 2019**

**REQUEST FOR THE IDENTIFICATION OF UNUSED AGRICULTURE AND NON AGRICULTURAL LAND PARCELS (AED: LED) (19/9/1/5)**

**PURPOSE OF THE REPORT**

The purpose of this report is to request approval from the Council to request the mines, churches, SOEs, government departments, absentee landlords, and general landowners to start identifying agricultural and non-agricultural land parcels. The objective this identification land process is to start the discussion on voluntarily donating unused these and abandoned land to previously disadvantaged individuals as per recommendation of the Expert Advisory Panel on Land Reform and Agriculture in their report named, “FINAL REPORT OF THE PRESIDENTIAL ADVISORY PANEL ON LAND REFORM AND AGRICULTURE 04 MAY 2019 FOR HIS EXCELLENCY THE PRESIDENT OF SOUTH AFRICA”.

**BACKGROUND**

The land agrarian reform in South Africa is driven by a political, social and economic program that has to redress the unfair and unjust land acquisition by the minority of the South Africa country against the majority communities). Political pressure is gaining momentum to find a solution in order to redistribute land as a way to remedy past injustice and lay reasonable programs. 1996, the South African Constitution set a foundation as to where to start in order to address the land issue.

The 1996 Constitution of South Africa is the principal and highest authority law of the country, as stipulated in Chapter 2 of the bill of rights.

Section 25(5) of the 1996 Constitution of South Africa states that; “The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.” Thus this sections guide the land reform policies and all agrarian support strategies and programs.

The Presidential Advisory Panel on Land Reform and Agriculture was appointed by His Excellency President Cyril Matamela Ramaphosa on 26 September 2018 to provide a unified policy perspective on land reform and independent advice to the Inter-Ministerial Committee (IMC) chaired by His Excellency Deputy President David Mabuza. Panel members brought a diversity of skills, experience and expertise in matters related to land reform policy, practice and research, urban and rural development policy and planning, land reform law, agricultural

economics, farming and agribusiness. The Panel's Terms of Reference (TOR) covered a broad spectrum of land reform issues in rural and urban areas. These include the consideration of agrarian reform and addressing spatial inequality. The mandate was partly informed by the resolution of Parliament to consider expropriation of land without compensation. It is thus with great humility and pride that we announce the official approval by Cabinet of the "Final Report of the Presidential Advisory Panel on Land Reform and Agriculture" of 4 May 2019. The Cabinet approval on 24 July 2019 in Cape Town follows the handover of the Report to His

## **PROBLEM STATEMENT**

Agriculture is considered as one of the important economic sectors in the alleviation of poverty in South Africa. Taking agricultural production into consideration, the reduction of the unemployment rate, economic growth, and job creation are key challenges in South Africa. These formidable challenges still exist despite government's extraordinary efforts through the introduction of the poverty mitigation strategies of which agricultural development is one sector which is receiving the support. The South African government is trying to reduce the unemployment rate by introducing various agricultural related strategies which seem not to succeed.

Livestock serves as a threat to traffic as there are no fences. The extension of commonage around Matjhabeng Local Municipality will improve livestock management, reduce accidents caused by stray animals, create job opportunities, attract funders for agricultural activities, and improve the lives of the poorest communities.

## **DISCUSSION AND REFERENCE ADDRESS AND DOCUMENTS**

In her address, MINISTER THOKO DIDIZA, MINISTER OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT ON TABLING OF FINAL REPORT OF PRESIDENTIAL ADVISORY PANEL ON LAND REFORM AND AGRICULTURE on the 28 July 2019 she stated, "We recommend that government develop a Donations Policy, which encourages landowners to donate properties, or part of their properties, by offering exemptions from donations tax, and carrying the conveyancing costs of land transfer. We call on the churches, mining companies, financial institutions, agribusinesses and others, to audit their own landholdings to identify land they can donate, and suggest that the Minister convene, within the coming year, talks across these sectors to secure donations, and to open discussion

with potential beneficiaries, including existing land occupiers such as farm dwellers and labour tenants”.

