

LED24 of 2019

RURAL DEVELOPMENT TRAINING FOR MICRO LENDING SMMEs AND CO-OPERATIVE FINANCIAL INSTITUTIONS (LED) (5/6/2/13)

PURPOSE

Purpose of the item is to give a progress report on financial training conducted in Virginia on the 4th to the 6th September 2019.

BACKGROUND

This is the second leg of the training specifically for township society clubs, mashonisa's and burial societies. This sector is mostly dominated by women in the townships, the objective therefore is to equip them with financial skills on how to handle their books and formalization of their clubs. The first leg was conducted last year in both Welkom and Thabong and ±80 attended, they graduated in March this year. The aim is to train people in all 6 towns, of which it will only depends on availability of funding and approval of our request by BANKSETA.

*** **Attached under Separate Cover (1) is the photos for rural development training**

The programme is a rural development project which targeted the societies from rural communities. The objective is to make training accessible to microfinance institutions, credit cooperatives, debt counselors and mediators. It is mostly for organizations that deal with credit financing and who operates in outlying and rural areas of South Africa.

The participants were trained on the following topics amongst others:-

- How to keep records of financial expenses on a weekly basis for a small business and sustain the records,
- Advances accounting

Understand financial compliance requirements for a small business.

This was an accredited training aimed at supporting transformation and people development through partnerships, to advance the national and global position of the banking and microfinance sector. The participants will receive their certificates in 2-month time at a ceremony to be held in Virginia.

LEGAL IMPLICATIONS

- Municipal IDP
- Section 22 and 36 of Constitution
- Business Act
- Free State Growth Strategy
- SALGA Guidelines on Local Economic Development

FINANCIAL IMPLICATIONS

None

RECOMMENDATION

1. That Committee takes note of the report.

LED25 of 2019

MANAGEMENT OF TUCK-SHOPS TO BENEFIT MUNICIPALITY (LED) (5/6/2/7)

PURPOSE

The purpose of the item is for the Committee to allow MITA agency present their proposal.

BACKGROUND

It came to the directorate attention that there are concerns regarding mushrooming of illegal tuck-shops around Matjhabeng, which according to municipal records more than half of foreign tuck shop owners did not submit any formal application, while the few who did have not yet been issued with a business licenses due to non-availability of documents required from their side.

Several meetings were held with all relevant stakeholders during the years 2014 to 2017, so as to look on issues such as:-

- Business licenses/ permit from the municipality
- Compliance in terms of Building control/ and town planning scheme
- Untidiness and unhygienic conditions in these shops
- Non-compliance with legislation including selling of expired goods
- Selling of illegal products
- Legitimacy and controlled influx of foreign business owners in Matjhabeng.

*** **See attached under Separate Cover (2) is the MITA agency proposal**

The meetings, physical visit to these tuck-shops, meetings with tuck-shop owners and attempts to close the illegal tuck-shops were all in vain. The following stakeholders participated on the said operations: -

- Department of Labour
- Department of Home Affairs
- SAPS
- Law-Enforcement
- District Environmental Health
- SARS

There are several studies conducted by institution of higher learnings in this regards UFS being one of them, research therefore showed that these businesses were located in a scattered pattern throughout each township locality, and now they mushrooming to the suburbs illegally so.

From local community point of view, these Spaza shops owned by foreign people are convenient to them as they open long hours they serve residents throughout the day, both before and after work hours. South African spaza shops are less competitive than foreign run spazas, the majority of South African spazas are home based businesses, whereas foreign run spazas operate from a semidetached room, or more commonly, from rented premises (usually renting an existing spaza shop venue).

The rise of foreign spaza retailers is a direct result of effective competitive capitalist behaviour, with foreign spaza businesses successfully using supply chain networking and price discounting to procure goods more cost effectively. There is also evidence of collective or cooperative ownership. In contrast, as sole traders, South African spazas are unable to match the collective purchasing power and labour advantage.

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These foreign owned shops don't even employ local people, they don't bank with our banks, they don't pay tax or levies, local authority can't do much with the issue as it is a national matter. The only solution is to legalise them by issuing them with operating licenses and charge a monthly levy.

LEGAL IMPLICATIONS

- Business Act
- Township trade study UFS
- Study on Informal economy of township spaza UCT

FINANCIAL IMPLICATIONS

No financial implications from the municipality
Municipality to generate revenue from payment of levies

RECOMMENDATIONS

1. That the Committee support the proposal.

LED26 of 2019

REPORT ON THE TOURIST GUIDE TRAINING (LED) (13/2/1/1)

PURPOSE OF THE REPORT

The purpose of the report is to give feedback on the Tourist Guide Training that was held from 16 September – 25 October 2019 at the Welkom Library.

