

PROVINCE OF GAUTENG

**GAUTENG TOWNSHIP ECONOMIC
DEVELOPMENT BILL**

*(As introduced in the Provincial Legislature of the Province of Gauteng as
a Government Bill in terms of Rule 192(1) of the Standing Rules of the
Provincial Legislature (Version 5, Revision 8))*

(The English Text is the official text of the Bill)

(Member of the Executive Council responsible for economic affairs in the
Province)

[B – 2020]

B I L L

To provide for the promotion and development of township economy and to create a conducive environment for the attainment of that purpose; and to provide for matters connected therewith or incidental thereto.

PREAMBLE

WHEREAS section 9 of the Constitution guarantees the right of everyone to equal protection and benefit of the law, and empowers the State to undertake legislative and other measures designed to promote the achievement of equality by protecting and advancing persons or categories of persons disadvantaged by unfair discrimination;

AND WHEREAS section 22 of the Constitution guarantees the right of every citizen to choose his or her trade, occupation or profession freely, and empowers the State to regulate the practice of trade, occupation or profession by law;

AND WHEREAS the Gauteng Provincial Government recognises that the significant participation and meaningful inclusion of the people of the township into the mainstream economy of the Province through their own township enterprises that are supported by the Government and big business will be one of the game changers;

AND WHEREAS the Gauteng Provincial Government acknowledges that townships must be self-sufficient and vibrant economic centres,

BE IT THEREFORE ENACTED by the Provincial Legislature of the Province of Gauteng, as follows:—

Arrangement of Sections

Section

CHAPTER 1 PRELIMINARY PROVISIONS

1. Definitions
2. Guiding principles
3. Objects of Act
4. Application of Act
5. Non-derogation from, and conflict with, other law

CHAPTER 2 DESIGNATION OF TOWNSHIP AREAS

6. Designation of township areas

CHAPTER 3 ECONOMIC ACTIVITIES RESERVED FOR CITIZENS OR PERSONS WITH PERMANENT RESIDENCY STATUS

7. Economic activities reserved for citizens of or persons with permanent residency status

CHAPTER 4 REGULATION OF TOWNSHIP-BEASED ENTERPRISES

8. Licensing of township-based enterprises
9. Display of licences
10. Information required for tax purposes

CHAPTER 5
PROMOTION AND DEVELOPMENT OF TOWNSHIP-BASED
ENTERPRISES

Part I

Role of responsible Member and provincial organs of state

11. Policies and programmes by responsible Member
12. Plans and strategies by provincial organs of state

Part II

Benefits and incentives

13. Financial assistance
14. Development of infrastructure
15. Industrial and commercial estates
16. Letting of buildings or premises
17. Capacity building programmes
18. Development of markets and provision of marketing services
19. Technology transfer or acquisition

CHAPTER 6
GAUTENG TOWNSHIP ECONOMIC DEVELOPMENT FUND

20. Establishment of Gauteng Township Economic Development Fund
21. Purpose of Fund
22. Funds of Fund
23. Management of Fund
24. Accessing the Fund
25. Accounts of Fund
26. Annual report of Fund

CHAPTER 7
MUNICIPALITIES

- 27. Application of Act to municipalities with the Province
- 28. Model Standard By-laws

CHAPTER 8
GENERAL PROVISIONS

- 29. Regulations
- 30. Guidelines
- 31. Amendment of laws
- 32. Short title and commencement

CHAPTER 1 PRELIMINARY PROVISIONS

Definitions

1. In this Act, unless the context indicates otherwise—

"**black people**" means a person of African, Coloured and Indian origin—

- (a) who is a citizen of the Republic by birth or descent; or
- (b) who became a citizen of the Republic by naturalisation—
 - (i) before 27 April 1994; or
 - (ii) on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date,

and "**black person**" has a corresponding meaning;

"**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—

- (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;

"**entrepreneur**" means a person who starts or operates a business, or both, which includes identifying opportunities in the markets, taking risks with a view of being rewarded with profits;

"**market**" means a public place, whether opened or enclosed, which has selling sites in the nature of stores or stalls, among others, for the purpose of selling or buying;

"**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;

"**people with disabilities**" has the meaning assigned in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

"**prescribe**" means prescribe by regulation and "**prescribed**" has the same 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 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 living area which—

- (a) at any time from the late 19th century until 27 April 1994, was reserved for black people; or
- (b) has been developed for historically disadvantaged person after 27 April 1994; and

"township-based enterprise" means a small enterprise which is based or situated in a township designated in terms of section 6, and which is owned and operated by a black person, and includes a small enterprise organisation.

Guiding principles

2. (1) This Act seeks to facilitates 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 citizens and persons with permanent residency status in the Republic;
- (b) diversify the ownership patterns; and
- (c) facilitates easier access by new entrants into all sectors of the economy.