MINISTER THOKO DIDIZA`s tabling address is also corroborated by the Expert Advisory Panel on Land Reform and Agriculture in their report named, “FINAL REPORT OF THE PRESIDENTIAL ADVISORY PANEL ON LAND REFORM AND AGRICULTURE 04 MAY 2019 FOR HIS EXCELLENCY THE PRESIDENT OF SOUTH AFRICA” which the panel propose a voluntary release of underutilised land by mines, churches, municipalities, SOEs, government departments, absentee landlords and general landowners, directly to beneficiary households, communities, individuals, or to the proposed Land Depository, which may or may not be linked to the Land Bank.

**\*\*\*\* Attached on pages 11 to page 12 of the annexures is copy of the “FINAL REPORT OF THE PRESIDENTIAL ADVISORY PANEL ON LAND REFORM AND AGRICULTURE 04 MAY 2019 FOR HIS EXCELLENCY THE PRESIDENT OF SOUTH AFRICA” cover page and page 57**

## **LEGAL IMPLICATIONS**

N/A

## **FINANCIAL IMPLICATIONS**

N/A

## **POLICY/LEGISLATIVE POSITION**

As South Africa navigates the land question, it must be borne in mind that the outcome of a unitary, coherent, coordinated land reform project, must have as its object, the promotion and safeguarding of dignity, non-racialism, the supremacy of the Constitution and the rule of law at all times.

The Constitution strikes a balance between the protection against arbitrary deprivation of property and the need to implement land reform. The framework for land reform in South Africa is contained in section 25 of the Constitution of the Republic of South Africa Act 108 of 1996. By placing section 25 within the Bill of Rights the Constitution ensures that any changes to the land reform framework through an amendment to section 25 must be done by two thirds majority of members of Parliament agreeing to the amendment.

The so-called three legs of land reform are stipulated for in section 25 of the Constitution. For example, section 25(5) makes provision for the distribution; section 25(6) stipulates the framework for tenure reform; and section 25(7) stipulates the framework for restitution including fixing the date for the validity of claim to 19 June 1913 and the cut-off point for submitting claims to 31 December 1998.

Parliament passed legislation to give effect to section 25(5), namely Provision of Land and Assistance Act 126 of 1993. Parliament passed the Land Reform (Labour Tenants) Act 3 of 1996 and the Extension of Security of Tenure Act 62 of 1997 to give effect to section 25(6). As far as restitution is concerned Parliament gave effect to section 25(7) by passing the Restitution of Land Rights Act 22 of 1995. The Land Claims Court and the Commission on Restitution of Land Rights (Land Claims Commission) were established in terms of the Restitution Act.

The Land Claims Court contributed to the development of policy, guidelines and procedures. This in turn led to several amendments of the Restitution Act to be in line with the policy.

Section 25 of the Constitution of the Republic of South Africa Act 108 of 1996 provides that –

“25 (1) no one may be deprived of property except in terms of a law of general application.

(2) Property may be expropriated only in terms of a law of general application –

(a) For a public purpose or in the public interest; and

(b) Subject to compensation, the amount of which and the time and manner of payment of which have either been agreed to by those affected or decided or approved by a court.

(3) The amount of the compensation and the time of payment must be just and equitable, reflecting an equitable balance between the public interest and the interests of those affected, having regard to all relevant circumstances, including –

(a) The current use of the property;

(b) The history of the acquisition and use of the property;

(c) the market value of the property; (d) the extent of direct state investment and subsidy in the acquisition and beneficial capital improvement of the property; and

(e) The purpose of the expropriation.

(4) For the purposes of this section –

(a) the public interest includes the nation’s commitment to land reform, and to reforms that bring about equitable access to all South Africa’s natural resources and

(b) Property is not limited to land.

(5) The state must take reasonable legislative and other measures, within its available

Resources to foster conditions which enable citizens to gain access to land on an equitable basis.