BACKGROUND

Tourist guiding is a very critical component of the tourism value chain. Tourist Guides play an essential role in ensuring repeat tourist visitation to South Africa through creating a positive image of our country. They act as ambassadors of the country because they are the first to meet and welcome tourists into the country and are often the ones to bid farewell to the tourists when they leave the country. Currently the number of registered tour guides in the province is 89. This initiative aims to introduce tourist guiding as a career of choice and boost the province with professional and well trained individuals who can position the province competitively.

PURPOSE OF THE TRAINING

The Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEa) identified the need for training tourist guides in Lejweleputswa District. The aim of the training is to increase the number of culture guides within the vicinity. The entry level qualification in the tourist guiding sector is NQF level 2, Culture Site Guide.

THE TRAINING PROGRAM INCLUDED THE FOLLOWING:

Week 1 (16 September – 20 September 2019)
<ul style="list-style-type: none"> • Identifying tourist interests within the district and the province • Types of tourist attractions in the district and province • Tourist attractions in Matjhabeng Municipal area • History of Gold in Goldfields • Research techniques • Compiling information cards • Creating Itineraries • Conducting a guiding experience • Development of contracts, laws and by-laws • Meet and greet tourists • Briefing and debriefings • Compiling tour reports
Week 2, 3 & 4
<ul style="list-style-type: none"> • Conducting research
Week 5
<ul style="list-style-type: none"> • Handing in research work (i.e assignments) • Presentations by candidates • Pre-assessment meeting • Compile and submit portfolio of evidence • Feedback on presentations and individual assignment by the facilitator

CHALLENGES

CHALLENGE	SOLUTION
Absenteeism Two drop-outs during the training	Provide transport for the candidates or provide accommodation near the training venue.

FINANCIAL IMPLICATIONS

- Breakfast and lunch for the tourist guide candidates for 10 days.
- Registration fee for candidates.

LEGAL IMPLICATIONS

Tourism Act no.3 of 2014

Tourism White Paper on Development and Promotion, 1996

National Tourism Sector Strategy, 2017

RECOMMENDATION

1. That Committee takes note of the report.

LED27 of 2019

**PROGRESS REPORT ON YOUTH INFORMATION SEESION AND FLEA MARKET
– AUGUST 2019 (LED) (15/2/3/55)**

PURPOSE

The purpose of this report is to give feedback on progress of a youth information session and flea market events conducted as planned in SDBIP.

BACKGROUND

The rewards of a youth empowerment approach are critical as they are our tomorrow's leaders, making opportunities available for them to put their natural endowment for creative and productive channels, they are indeed capable of. The event was planned for June in commemoration of youth month, but due to financial constraints it was postponed for August, so that the collaboration with other stakeholders is reached.

Purpose of the session was for the organisations and Government spheres to present their products/ or opportunities where young entrepreneurs can tap into. The following presentations were received:-

- Harmony Gold mine – on their procurement registration to get a vendor number, the processes to register on their procurement portal so that registered service providers will receive automated invitation to respond on quotations and tenders on line. Offices and contact person's numbers to assisting with supplier database.
- Nedbank -

It also afforded young entrepreneurs an opportunity to look closely at the assessment of the available funding, training opportunities, and how to build/grow their businesses and Matjhabeng economy to eradicate poverty.

PROGRESS

The event was a success and blessed by Honourable Minister Lindiwe Zulu who addressed 200 young entrepreneurs in attendance. She further appreciated Local Economic Development to initiate the programmes which are aimed at encouraging the community to start their own businesses, with special focus on youth.

All stakeholders presented their products they offer in developing the SMME's and there were one on one sessions as well between stakeholders and entrepreneurs as well as among entrepreneurs themselves.

These kinds of events create opportunities to: -

- Assist the municipality to disseminate business information.
- Provide a platform to exchange views and network.
- Create a platform for economic dialogue between various stakeholders.
- Encourage building of bridges in communities and foster a spirit of partnerships.
- Transfer of business skills from experts, and training.
- Facilitate in the establishment of Co-operatives
- Enhancing mentorship & Business after care services

LEGAL IMPLICATIONS

None.

FINANCIAL IMPLICATIONS

NYDA, DSBD and municipality funded the event.

RECOMMENDATION

1. That Committee takes note of the report.

LED28 of 2019

PROGRESS REPORT ON THE ESTABLISHMENT OF FARMER PRODUCTION SUPPORT UNIT (FPSU) IN MATJHABENG LOCAL MUNICIPALITY (ODENDAALSRUS) (LED)

PURPOSE

This report serves to provide progress with regards to establishment of Farmer Production Support Unit (FPSU) in one of the identified municipal farm known as portion 2 of the farm Kalkkuil 153, situated near Odendaalsrus, in Matjhabeng Local Municipality in the Free State Province.

BACKGROUND

The purpose Farmer Production Support Unit (FPSU) is to promote the growth in agribusiness by creation of a one stop shops for production, processing, logistics, marketing, training and extension services. The vision for Farmer Production Support Unit (FPSU) is that it will be farmer-controlled entities that serves as catalysts around which rural industrialisation can take place.