(2) Without derogation from the provisions of subsection (1), organ of states 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;
- (b) are driven by an ethos and imperatives of transformation, modernisation and re-industrialisation;
- (c) are structured to include the social protection of vulnerable groups in society through the promotion of access to economic opportunity;
- (d) include a bias towards strengthening of the productive capacity of the township economy across all sectors and value chains;

- (e) promote productive activities and value addition and designed to prevent and eradicate fronting practices;
- (f) need to extract—
 - (i) maximum economic development value from planned levels of investment in infrastructure; and
 - (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.

Object of Act

- 3.** The object of this Act is—
- (a) to provide a regulatory framework which makes it possible for people living in townships to establish viable and thriving business where they live;
 - (b) to designate business activities within the township areas that are reserved for the exclusive and sole of citizens and persons who has permanent residency status in the Republic;
 - (c) to promote the development and diversification of the economy of the Province through regulation of participation of township-based enterprises in certain sectors;
 - (d) to introduce a enabling framework to ensure 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;
 - (e) to establish specific procurement rules and programmatic support which allow government and its main contactors—
 - (i) to buy from a large group or groups of township-based enterprises, with systems linking them so they can supply if they were one large enterprise; or

- (ii) to compel enterprises that get government contracts to spend a certain percentage of their procurement spent on town-based enterprises or entrepreneurs and cooperatives;
- (f) to provide an enabling environment for municipalities—
 - (i) to develop taxi ranks into micro central business districts and to support taxi economy to use its scale to grow supporting value chains and industries;
 - (ii) to support the development and promotion of township-based real estate development model to convert areas with high commercial densities into township high streets; and
- (g) to promote and support the development of representative associations of township-based enterprises and non-profit organisations.

Application of Act

4. This Act apply to every organ of state and, subject to section 27, every municipality within the Province.

Non-derogation from, and conflict with, other law

5. (1) This Act is—

- (a) cumulative; and
- (b) in addition to; and
- (c) not in derogation from,

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 AREAS

Designation of township area

6. (1) The responsible Member must, after consultation with a relevant municipality and in consultation with the Provincial Legislature, by notice in the Provincial *Gazette*, designate an area within a geographic area of a municipality, determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), a township for the purposes of this Act.

(2) The designation in terms of subsection (1) must be fixed under in Table B of Schedule 1.

CHAPTER 3
ECONOMIC ACTIVITIES RESERVED FOR CITIZENS OF OR PERSONS
WITH PERMENENT RESIDENCY STATUS

Economic activities reserved for citizens of or persons with permanent residency status in the Republic

7. (1) Subject to the provisions of subsection (2), every citizen of and every person with permanent residency status in the Republic has a right to practice his or her trade, occupation or profession of choice freely in the Province.

(2) The business activities that are designated in column 3 of Table A of Schedule 2 are, in a designated township, exclusively and solely reserved for ownership and operation by a citizen of, or a person who has permanent residency status in, the Republic.

(3) The responsible Member may, after consultation with the Cabinet members responsible for labour and employment and for trade and industry, and in consultation with the Provincial Legislature, by notice in the Provincial *Gazette*, amend the designation contemplated in subsection (2)

to add new or delete listed business activities, after taking into consideration or having regard to the following factors:

- (a) enhancement of strategic goals of the Province in particular and that of the Republic in general, including—
 - (i) affirming black people in general and Africans in particular, women, youth and people with disabilities;
 - (ii) growing the economy; and
 - (iii) increasing levels of the country's Gross Domestic Product;
- (b) upstream production of primary resources or industrialisation;
- (c) exploitation of readily available and developed expertise in the Republic;
- (d) potential or capacity to absorb—
 - (i) a large number of people into employment;
 - (ii) the supply side of the value chain;
- (e) opportunities for on-the-job training for the unskilled and unemployed and new graduates;
- (f) opportunities for localisation;
- (g) potential to create new streams of revenue to broaden the tax base and revenue of municipalities;
- (h) create mobility efficiencies and allow for opportunities for just transition from fossil fuels to green technology;
- (i) increase in levels of investment in gross capital asset formation, including—
 - (i) infrastructure; and
 - (ii) capital equipment;
- (j) achieve universal access to basic services; or
- (k) any factor that the responsible member considers important and necessary to achieve the object, principles and provisions of this Act.
 - (4) Any person who or any enterprise which is—
 - (a) not a citizen of or who has no permanent residency status in; or
 - (b) not wholly owned by a citizen of or by a person who has no permanent residency status in,

the Republic is, as the case may be, prohibited from owning or operating any of the business activities designated in column 6 of the Table in Part A of Schedule 1.

