

GAUTENG PROVINCIAL LEGISLATURE

GAUTENG TOWNSHIP ECONOMIC DEVELOPMENT BILL

*(Amendments to the Bill as proposed by the Portfolio Committee on
Economic Development)
(The English Text is the official text of the Bill)*

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR ECONOMIC AFFAIRS IN THE PROVINCE)

[G003(B)—2022]

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

BILL

To provide for the designation, promotion, development and operation of Township Enterprise Zones, to provide for the establishment of Township Enterprise Zone Co-ordination and Management Centres, to provide for the establishment of the Township Enterprise Zones Fund; to provide for matters connected therewith.

PREAMBLE

WHEREAS South African policies for economic growth and development recognise that responding to challenging local economic conditions demand a focus on areas with economic problems and deprived populations that need targeted government assistance to encourage increased access to key services, social and economic opportunities and growth of new businesses.

AND WHEREAS the Gauteng Provincial Government recognises that transforming the economy requires the significant participation and meaningful inclusion of people in areas of deprivation prioritising 'townships' into the mainstream economy of the Province through their own enterprises that are supported by the Government and big business;

AND RECOGNISING that measures must be implemented to assist, support and enhance enterprises, while strengthening the principle approach of promoting economic transformation in order to enable meaningful participation of black people in the local township economy in the Province;

AND REALISING the impact of spatially targeted economic development support in driving localised economic growth, the Provincial Government has identified Township Enterprise Zones as a mechanism that will contribute towards Broad Based Black Economic Empowerment and the realisation of economic growth and development goals in deprived areas and is committed to support and facilitate the designation, regulation and development of Township Enterprise Zones in Gauteng;

AND SINCE Township Enterprise Zones will be designated areas to promote targeted local economic activities, supported through special arrangements and support systems including incentives, business support services, streamlined approval processes and infrastructure,

THE BILL THEREFORE SEEKS TO PROVIDE FOR:—

- (a) the promotion and development of the township economy and to create a conducive environment for the attainment of that purpose;
- (b) licensing of enterprises in deprived areas,
- (c) management of the Fund through the Gauteng Township Economic Development Fund and;
- (d) principles to be adopted by municipalities in drafting and adopting by-laws and to provide for matters connected therewith or incidental thereto.

B E IT THEREFORE ENACTED by the Provincial Legislature of the Province of Gauteng, as follows:

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CHAPTER 1

PRELIMINARY PROVISIONS 20

Definitions

- In this Act, unless the context indicates otherwise—
 - By Law means:** legislation passed by the council of a municipality binding in the municipality on the persons to whom it applies;
 - “co-operative”** means a co-operative registered in terms of section 7 of the Co-operatives Act, 2005 (Act No. 14 of 2005);
 - “Constitution”** means the Constitution of the Republic of South Africa, 1996;
 - “Department”** means the Department responsible for economic affairs in the Province;
 - “enterprise”** means— 30
 - (a) an undertaking or a business concern, whether formal or informal, which is engaged in the production of goods or provision of services; and
 - (b) includes an entrepreneur; and
 - (c) a small enterprise, a small enterprise organisation and a co-operative
 - “entrepreneur”** means a person who starts and operates a business, which includes identifying opportunities in the markets, taking risks with a view of being rewarded with profits; 35
 - “Executive Council”** means the Executive Council of the Province contemplated in section 132 of the Constitution;
 - Licensing Authority:** means a local or metropolitan municipality as defined in Section 1 of the Municipal Structures Act 117 of 1998 (As amended) and provincial organ of state or competent authority enabled by legislation to issue, renew or revoke a licence. 40
 - Municipality:** is a geographic area, a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) and an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the 25 Local Government: Municipal Demarcation Act, 1998. 45
 - “Organised local government”** means an organisation recognised in terms of section 2 (1) of the Organised Local Government Act, 1997 (Act No. 52 of 1997). 50 to represent local government nationally or provincially.