Department of Rural Development and Land Reform has identified a need to develop a Farmer Production Support Unit (FPSU) near Odendaalsrus on portion 2, Kalkkuil 153. The FPSU is a rural outreach unit connected with the Agri-Hub. It focusses on primary collection, storage, processing, and extension services including mechanization

The FPSU is a rural outreach unit connected with the Agri-Hub. The main concept of the Odendaalsrus FPSU is to provide essential and efficient farmer support services and training to the developing farmers in the Odendaalsrus area and other towns in the Matjhabeng Local Municipality.

*** **See the attached report progress** report from Department of Rural Development and Land Reform under **Separate Cover (3)**

The Odendaalsrus portion 2, Kalkkuil 153 facilities proposed for the FPSU site includes the following:

- Reception and administrative offices
- Multipurpose training facility
- Animal handling facility
- Animal handling site for practical training
- Pastures for animal roaming
- Logistics centre with a mechanisation unit and a training workshop facility
- Storage units, storage for mobile units and cold storage
- Retail space and tourism
- Security offices
- Storage facilities
- Broiler facilities

The creation of viable small holder farmers and value adding activities may indeed contribute to viable and stable rural communities, but substantial support will be required.

LEGAL IMPLICATION

N/A

RECOMMENDATION

1. That Committee takes note of the report.

LED29 of 2019

REPORT ON THE CONSULTATION SESSION FOR THE TOURISM BROAD-BASED ECONOMIC EMPOWERMENT (B-BBEE) SECTOR CODE (LED)

PURPOSE OF THE REPORT

The purpose of the report is to give feedback on the participation of Matjhabeng Local Municipality at the Consultation Session for the Tourism Broad-Based Economic Empowerment (B-BBEE) Sector Code held on the 24th October 2019 at President Hotel and Conference in Bloemfontein.

BACKGROUND

The Tourism B-BBEE Charter was published (in 2005) in the Government Gazette to highlight the commitment of all the stakeholders in the Tourism Sector for the empowerment and transformation of the sector, and to work collectively to ensure that the opportunities and benefits of the Tourism Sector are extended to Black People as well.

In 2009, the Tourism B-BBEE Sector Code was published in the Government Gazette in line with the Generic Codes of Good Practice to advance the objectives of the B-BBEE Act No. 53 of 2003 and establish the principles upon which B-BBEE will be implemented in the Tourism Sector. Arising from the Amended Generic Codes of Good Practice issued by the Minister of Trade and Industry in October 2013, the Council also aligned the Tourism B-BBEE Sector Code to the Amended Generic Codes of Good Practice. The Amended Tourism B-BBEE Sector Code was gazetted in November 2015 and the Code is binding on all enterprises operating in the Tourism Sector. See attached under Separate Cover (2) is the

PURPOSE OF THE TOURISM B-BBEE

The Amended Tourism B-BBEE Sector Code expresses the commitment of all the stakeholders in the Tourism Sector to the empowerment and transformation of the sector and its commitment to working collectively to ensure that the opportunities and benefits of the Tourism Sector are extended to Black People as well. The Tourism B-BBEE has been published for public comments and the closing date is 30 November 2019.

THE AMENDED TOURISM B-BBEE SECTOR CODE

The Tourism B-BBEE Sector Code applies to all enterprises within the Tourism Sector and all parts of the tourism value chain, namely;

Accommodation
<ul style="list-style-type: none"> • Hotels • Resort properties and timeshare • Bed and breakfast (B&B's) • Guesthouses • Game lodges • Backpackers and hostels
Hospitality and related services
<ul style="list-style-type: none"> • Restaurants (not attached to hotels) • Conference venues (not attached to hotels) • Professional catering • Attractions, Casinos • Consulting and professional services

Travel and related services
<ul style="list-style-type: none"> •Tourist guides •Car rental companies •Coach Operators •Tour wholesalers •Tour operators •Travel agents

THE FIVE ELEMENTS OF B-BBEE ARE:

- 5.1 Ownership
- 5.2 Management Control
- 5.3 Skills Development
- 5.4 Enterprise and Supplier Development
- 5.5 Socio-Economic Development

CHALLENGES

CHALLENGE	SOLUTION
The Tourism sector has not transformed to benefit black people.	Encourage black communities to Participate and make inputs on the Tourism B-BBEE document.

FINANCIAL IMPLICATIONS

Subsistence and Travelling of three tourism officials.

LEGAL IMPLICATIONS

Tourism Act no.3 of 2014
 Tourism White Paper on Development and Promotion, 1996
 National Tourism Sector Strategy, 2017
 B-BBEE Amendment Act No. 46 of 2013

RECOMMENDATION

1. That the report be noted.