(6) A person or community whose tenure is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by the Act of Parliament, either to tenure which is legally secure or to comparable redress

(7) A person or community dispossessed of property after 19 June 1913 as a result of past discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to PART VI: SUMMARY OF VIEWS REGARDING EXPROPRIATION WITHOUT COMPENSATION 68 The Presidential Advisory Panel on Land Reform and Agriculture restitution of that property or to equitable redress; (8) No provision of this section may impede the state from taking legislative or other measures to achieve land, water and related reform, in order to redress the results of past racial discrimination, provided that any departure from the provisions of this section is in accordance with the provisions of section 36(1).

(9) Parliament must enact legislation referred to in (6).”

The objects and duties of local government with regard to development, section 152 of the Constitution sets out the five objects of local government (all of which relate directly and/or indirectly to matters pertaining to development, including rural development).

The developmental duties of municipalities are identified in section 153, which section states that all municipalities must prioritize the basic needs of the community and promote social and economic development.

Municipalities must also participate in national and provincial development programs. This includes local government's compulsory participation in national and provincial rural development programmes.

Therefore it is important that the Matjhabeng local Municipality be proactive and takes a leading role by requesting the mines, churches, SOEs, government departments, absentee landlords and general landowners their unused, abandoned land for discussion and subsequently be donated to deserving prospective individual community or groups from the previously disadvantaged individuals.

## **RECOMMENDATIONS**

1. That Council to resolve that the mines, churches, SOEs, government departments, absentee landlords and general landowners to start identifying agricultural and non-agricultural land parcels with the objective of starting discussion on voluntarily donating unused these and abandoned land to previously disadvantaged individuals.

**LED20 of 2019**

**AUTHORISATION FOR THE PROPOSED REMEDIATION AND  
REHABILITATION OF THE MINE PANS WITHIN THE JURISDICTION OF  
MATJHABENG LOCAL MUNICIPALITY (AED: LED) (3/3/27)**

**PURPOSE OF THE REPORT**

The purpose of this report is to request approval from the Council to authorise **Sviwe Solutions PTY LTD** to undertake Environmental Impact Assessment (EIA) process for the proposed Remediation and Rehabilitation activities located on portion of the farm Delports Rust 30 RD accessed along the R710 road to Bultfontein and other locations in the vicinity or within the jurisdiction of Matjhabeng Local Municipality.

**BACKGROUND**

The farm Delports Rust 30 belongs to the Matjhabeng Local Municipality and forms of the Welkom Commonages. The farm was purchased by the Department of Rural Development and Land Reform in the year 2006 and was transferred to the Municipality to be used for communal purposes. Harmony Gold Mine has been supplying small scale farmers who are utilising Municipal farm (Delports Rust 30 RD) with water since the purchasing of the farm because there was already an agreement in place with the previous owner that water be supplied because the underground water was contaminated due to mining operations.

On the 22 May 2015, Harmony Gold Mine ceased to deliver water at the above mentioned farm and we are faced with a predicament that more than approximately 2000 cattle are left stranded and are left without water. The information received from Harmony Gold Mine was that the samples have been collected and tests conducted on the water at the farm and that the results indicate that water is safe for both human and animal consumption. All these were carried out without the knowledge of the Municipality. A letter was written to Harmony Gold Mine requesting them to continue supplying water to the affected farms until an independent body do the testing.

**The LED requested the Infrastructure Directorate to assist with the following:**

- Interpreting the report supplied by Harmony Gold regarding the condition of water at the farm.
- Temporary supply of water to the farm (reservoirs) whilst the matter is being attended to.



- Facilitation of water testing on 8 boreholes by the Sedibeng Water.

## **PROBLEM STATEMENT**

Mining has globally been a key catalyst in economic development. That said, as mines inevitably move from boom to bust, there are significant local environmental consequences as a result of mining activities. It is suspected that the farm Delports Rust contamination of groundwater supplies are as a results of the migration of harmful substances from sites where high concentrations of chemicals can be found as per mine activities. Groundwater is water below the ground of the earth in soils or stones, or in completely covered geological structures and it is an enormous natural asset.

- There is still no water at the farm and Harmony Gold Mine is refusing to supply water.
- The Department of Water and Sanitation has postponed the process of surveying and testing.
- The society for the prevention of cruelty to animals (SPCA) has also written to the Municipality about the matter and that action will be taken against the Municipality as the owner of the property.