(5) Any person who or any enterprise which contravenes the provisions of subsection (4) commits an offence and is, on conviction liable to a fine or to imprisonment for a period not exceeding six months, or both such a fine and imprisonment.

CHAPTER 4

REGULATION OF TOWNSHIP-BASED ENTERPRISES

Licensing of township-based enterprises

8. (1) From the date of commencement of this Act, every township-based enterprise which—

- (a) is undertaking or carrying on business in the field of agriculture, construction, manufacturing, transport and communications, tourism and services or know-how; and
- (b) is the holder of an appropriate licence prescribed and issued by a licensing authority under relevant legislation,

is eligible, on application, for the benefits and incentives provided for in this Act.

(2) In this section, "**licence**" includes a written licence, registration, approval, recognition, permission, consent or any other authorisation granted and issued in accordance with any law for the time being in force.

Display of licences

9. (1) 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.

(2) A licence holder who contravenes the provisions of subsection (1) commits an offence and, on conviction, is liable to a fine or

to imprisonment for a period not exceeding six months, or both such fine and imprisonment.

Information required for tax purposes

10. Subject to the Income Tax Act, 1962 (Act No. 58 of 1962), a licensing authority must—

- (a) require a licence holder under this Act to provide the authority with his or her physical address of the place where he or she conducts his or her business or trade; and
- (b) when the licence expires or is renewed, forward the information to the Commissioner for the South African Revenue Service.

CHAPTER 5 PROMOTION AND DEVELOPMENT OF TOWNSHIP-BASED ENTERPRISES

Part I

Role of responsible Member and other organs of state

Policies and programme by responsible Member

11. (1) Within the limits prescribed by law, the responsible Member must—

- (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;
- (d) provide marketing support services to township-based enterprises;
- (e) register, collect, research and disseminate information relating to township-based enterprises;

- (f) register, monitor and coordinate activities and programmes of promotional agencies engaged in township-based enterprise development;
- (g) assist 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;
- (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.
- (j) provide financial services specified under Part III through the Fund established thereunder; and
- (e) do all such other things as are necessary or incidental to the attainment of the object of this Act.

(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

12. (1) Subject to the provisions of this Act and other applicable law, every provincial organ of state must—

- (a) formulate plans and strategies to support the development of township-based enterprises;
- (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
 - (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
 - (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;
- (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.

Part II

Benefits and incentives for township-based enterprise

Financial assistance

13. Every provincial organ of state must, 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;
- (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;

- (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
- (f) secure incentives through relevant authorities for any financial institution which undertakes to develop or finance sector township-based enterprises.

Development of infrastructure

14. Every 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.

Industrial and commercial estates

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

Letting of buildings or premises

16. Every provincial organ of state may, on such terms and conditions, enter into agreement with any person, institution, organisation or company, let out any building or premises for use by sector township-based enterprises as an industrial or commercial estate for—

- (a) the first three years of operations for an enterprise operating in an urban area; or

- (b) the first five years of operations for an enterprise operating in a rural area,
without any payment.

Capacity building programmes

17. Every 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
- (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

18. (1) Every provincial organ of state must—

- (a) establish or identify 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;
- (d) conduct market research, survey and analysis and share 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.

Technology transfer or acquisition

19. Every 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 enterprises products and services;
- (b) facilitate the registration and protection of intellectual property rights for sector township-based enterprises;
- (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
 - (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 purchasing, leasing or franchising;
- (g) conduct research on available technologies with a view to improving such technologies;
- (h) import modern and appropriate technologies for use by sector township-based enterprises;
- (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;
- (j) develop programmes to enable sector township-based enterprises 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.

CHAPTER 6

Gauteng Township Economic Development Fund

Establishment of Gauteng Township Economic Development Fund

20. There is hereby established a Fund to be known as the Gauteng Township Economic Development Fund.

Purpose of Fund

21. (1) The main purpose of the Fund is to support the development of township-based enterprises.

(2) Without derogating from the generality of subsection (1), the Fund must—

- (a) provide affordance and accessible credit or loans to township-based enterprises;
- (b) guarantee the repayment of, or provide loan insurance or credit insurance of financial obligation undertaken by township-based enterprises;
- (c) finance—
 - (i) capacity building of township-based enterprises; or
 - (ii) finance research, development, innovation and transfer of technology.

Funds of Fund

22. (1) The Fund consists of—

- (a) monies as may be payable or transferred to the Fund pursuant to this Act or any other law;
- (b) monies or assets as may accrue to or vest in the Fund under this Act;

- (c) monies received by way of donations, gifts or grants given or made for the purpose of the Fund;
- (d) interest accruing from loans and other forms of investment for the purpose of the Fund; and
- (e) moneys from any other source provided or lent to the Fund.

