

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

ACTION	COMMENTS
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

CHALLENGES	SOLUTIONS
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 30th March 2019, reason for re-advertisement was due to previous advertisement not listed on Central Supplier Database (CSD). The tender closed on the 22nd 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 1st 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 2nd 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.