- “**provincial organ of state**” means—
- (a) a provincial department as defined in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
 - (b) a provincial public entity as defined in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999); or
 - (c) the Provincial Legislature;
- “**persons with disabilities**” has the meaning assigned to the phrase in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);
- “**prescribe**” means to prescribe by regulation and “**prescribed**” has the corresponding meaning;
- “**Province**” means the Province of Gauteng referred to in section 103(1)(c) of the Constitution;
- “**Provincial Gazette**” means the Provincial *Gazette* of the Province of Gauteng as published by the Government Printer;
- “**Provincial Legislature**” means the Provincial Legislature of the Province of Gauteng referred to in section 104 of the Constitution;
- “**Republic**” means the Republic of South Africa referred to in section 1 of the Constitution;
- “**responsible Member**” means the Member of the Executive Council responsible for matters related to economic affairs in the Province;
- “**small enterprise**” means a separate and distinct business entity, together with its branches or subsidiaries, if any, including a co-operative enterprise, managed by one owner or more, predominantly carried on in any sector or subsector of the economy mentioned in column 1 of the Schedule and classified as a micro, small or medium enterprise by satisfying the criteria mentioned in columns 3 and 4 of the Schedule to the National Small Enterprise Act, 1999 (Act No. 102 of 1996);
- “**small enterprise organisation**” means any entity, whether or not incorporated or registered under any law, consisting mainly of persons carrying on small enterprise concerns in any economic sector and established for the purpose of promoting the interests of, or representing, small enterprise concerns, and includes any federation consisting wholly or partly of such association, and any branch of such organisation;
- “**this Act**” includes any regulation made in terms of or under this Act;
- “**township**” means an area contemplated in section 6, and includes an urban, peri-urban or rural living area which—
- (a) at any time from the late 19th century until 27 April 1994, was reserved for Black, Coloured, or Indian people; or
 - (b) has been developed for historically disadvantaged persons after 27 April 1994; or
 - (c) has become predominantly occupied by historically disadvantaged people; and
 - (d) is currently an economically deprived area;
- “**township-based enterprise**” means a small enterprise, small enterprise organisations and co-operatives which is based or situated in a township designated in terms of section 6
- “**Township Economy**” refers to enterprises and markets based in the townships. These are enterprises operated by township entrepreneurs to meet primarily the needs of township communities and therefore can be understood a ‘township enterprises’ as distinguished from those operated by entrepreneurs outside the townships.

Guiding principles

2. (1) This Act seeks to facilitate and promote inclusive economic growth along a transformative paradigm in order to build a cohesive and more equal society which is underpinned by—
- (a) a growing and inclusive economy that harnesses the potential of all people in the Republic who are residents in Gauteng province;
 - (b) diversify the ownership patterns in the economy; and
 - (c) facilitates easier access by new entrants into all sectors of the economy.

- (2) Without derogation from the provisions of subsection (1), organs of state within the Province must be guided by specific transformative principles driving township economic interventions, including interventions that—
- (a) focus on sectors of the economy with rapid growth potential, especially with regard to employment and exports; 5
 - (b) are driven by an ethos and imperatives of transformation, modernisation and industrialisation;
 - (c) are structured to include the social protection of vulnerable groups in society through the promotion of access to economic opportunities;
 - (d) include a bias towards strengthening of the productive capacity of the township economy across all sectors and value chains; 10
 - (e) promote productive activities and value addition designed to prevent and eradicate fronting practices;
 - (f) need to extract—
 - (i) maximum economic development value from planned levels of investment in infrastructure; and 15
 - (ii) maximum value from established and potential capacity of government departments; and
 - (g) need to be implemented within the context of an effective, solution-oriented monitoring and evaluation system. 20

Object of Act

3. The object of this Act is to—
- (a) promote economic transformation in order to enable meaningful participation of black, coloured and Indian people in the local township economy.
 - (b) introduce an enabling framework to ensure that retail malls and supermarkets that are township-based partner with local township-based enterprises, including the sourcing of some of the products and services from local township-based producers, service providers and manufacturers; 25
 - (c) establish specific procurement rules and programmatic support that allows government and its main contactors— 30
 - (i) to buy from a large group or groups of township-based enterprises, with systems linking them so they can supply as if they are one large enterprise with an aim of encouraging co-operation and competition among enterprise strictly prohibiting price fixing and collusion; or
 - (ii) to compel enterprises that obtain government contracts to spend a certain percentage of their procurement spend on township-based enterprises or entrepreneurs and co-operatives; 35
 - (d) provide an enabling environment for municipalities to—
 - (i) develop taxi ranks into micro central business districts and to support the taxi economy to use its scale to grow supporting value chains and industries; 40
 - (ii) support the development and promotion of a township-based real estate development model to convert areas with high commercial densities into township high streets; and
 - (e) promote and support the development of representative associations of township-based enterprises and non-profit organisations. 45

Application of Act

4. This Act applies to every organ of state and, subject to section 39, every municipality within the Province.

Non-derogation from, and conflict with, other law 50

5. (1) This Act is—
- (a) cumulative; and
 - (b) in addition to; and
 - (c) not in derogation from, 55
- any other law for the time being in force.