(2) The responsible Member may, in consultation with the Members 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.

(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) the 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.

Management of Fund

23. (1) The Fund must be under the administration and control of the GEP, which must be appointed by and be responsible to the responsible Member for the purposes of this Act.

(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) 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 in 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 agreement 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 or depositing 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

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

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

Accounts of Fund

- 25.** (1) The GEP must—
- (a) cause full records to be kept of the receipts and transactions of the Fund; and
 - (b) as soon as possible, but not later than three months after 31 March in each year, cause the books and accounts relating to such receipts and transactions to be balanced as at that date and thereafter prepare a statement showing in all necessary detail—
 - (i) the income and expenditure of the Fund during the preceding financial year; and
 - (ii) a balance sheet showing assets and liabilities of the Fund as at the end of that year,

in accordance with the Public Finance Management Act, 1999 (Act No. 1 of 1999).

(2) The accounts and balance sheet of the Fund referred to in subsection (1)(b) must be audited by the Auditor-General.

(3) As soon as possible after the accounts and balance sheet for any financial year have been audited, the GEP must submit a copy of the accounts and balance sheet to the responsible Member.

(4) The responsible Member must table a copy of the audited accounts and balance sheet in the Provincial Legislature—

(a) within 30 days after the audited accounts and balance sheet have been received by the responsible Member if the Provincial Legislature is then in ordinary session or, if the Provincial Legislature is not then in ordinary session, within 30 days after the commencement of its next ordinary session; or

(b) if so determined by the responsible Member, together with the annual report of the GEP in respect to the period concerned.

(5) For the purposes of this section, "financial year" means a period extending from 1 April in any year to 31 March in the next succeeding year.

Annual report of Fund

26. (1) The Board must—

(a) within three months after the end of each financial year, prepare and a report of the Fund for the immediate preceding year; and

(b) within five months after the end of each financial year, submit the annual report contemplated in paragraph (a) to the responsible Member.

(2) The annual report must provide information regarding the activities and plans for the Fund during the year to which it relates sufficient to impart an accurate understanding of the nature and scope of its activities and its plans and priorities and without limitation, must include—

- (a) details of the performance of the Fund against key performance indicators;
- (b) report on the overall status, progress, impact and challenges or impediments in the implementation of the township-based development policies and programmes as well as the appropriate measures to address any challenges that must be taken by the responsible Member, including the Board's projections;
- (c) report on the growth and development of township-based enterprises in the Province;
- (d) such information and other material as the Board may be required by this Act; and
- (e) such additional information or other material as the responsible Member may request in writing.

(3) The annual report—

- (a) must, in addition to what is required by or in subsection (2), include financial statements of the Funds for the year which the report relates; and
- (b) may be part of the annual report required in terms of section 31(2) of the Gauteng Propeller Act, 2005.

(4) The annual report must be tabled in the Provincial Legislature within one month of its report by the responsible Member.

CHAPTER 7 MUNICIPALITIES

Application of Act to municipalities within Province

27. (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) every 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.

Model Standard By-laws

28. (1) Within six months 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 3; and
- (b) in the event the by-laws already exists, revise and if, necessary, amend the by-laws to make them substantially conform to the matters provided for in Schedule 3.

(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)(a).

CHAPTER 8 GENERAL PROVISION

Regulations

29. The responsible Member—

- (a) within six months from the date of commencement of this Act, must make regulations prescribing any matter which in terms of this Act is required or permitted to the prescribed;

- (b) may, generally, make regulations regarding any matter which may be necessary or expedient to prescribe in order to achieve the objects of this Act.

Guidelines

30. (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.

(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.

Amendment of laws

31. The laws mentioned in Schedule 1 are hereby amended to the extent provided for in that Schedule.

Short title and commencement

32. This Act is called the Gauteng Township Economic Development Act, 2020, and comes into operation on a date determined by the Premier by proclamation in the Provincial *Gazette*.

SCHEDULE 1
PART A
ECONOMIC ACTIVITIES RESERVED FOR SOUTH AFRICAN CITIZENS
AND PERSONS WITH PERMANENT RESIDENCY STATUS IN THE
REPUBLIC

PART B
DESIGNATED TOWNSHIP AREAS

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:

"Treasury instructions

30. (1) The Provincial Treasury may issue treasury instructions applicable to provincial **[departments and provincial public entities]** organs of state regarding—

- (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—
 - (i) that advance the development of township-based enterprise;
 - (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.
- (c) steps to facilitate credit line for town-based enterprises allocated short- to medium set aside contracts by suppliers, including guarantees to pay their invoices directly.

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:

"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.

SCHEDULE 3
MUNICIPAL STANDARD BY-LAWS

**Matters that must be covered in Municipal By-laws for developmental
regulation of township businesses**