## **DISCUSSION**

There a series of meetings whereby different stakeholders like the Departments of Agriculture, Forestry and Fisheries, Department of Rural Development and Land Reform, Department of Water and Sanitation, Harmony Gold Mine and representatives from affected farms were the matter was intensely discussed. One of the key resolutions taken, was that the Department of Water and Sanitation collect water samples and do tests to establish if it is indeed fit for both human and animal consumption. This would be a solution since the Department of Water and Sanitation is a neutral party qualified to carry out these tests.

This case study shows how mining even being the important and significant sector in the area can turn to be the most polluter to an extent that its pollutants affect the small scale farmers who are generally depend on livestock for their livelihood.

## **LEGAL IMPLICATIONS**

The environment must by no means be impaired at the expense of development. 1996 Constitution of South Africa also includes the bill of rights of which the Bill of Rights incorporate the environmental rights which features and embrace sustainable development.

Therefore the part of sustainable development give rise and effect to the establishment of the environmental law in the country.

## **FINANCIAL IMPLICATIONS**

N/A

## **POLICY/LEGISLATIVE POSITION**

The in section 24 of the 1996 Constitution of South Africa, provide citizens the fundamental right to the safe environment which is not unsafe to their welfare and health. The constitution further provide the framework for the environment to be protected through legislation and any other measures. Considering the South African Constitution as the supreme law of the country and setting the tone by providing framework is section 24 for a safe environment which also encapsulate sustainable development, the environmental legislation is known as the National Environmental Management Act (NEMA). The National Environmental Management Act (NEMA) was introduced on the 1<sup>st</sup> of January 1999. The NEMA advocate the notion of sustainable development in which it should incorporate and integrate the environment, social and economic sustainability.

In the process, The National Environmental Management Act (NEMA) had given effect to the first set of regulations of Environmental Impact Assessments (EIA) in the year 2006 and further replace and repealed the regulation as mentioned above in August 2010. The chapter six of Environmental Impact Assessments (EIA) regulations set out the procedure to be followed when submitting applications

## **RECOMMENDATIONS**

1. That Council to authorise **Sviwe Solutions PTY LTD** to undertake Environmental Impact Assessment (EIA) process for the proposed Remediation and Rehabilitation activities located on portion of the farm Delports Rust 30 RD accessed along the R710 road to Bultfontein and other locations in the vicinity or within the jurisdiction of Matjhabeng Local Municipality.

LED21 of 2019

**VIRGINIA: APPLICATION TO PURCHASE ERVEN 1291, 1292, 1293 AND 1294, VIRGINIA CENTRAL BUSINESS AREA TO MEET THE REQUIRED PARKING REQUIREMENTS FOR THE EXPANSION OF THE VIRGINIA SHOPPING COMPLEX (AED: LED) 3/2/10)**

**PURPOSE OF REPORT**

The purpose of the report is to motivate the alienation of erven 1291, 1292, 1293 and 1294 Virginia to EDDZO Properties PTY LTD for the development of additional parking facilities as required by the Virginia Town Planning Scheme for the planned expansion of the Checkers complex on Erf 2203.

\*\*\* The application is enclosed on **Page 13 of the Annexures**.

**BACKGROUND**

**2.1 LOCATION**

\*\*\* The location of the target properties is depicted on **Page 14 of the Annexures**.

**2.2 DEVELOPMENT EXPANSION PLAN**

\*\*\* The target area and immediate development expansion plan of the applicant is depicted from **Page 15, 16, of the Annexures and Separate cover 5**.

**2.3 PARKING REQUIREMENTS IN TERMS OF THE VIRGINIA TOWN PLANNING SCHEME**

The necessity for the alienation of the land can be motivated in terms of the Virginia Town Planning Scheme which stipulates that:

“The expansion of the Checkers complex requires an additional 97 parking bays that cannot be provided on the erf which requires a total of approximately 2910m<sup>2</sup> which must be provided, also including access and vehicle movement areas. The target properties will be sufficient to provide for this need.”