(2) In the event of a conflict between this Act and any other law in force which regulates township economic development or township-based enterprises in the Province and which is of general application, this Act prevails.

CHAPTER 2

DESIGNATION OF TOWNSHIP ENTERPRISE ZONES 5

Designation of township area

6. (1) The MEC of Economic Development must in consultation with the relevant municipality, and by notice in the Provincial *Gazette* and designate township enterprise zones as a result of a process whose product will be the **Gauteng urban space economy analysis**. The Gauteng urban space economy analysis must: 10

- (a) use objectively verifiable informants to construct a contemporary understanding of the Gauteng Urban Space Economy; and
- (b) hold a consultative process among provincial departments to arrive at the latest current understanding of evident features and characteristics of Gauteng urban space economy. 15
- (c) use current understandings drawn primarily from the Provincial Economic Development department mandate considered in conjunction with other provincially-located mandates to identify economic activity to support in "township" areas.

(2) The MEC of Economic Development may in consultation and by notice as contemplated in subsection (1), designate township enterprise zones at two scales, namely: 20

- (a) At a regional scale to be called Township Enterprise Zones and taken to connote an area comprising: 25
 - (i) a significant portion of a township and/or suburb;
 - (ii) the entirety of a township and/or suburb; and/or,
 - (iii) a group of whole and/or portions of contiguous townships and/or suburbs.
- (a) At a neighbourhood scale to be called Township Enterprise Precinct and taken to connote an area comprising: 30
 - (i) areas within, equal to but not larger than an area covered by a municipal or regional spatial development framework;
 - (ii) areas of significant economic activity abutting and around taxi ranks; high streets; retail strips; retail malls; noteworthy portions of neighbourhoods; and noteworthy mobility routes, gateways and intersections. 35

(3) The MEC of Economic Development may in consultation and by notice contemplated in subsection (1), designate township enterprise zones for the purposes of:

- (a) encouraging industrial and commercial activity in economically depressed areas; 40
- (b) progressively reducing the prevalence of deprived populations in areas exhibiting township characteristics;
- (c) allowing government support to be responsive, progressive and cumulative to target deprived populations;
- (d) facilitating spatial transformation in a changing economic context across Gauteng Province; and/or 45
- (e) containing none, one or a number of Township Enterprise Precincts (TEP) to be determined periodically.

CHAPTER 3

LICENSING OF TOWNSHIP-BASED ENTERPRISES 50

Licensing of township-based enterprises

7. (1) From the date of commencement of this Act, provincial organs of state must indicate how they are adopting protocols to support township-based enterprises that—

- (a) do not comply with a specific requirement; or
- (b) do not meet with a specific requirement, 55

in obtaining such a licence from a relevant licensing authority, to obtain such a licence.

(2) Before the grant or issue of such a licence from the relevant licensing authority, a provincial organ of state may regard the township-based enterprise as a formal business enterprise: Provided that a certified copy of receipt or a formal confirmation issued by the relevant licensing authority of an application is produced as sufficient evidential proof of an application for a licence. 5

(3) In this section, and section 8, a “**licence**” includes a written or digital licence, registration, approval, recognition, permission, consent, certificate, exemption or any other authorisation granted and issued in accordance with any law in force for the purpose of establishing or operating a business enterprise. 10

Display of licences

8. Where a licence is issued in respect of any premises, the licence holder must ensure that such licence is displayed at all times in a prominent position on such premises or be able to provide digital proof of the licence.

CHAPTER 4 15

PROMOTION AND DEVELOPMENT OF TOWNSHIP-BASED ENTERPRISES

Part I

Role of responsible Member and other organs of state

Policies and programme by responsible Member

9. (1) Within the limits prescribed by law, the responsible Member must— 20
- (a) formulate, coordinate and implement policies and programmes for promoting and developing township-based enterprises;
 - (b) monitor the efficiency and performance of township-based enterprises having regard to the purpose for which they are established;
 - (c) establish a data base of facilities and sources of finance, technology, raw materials, machinery, equipment and supplies with a view to promoting accessibility to township-based enterprises; 25
 - (d) provide marketing support services to township-based enterprises;
 - (e) register, collect, research and disseminate information relating to township-based enterprises; 30
 - (f) register, monitor and coordinate activities and programmes of promotional agencies engaged in township-based enterprise development;
 - (g) Invest in the development and upgrading of appropriate productive technologies for township-based enterprises;
 - (h) locate and develop industrial estates and common facilities for use by township-based enterprises according to the list promulgated by the MEC; 35
 - (i) develop township entrepreneurship;
 - (j) arrange for independent training, management and consulting services to township-based enterprises at such fee as determined by the Minister of Finance. 40
 - (k) provide financial services specified under Part III through the Fund established thereunder;
 - (l) establish and maintain a data base of plans and strategies contemplated in section 10;
 - (m) do all such other things as are necessary or incidental to the attainment of the object of this Act. 45

(2) In addition to the provisions of subsection (1), the responsible Member must facilitate the development and implementation of multisectoral policies and programmes.

Plans and strategies by provincial organs of state

- 10.** (1) Subject to the provisions of this Act and other applicable law, a provincial organ of state may—
- (a) formulate plans and strategies to support the development of township-based enterprises; 5
 - (b) develop and implement programmes and projects in pursuance of the plans and strategies contemplated in paragraph (a), including programmes and projects intended to contribute directly or indirectly to—
 - (i) the establishment, development, support and promotion of township-based enterprises; and 10
 - (ii) the economic prosperity of township-based enterprises;
 - (c) plan, direct, manage and implement programmes and projects to improve the business environment in the Province, including programme and projects—
 - (i) to support township-based enterprises, business associations, conferences, studies, consultations, trade shows, demonstration projects and market research; and— 15
 - (ii) to improve business communication and cooperation; and
 - (iii) related to the development of business opportunity data banks and networks; and
 - (d) promote and advance the mainstreaming of youth, women and persons with disabilities in all township-based enterprise programmes and projects; 20
 - (e) do all such other things as are necessary or incidental to the attainment of the purpose of this Act.
- (2) Without derogating from the provisions of subsection (1), the benefits and incentives include those that are mentioned in Part II of this Chapter; and 25
- (3) A plan or strategy as contemplated under subsection (1) must be reported by the relevant organ of state to the responsible Member within one month of the adoption of such plan or strategy.

Part II

Benefits and incentives for township-based enterprise 30

Financial assistance

- 11.** A provincial organ of state may within its available resources, in order to facilitate the flow of financial resources to sector township-based enterprises—
- (a) either on its own or in cooperation with other small enterprise development agencies, identify sector township-based enterprises and projects which require financial assistance; 35
 - (b) provide information on sources of finance and promote local investment for sector township-based enterprises;
 - (c) assist sector township-based enterprises with the preparation of business plans, project proposals and other loan application documents with a view to promoting accessibility to financial resources; 40
 - (d) design and establish standards for loan administration and monitor effective use of loan funds and repayment mechanisms by sector township-based enterprises so as to curb misuse of financial resources;
 - (e) either on its own or with other financial institutions, establish venture capital funds to promote investments registered in terms of this Act; and 45
 - (f) secure incentives through relevant authorities for any financial institution which undertakes to develop or finance sector township-based enterprises.
 - (g) Provide financial assistance to enterprises which are fully or partially owned by South African Citizens, who were previously and are currently economically disadvantaged. 50

Development of infrastructure

- 12.** A provincial organ of state must take reasonable measures to facilitate the provision of suitable infrastructure, including worksites, social amenities, business information centres, model centres of excellence, common usage facilities and other facilities, necessary for development of sector township-based enterprises. 55

Industrial and commercial estates

13. A provincial organ of state must, on such terms and conditions as may be agreed, assist sector township-based enterprises with the provision of buildings, land or premises on which township enterprises may undertake designated business activities.

Letting of buildings or premises 5

14. The Gauteng Department of Infrastructure Development must assist a provincial organ of state, on such terms and conditions as may be agreed upon, to enter into an agreement with any person, institution, organisation or company, to let out any building or premises for use by sector township-based enterprises as an industrial or commercial estate for— 10

- (a) the first three years of operations for an enterprise operating in an urban or peri urban area; or
- (b) the first five years of operations for an enterprise operating in a rural area, without any payment of rentals excluding operational costs.