**2.4 CURRENT STATUS OF THE TARGET PROPERTIES**

The current status of the Municipal properties are as follows:

<b>Erf Number</b>	<b>Size in m<sup>2</sup></b>	<b>Zoning</b>	<b>Development status</b>	<b>Ownership</b>
1291	715	Business	Vacant	Municipality
1292	717	Business	Vacant	Municipality
1293	718	Business	Vacant	Municipality

1294	715	Business	Vacant	Municipality
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\*\*\* The target properties all belong to the Municipality as depicted in the Deeds Reports as enclosed **from Page 17 to page 22 of the Annexures.**

## 2.5 NECESSITY AND DESIRABILITY TO ALIENATE THE LAND

The necessity and desirability to alienate the land to the applicant can be motivated in terms of the following:

- a) The Checkers retail complex in Virginia is a key role player in support of the attractiveness and local economy in Virginia. The expansion of the complex will support local economic growth and new job opportunities and should therefore be supported.
- b) It will be necessary that the applicant abide to the stipulations of the Virginia Town Planning Scheme in relation to the provision of parking. Since the additional parking spaces cannot be provided on the erf the Municipality can identify such land. In this case the applicant is willing to purchase and develop the additional parking areas at his own expense in order to ensure a functional development and to meet the parking requirements as stipulated in the Town Planning Scheme.
- c) As indicated on the location plan the adjacent street block to the Checkers complex which comprises of a number of business erven is still vacant. The demand for these erven is limited and should there be public interest from prospective developers these erven can be disposed of in terms of the public bidding process in line with the MFMA..

## 2.6 DEPARTMENTAL COMMENTS

Departmental comments have been incorporated in the recommendations.

## 2.7 MARKET VALUE

\*\*\* The market value reports of the target properties as obtained from a registered property valuer viz. BAMBANANI PROPERTY VALUATIONS AND ASSESMENTS are enclosed from **on the Separate cover 6.**

PROPERTY	MARKET VALUE	MUNICIPAL VALUE
1291	R85000	R36000
1292	R85000	R36000
1293	R85000	R36000
1294	R130000	R65000

## 3. LEGAL IMPLICATIONS

The administrative processes to create an alienable erf and the transfer of the land will be done in terms of relevant legislation and will be the responsibility of the applicant.

- The Constitution of the Republic of South Africa (Act. No. 108 of 1996);
- Development Facilitation Act (Act No. 67 of 1995);
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003);
- Municipal Supply Chain Management Policy Regulations (Act No. No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Matjhabeng: Policy on the Disposal of Immovable Assets

In terms of the MFMA Capital assets that are not needed for the provision of basic municipal services may be disposed of, but only after the Council, in a meeting open to the public -

- (a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services;
- (b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset; and

- (c) Has decided that the asset concerned may be disposed of.

The target properties are earmarked for business related development and are not needed for the provision of minimum level of basic municipal services to the community and the land can therefore be disposed of.

#### **4. FINANCIAL IMPLICATIONS**

All costs in relation to the administrative processes to create an alienable erf, the sale, transfer and the relocation/provision of services will be for the account of the applicant.

#### **5. POLICY/LEGISLATIVE POSITION**

None.

#### **RECOMMENDATIONS**

1. That since the erven are not considered critical to provide a minimum level of services to the community, the alienation of Erven 1291, 1292, 1293 and 1294 directly to EDDZO PROPERTIES PTY LTD for the development of parking facilities for the expansion of the Checkers complex, be approved in support of economic development of the CBD of Virginia and the motivations as stipulated in Par. 2.5 of the report.
2. That the Municipal Manager be authorised to finalize the sale of the land at the market values of the land as depicted in Par. 2.7 of the report, but subject to the following conditions:
  - a) All cost related to the alienation and transfer of the erven will be for the account of the applicant including any administrative actions that may be required viz. registration of servitudes, rezoning, consolidation of erven etc.
  - b) That the provision of a dust free surface (tar or paving) with marked parking areas by the developer will be considered the minimum development standard.