Capacity building programmes 15

15. A provincial organ of state must, in partnership with the public and private training institutions, as the provincial organ of state may deem necessary—

- (a) promote and provide business development services for sector township-based enterprises;
- (b) promote technological modernisation and development of sector township-based enterprises; and 20
- (c) develop and administer certified demand-driven capacity building and entrepreneurship programmes for sector township-based enterprises.

Development of markets and provision of marketing services

16. (1) A provincial organ of state may— 25

- (a) facilitate the establishment of markets or identify existing markets for products generated by sector township-based enterprises;
- (b) provide linkages between sector township-based enterprises and potential markets;
- (c) organise trade fairs and shows in order to promote products generated by sector township-based enterprises; 30
- (d) conduct market research, undertake surveys and analysis and share the findings, conclusions and recommendations thereof with sector township-based enterprises; and
- (e) provide all such matters and things as may be necessary for the convenient use by sector township-based enterprises, including payment of stallages, rents, fees and tolls in respect of the use by any sector township-based enterprises at any market: Provided that such payments must be within the reasonable financial means of the relevant organ of state. 35

Technology transfer or acquisition 40

17. A provincial organ of state must, in order to promote technology transfer, acquisition and adaptation of new and modern technology—

- (a) encourage innovation and transfer of technology in order to increase competitiveness of township-based enterprise products and services;
- (b) support the registration and protection of intellectual property rights for sector township-based enterprises; 45
- (c) provide incentives to encourage invention and innovation by sector township-based enterprises;
- (d) establish—
 - (i) regional and other centres of excellence to enhance utilisation of locally available knowledge, skills and resources; and 50
 - (ii) technology parks for graduating sector township-based enterprises;
- (e) identify, collect, develop, modify, package and disseminate technology and products to sector township-based enterprises;

- (f) facilitate sector township-based enterprises to access relevant equipment either through purchase, lease or franchising;
- (g) conduct research on available technologies with a view to improve such technologies;
- (h) access modern and appropriate technologies for use by sector township-based enterprises; 5
- (i) develop, in collaboration with relevant institutions, programmes—
 - (i) in standardisation and product development for different subsectors within sector township-based enterprises; and
 - (ii) for improving credit access and other financial services by sector township-based enterprises; 10
- (j) develop programmes to enable sector township-based enterprises to comply with legislation, including in particular, environmental legislation; and
- (k) mobilise funds and resources for the development of appropriate technology in relevant research institutions and enterprises that develop technology for small enterprises. 15

CHAPTER 5

GAUTENG TOWNSHIP ECONOMIC DEVELOPMENT FUND

Establishment of Gauteng Township Economic Development Fund

18. There is hereby established a fund to be known as the Township Enterprise Fund which will reside within the Gauteng Enterprise Propeller and be governed by the provisions of the Gauteng Enterprise Propeller Act (Act No.5 of 2005) . 20

Purpose of Fund

- 19.** (1) The main purpose of the Fund is to support the development of township-based enterprises. 25
- (2) Without derogating from the generality of subsection (1), the Fund must—
- (a) provide affordable and accessible credit or loans to township-based enterprises partially or fully owned by South African citizens;
 - (b) guarantee the repayment of, or provide loan insurance or credit insurance of financial obligations undertaken by township-based enterprises; 30
 - (c) finance—
 - (i) capacity building of township-based enterprises; or
 - (ii) finance research, development, innovation and transfer of technology.
- (3) In the execution of the functions contemplated in subsections (1) and (2) the fund may not be overdrawn. 35

Funds of the Fund

- 20.** (1) The Fund consists of—
- (a) monies appropriated to the fund under an appropriation Act adopted by the Gauteng Provincial Legislature;
 - (b) monies as may be payable or transferred to the Fund pursuant to this Act or any other law; 40
 - (c) monies or assets as may accrue to or vest in the Fund under this Act;
 - (d) monies received by way of donations, gifts or grants given or made for the purpose of the Fund;
 - (e) interest accruing from loans and other forms of investment for the purpose of the Fund; and 45
 - (f) moneys from any other source provided or lent to the Fund.
- (2) The responsible Member may, in consultation with the Member of the Executive Council responsible for finance, by notice in the Provincial *Gazette*, fix the size of the Fund sufficient to facilitate the promotion and development of township-based enterprises. 50

(3) Monies constituting the Fund must be placed in an account to be used for the promotion and development of township-based enterprises, and—

- (a) surplus monies must be invested in interest-bearing financial products; and
- (b) any income from the investments referred to in paragraph (a) must be credited to the Fund.

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Management of Fund

21. (1) The Fund is under the administration and control of the Board of Directors of the of the Gauteng Enterprise Propeller appointed in terms of the Gauteng Enterprise Propeller Act (Act 5 of 2005).

(2) The Board is, in accordance with the Public Finance Management Act, 1999 (Act No. 1 of 1999), the accounting authority for the Fund.

(3) A member of the board must at all times act—

- (a) in the interest of the Fund and not in their own or sectoral interests;
- (b) independently of any undue influence or instruction;
- (c) in a justifiable, open and transparent manner and his or her decisions must be impartial and without any bias;
- (d) in a manner that is required and expected from the holder of a public office; and
- (e) in the public interest.

(4) The Board is responsible for—

- (a) opening and managing an account in the name of the Fund with a registered bank in the Republic;
- (b) depositing into that account any money received by the Fund;
- (c) supervising and controlling the administration of the Fund;
- (d) approving of all township-based enterprises development and financing proposals;
- (e) entering into agreements with any person for the purpose of providing services to the Fund;
- (f) entering into agreements with financial institutions for the purpose of administering affordable and accessible credit to township enterprises; and
- (g) investing any money of the Fund that is not immediately required for contingencies or to meet current expenditure—
 - (i) on a call account or short-term fixed deposit account with any registered bank or financial institution in the Republic; or
 - (ii) in an investment account with the Corporation for Public Deposits established in terms of section 2 of the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984).

Accessing the Fund

22. (1) Any township-based enterprise may, on application, access funds by way of credit loan grant funding, factoring, guarantee and micro-insurance from the Fund.

(2) In this section, “**factoring**” means buying of invoices at a discount and taking the responsibility of collecting the payment due on the invoices.

CHAPTER 6

MUNICIPALITIES

Application of Act to municipalities within Province

23. (1) This Act applies, with the necessary changes required by context, to municipalities within the Province.

(2) In such application, a reference in the Act to—

- (a) a provincial organ of state, must be construed as a reference to—
 - (i) a municipal entity as defined in section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); and
 - (ii) a municipality as described in section 2(a) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000); and
- (b) the responsible Member, must be construed as a reference to the executive Mayor or Mayor of the municipality concerned.

55

Township Economic Development By-laws

- 24.** (1) Within a year from the date of commencement of this Act, a municipality must—
- (a) pass by-laws that substantially conform to the matters provided for in Schedule 1; 5
 - (b) in the event the by-laws already exist, revise and if necessary, amend the by-laws to make them substantially conform to the matters provided for in Schedule 1; or
 - (c) on good cause shown, request the responsible Member and local government to grant one extension, for a maximum of three months, to comply with paragraphs (a) or (b) of subsection (1). 10
- (2) The provisions of sections 12 and 13 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), apply in respect of the passing of by-laws by a municipality in terms of subsection (1).
- (3) To assist municipalities to comply with the provisions of subsection (1), the Member of the Executive Council responsible for local government matters in the Province must, after consultation with the responsible Member, publish, by notice in the *Provincial Gazette*, and within one month of the commencement of this Act, model standard by-laws on Township Economic Development that complies with this Act and the matters provided for in Schedule 1. 15 20
- (4) A municipality may opt to adopt the standard by-laws contemplated in subsection (3) as the by-laws contemplated in subsection (1)(a).

CHAPTER 7

GENERAL PROVISIONS

Regulations 25

25. The responsible Member must within six months of commencement of this Act, make regulations on;

- (a) Designation procedure for townships;
- (b) Funding application procedure.

Guidelines 30

26. (1) The responsible Member may, in consultation with the Member of the Executive Council responsible for finance in the Province, determine guidelines regarding—

- (a) categories of township enterprises to be assisted under this Act; and
- (b) the kind of assistance to be rendered. 35

(2) In determining the categories of township enterprises or small enterprise organisations to be assisted, the responsible Member must consider the potential and viability of the enterprise or organisation.