- c) That prior to any construction, a site development plan which clearly indicates the parking layout and vehicle movement areas, vehicle access points as well as pedestrian crossings be submitted to the Directorate Infrastructure for approval. In this regard it is expected that the position of any existing municipal services in the adjacent street reserve be exactly determined and incorporated in the design in consultation with and to the satisfaction of the Director Infrastructure.
- d) All cost related to the provision of municipal services to the properties or the protection of any affected municipal services will be for the account of the applicant.

LED22 of 2019

**APPLICATION FOR THE RENTAL OF THE PARKING AREA AT THE CRAIB STREET SHOPPING COMPLEX IN RIEBEECKSTAD (AED: LED) (18/2/2)**

**PURPOSE OF REPORT**

The purpose of the report is to make recommendations in relation to the application received from the business fraternity at the Craib street shopping complex in Riebeeckstad to rent the parking area from Council in order to develop the area and to provide better security to the community of Riebeeckstad.

**BACKGROUND**

**2.1 APPLICATION**

\*\*\* In the correspondence enclosed on **Page 23 to page 34 of the Annexures**, the owners and tenants at the shopping complex jointly apply to the municipality to rent the parking area in order to develop the area and to provide better protection to their customers. This application is in response to various problems currently experienced at the complex. In this regard they assign powers of attorney to Klinichem PTY LTD (Frank Korb) pharmacy to enter into a rental agreement with the Municipality. A rental offer of R100 per month is made to the Municipality.

**2.2 LOCATION**

\*\*\* The location of the target properties is depicted on the area plan **enclosed on Page 35 of the Annexures**. In this regard the position of the shopping complex, the public garage and the location of two government owned properties (Erven 3630 and 3631) adjacent to the shops must be noted.

**2.3 MEETING OF STAKEHOLDERS: PROBLEMS EXPERIENCED BY THE BUSINESS FRATERNITY AT THE RIEBEECKSTAD BUSINESS COMPLEX**

Because of the problems currently experienced by the business fraternity in Craib Street a joint meeting was on 17 July 2019 where the stakeholders could discuss their common problems and to formulate possible solutions. It is important to note that the station Commander of SAPS in Riebeeckstad, neighbourhood watch and a local security company in Riebeeckstad also attended and provided their inputs.

\*\*\* The minutes of the meeting is **enclosed on Page 36 to page 41 of the Annexures** and must be read with this section of the report. In this regard the most common problems can be summarised as follows:

- a) Illegal vendors roaming around in the parking area, often harassing customers and even entering business intimidating clients.
- b) General crime in the area. A number of customers were already robbed at the ATM.
- c) Vendors selling the same type of merchandise as the stores.
- d) Beggars asking clients for money.

- e) Self-appointed car guards that harass customers.
- f) The unsafe situation distracts customers from the complex with very negative impact on business in the area.

\*\*\* A visual presentation of the current situation was submitted by the applicants and **enclosed from Page 42 to page 46 of the Annexures.**

\*\*\* In the letter from the station Commander of SAPS in Riebeeckstad as **enclosed on Page 47 of the Annexures** the problems of the business fraternity is confirmed and the proposals of the business fraternity is supported.

## 2.4 PROPOSED SOLUTIONS

The solutions proposed by the business fraternity are as follows:

- a) To submit an application to the Municipality to rent the parking area in order to obtain authority over the management and security of the parking area.
- b) To develop the area as follows:
  - Provision of a palisade fence around the parking area.
  - Proper sign boards.
  - The provision of more trash cans to combat littering in the area.
  - Cleaning and maintenance of the parking area and gardening.
  - More lights to provide a safer area.
  - To appoint car guards.
  - The allocation of space for a mobile police station.
  - Painting of the buildings.
  - Painting of street markings and parking spaces.
- c) To obtain funds for the capital work through fund raisings in the Riebeeckstad community.

## 2.5 LAW ENFORCEMENT BY THE MUNICIPALITY IN SOLVING THE PROBLEMS

In terms of Law Enforcement the following legal tools are at the disposal of the Municipality:

- a) Matjhabeng Informal trading policy – In terms of this policy informal trading without a valid permit is illegal.
- b) Road Traffic Act 93 of 1996 – prohibits trading in the street reserve.
- c) Business announced specific areas for the purpose of informal trading. 71 of 1991 – In terms of which trading can be allowed provided that Council.

Although the Security Department responded to the complaints of the business owners, it was reported that it was extremely complicated to do continuous law enforcement in the area.

## 2.6 THE INFORMAL SECTOR



It is a fact that the high employment rate and the economic situation of the community in Matjhabeng give rise to an ever growing informal sector. The Municipality cannot neglect this sector in terms of both management thereof and the provision of basic facilities. In this regard it is the intention to present Council with a report which proposes a number of suitable areas which can be declared as informal trading areas in line with the Business Act.

From the discussion it is clear that the Riebeeckstad shopping complex is a very sought after area for informal trading. In order to prevent further conflict or the phenomenon of uncontrolled informal trading in front of houses opposite the business complex it is proposed that a dedicated informal trading area be declared at the Craib Street business complex which can therefore be managed by means of the controlled issuing of trading permits by the LED Department.

### **3. LEGAL IMPLICATIONS:**

The enforcement of the mentioned legislation is the responsibility of the Municipality in as far as the safety and well-being of the community is involved. However the Municipality has the authority in terms of the Municipal Financial Management Act to conditionally dispose/rent land if it is for the benefit of the community. The assigning of portions of land to the private sector for security or other purposes is common practice in many cities. Important is that such authority be arranged contractually between two or more legal parties.

In the case of the Riebeeckstad Business fraternity it would have been preferable that a Voluntary Association as legal person be established with the authority to enter into such agreement.

### **4. FINANCIAL IMPLICATIONS:**

The development of the shopping complex proposed by the developer will contribute towards the expansion of the economic base, social upliftment of the area and job creation. Direct financial benefit for Council will be from the selling of the land, normal rates as well as the income derived from the selling of services.

### **5. POLICY/LEGISLATIVE POSITION**

- Alienation of Land Act (Act No. 68 of 1981);
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Formalities in respect of Leases of Land Act (Act No.18 of 1969)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003);
- Municipal Supply Chain Management Policy Regulations (Act No. 27636);
- Property Rates Act (Act No. 6 of 2004);
- Spatial Planning and Land Use Management Act (Act No.16 of 2013);

### **6. RECOMMENDATIONS**

1. That the offer from the Craib Street business fraternity to rent the parking area of the business complex at a nominal rate of R100 per month be approved in order to allow the business fraternity at the complex to manage and improve the parking area and facilities to the benefit of the larger Riebeeckstad community.
2. That the Municipal Manager be authorized to finalize a short term renewable rental agreement (9years and 11 months) with Klinichem PTY LTD (Reg. 2017/088711/07) as the legal person representing the business fraternity at the complex, but subject inter alia to the following conditions:
  - a) That since the parking area will still be a public road the Municipality will have full authority for normal traffic law enforcement as well as the provision and maintenance of municipal infrastructure.
  - b) That the applicant submits an annual status report to Council following an annual meeting of the stakeholders at the business complex whereby problems and success can be reported.
  - c) That the rental area be restricted to the current paved parking area and service road surrounding the complex.
  - d) That the applicant plans and submits a site development plan for approval to the Municipality to indicate all planned improvements at the complex prior to any physical work being done.
  - e) That any costs associated with the development will be for the account of the applicant.
  - f) That the applicant contributes towards the provision of minimal facilities for accommodating the informal sector in the unpaved excess parking area as **indicated on the plan on page 34 of the Annexures.**
3. That a limited portion of the unpaved excess parking area as indicated in the plan on **Page 34 of the Annexures** be approved as a trading area for informal trading on terms of which trading permits/trading spaces can be approved by the Director LED and Planning.

LED23 of 2019

**REQUEST FOR THE COUNCIL TO GIVE APPROVAL TO THE DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM TO PURCHASE FARMS FOR THE MATJHABENG LOCAL MUNICIPALITY BE USED FOR COMMONAGE**

**PURPOSE**

The purpose of this report is to request approval from the Council to request the Department of Rural Development and Land Reform for the acquisition of farm for commonage purposes.