Collaboration among organs of state

27. Organs of state may collaborate amongst themselves in discharging their individual obligations in order to achieve the objects of this Act. 40

Amendment of laws

28. The laws mentioned in Schedule 2 are hereby amended to the extent provided for in that Schedule.

Short title and commencement 45

29. (1) This Act is called the Gauteng Township Economic Development Act, 2022, and comes into operation on a date determined by the Premier by proclamation in the *Provincial Gazette*.

(2) The Premier may determine different dates for different sections of this Act to come into operation. 50

SCHEDULE 1

PRINCIPLES OF TOWNSHIP ECONOMIC DEVELOPMENT BY-LAWS

(contemplated in section 39)

Every municipality must ensure that their by-laws:

- (a) introduce building standards applicable to all areas in townships; 5
- (b) consider alternative building technologies to renovate or expand existing properties and for new buildings;
- (c) on approval of new developments in townships, include an impact assessment on displacement of local firms, and provide for inclusionary development opportunities for said firms where the impact would cause such displacement; 10
- (d) in respect of taxi ranks, introduce a zoning overlay which confers commercial rights, as well as rights to build up to 5 stories within a 1 km radius of the centre of the site: Subject to bulk services availability;
- (e) introduce fines and penalties on vacant, undeveloped land owned by either organs of state or private individuals within areas in the townships which are identified by the Gauteng Spatial Development Framework (GSDF) for either socio-economic integration or economic consolidation (or any successor category of a comparable nature established by an updated version of the GSDF) . The proceeds of said fines will be ringfenced to fund infrastructure and projects fulfilling the aims and objectives of the Gauteng Township Economic Development Act. 15 20
- (f) considers any township-based enterprise that requires written consent, licence, permission, registration or any other authorisation as being authorised to trade: Provided that—
 - (i) there are no additional legislative prescripts prohibiting the business activity in question; 25
 - (ii) the business operator demonstrates that he or she is the owner-occupier or has permission of the owner to operate on the property in question; or
 - (iii) where the state is the owner of the property in question, permission applied for through the appropriate channels has been granted or is deemed to have been granted in the event where no response is received by the applicant within a period of three months. The deemed permission must be applicable for a duration of the period of one year. 30
- (g) Provides an enabling environment for investment by private sector companies into last-mile broadband internet infrastructure in township areas by: 35
 - (i) reducing the cost of wayleaves in the designated township areas for companies willing to install and manage broadband services to these areas at affordable costs;
 - (ii) allowing for a bidding system for the use of street furniture (street lamps and associated) by companies seeking to offer broadband access to township communities. 40

This enabling will be conditional upon inclusion of local SMMEs in the installation and maintenance value chain and creation of local jobs.

SCHEDULE 2

AMENDMENT OF LAWS

Amendment of Gauteng Finance Management Supplementary Act, 2000

1. The Gauteng Finance Management Supplementary Act, 2000 (Act No. 1 of 2000), is hereby amended by the substitution of subsection (1) of section 30 of the following subsection: 5

“Treasury instructions

30. (1) The Provincial Treasury may issue treasury instructions applicable to provincial [**departments and provincial public entities**] organs of state regarding— 10
- (a) any matter in terms of which the Provincial Treasury considers necessary or expedient to prescribe to ensure the uniform and efficient of this Act;
- (b) subject to the Public Procurement Act, 2000, measures— 15
- (i) that advance the development of township-based enterprises;
 - (ii) for preference to set aside the allocation of contracts to township-based enterprises; and
 - (iii) that empower small enterprise organisations to mobilise resources and supply, as a whole single unit at a price, scale and quality level that is acceptable to provincial organs of state. 20
- (c) to facilitate credit lines for township-based enterprises allocated short-to medium set aside contracts by suppliers, or guarantees to pay their invoices directly. 25

Amendment of Gauteng Enterprise Propeller Act, 2005

2. The Gauteng Enterprise Propeller Act, 2005, is hereby amended by the substitution for the definition of “Small Enterprise” in section 1 of that Act of the following definition: 25

“**small enterprise**” means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises [**and non-governmental organisations**], managed by one owner or more and which[, **including its branches or subsidiaries**] is predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Schedule and classified as a micro, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the Schedule opposite the relevant size of class mentioned in column 2 of the Schedule. 30 35