**BACKGROUND**

The Department of Rural Development and Land Reform has acquired land for the municipality for different purposes over the years, one of which is commonage purposes. The land acquired has, however, come with challenges as the number of small scales farmers continue to increase resulting in reduced grazing capacity, and in cases the land not being suitable for other agricultural projects. In other instances such as in Bronville, Kutlwanong, Welkom, and Ventersburg the agricultural land had been taken and is used for human settlements.

The primary purpose of the Commonage program is to give subsistence farmers and emergent farmers access to municipal land. The subsistence farmer makes use of commonage to supplement income and to provide for household consumption, while the emerging farmer makes use of commonage as a stepping-stone where the gradual transition from subsistence to semi-commercial to commercial can be accommodated.

The Department of Rural Development and Land Reform provide funds to enable resource-poor municipalities to acquire land to extend or create commonage. The Grant for the Acquisition of Municipal Commonage enables municipalities to acquire land for commonage purposes.

**PROBLEM STATEMENT**

The land agrarian reform in South Africa is driven by a political, social and economic program that has to redress the unfair and unjust land acquisition by the minority of the South Africa country against the majority communities). Political pressure is gaining momentum to find a solution in order to redistribute land as a way to remedy past injustice and lay

reasonable programs. 1996, the South African Constitution set a foundation as to where to start in order to address the land issue.

The 1996 Constitution of South Africa is the principal and highest authority law of the country, as stipulated in Chapter 2 of the bill of rights.

Section 25(5) of the 1996 Constitution of South Africa states that; “The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on an equitable basis.” Thus this sections guide the land reform policies and all agrarian support strategies and programs.

Agriculture is considered as one of the important economic sectors in the alleviation of poverty in South Africa. Taking agricultural production into consideration, the reduction of the unemployment rate, economic growth, and job creation are key challenges in South Africa. These formidable challenges still exist despite government`s extraordinary efforts through the introduction of the poverty mitigation strategies of which agricultural development is one sector which is receiving the support. The South African government is trying to reduce the unemployment rate by introducing various agricultural related strategies which seem not to succeed.

Livestock serves as a threat to traffic as there are no fences. The extension of commonage around Matjhabeng Local Municipality will improve livestock management, reduce accidents caused by stray animals, create job opportunities, attract funders for agricultural activities, and improve the lives of the poorest communities.

## **DISCUSSION**

The Directorate of LED, Planning and Human Settlements has in the past years identified different farms to be used for commonage purposes; it is for this reason that we request the council to give approval for the process of identification and acquisition to go ahead. This will benefit different small-scale farmers in Matjhabeng Local Municipality.

## **LEGAL IMPLICATIONS**

A council resolution is needed for the Department of Rural Development and Land Reform to acquire land for commonage purposes.

## **FINANCIAL IMPLICATIONS**

Land Acquisition is the competency of the Department of Rural Development and Land Reform and as such the department will provide funds to acquire land for commonage purpose. All cost related to the sale and transfer of the property will be for the account of the Department of Rural Development and Land Reform. It will be again for the municipality as the farm will be an additional asset.

### **POLICY/LEGISLATIVE POSITION**

The objects and duties of local government with regard to development, section 152 of the Constitution sets out the five objects of local government (all of which relate directly and/or indirectly to matters pertaining to development, including rural development).

The developmental duties of municipalities are identified in section 153, which section states that all municipalities must prioritize the basic needs of the community and promote social and economic development.

Municipalities must also participate in national and provincial development programs. This includes local government's compulsory participation in national and provincial rural development programmes.

After purchasing, the farm will be transferred to Council which makes it be a legal custodian and will then be leased to the interested and prospective emerging farmers in Matjhabeng Local Municipality.

### **RECOMMENDATIONS**

1. That Council to resolve that the Department of Rural Development and Land Reform (DRDLR) be requested to purchase the farms as an extension of current commonage farms for the Matjhabeng Local Municipality which will be used for commonage purpose.