

**REPORT OF THE SELECT COMMITTEE ON WOMEN, YOUTH, CHILDREN AND
PEOPLE WITH DISABILITIES HELD 11&12 OCTOBER 2017
(DEPARTMENT OF ECONOMIC DEVELOPMENT)**

1. INTRODUCTION

The Mpumalanga Legislature is duly vested with the mandate to maintain oversight of provincial executive authority and any organ of state and to ensure that they are accountable to it, in compliance with section 114 of the constitution. The legislature is independent and performs its functions impartially without prejudice as enshrined in the rule of law.

In terms of Standing Rules and Orders of the Mpumalanga Provincial Legislature 2017, the **Select Committee on Women, Youth, Children, and People with Disabilities** (the committee), is established in terms of Rule 135 (h) and has powers to conduct oversight on transversal issues affecting designated groups. The Committee is composed of a multiparty representation and is empowered to develop mechanisms to conduct oversight over provincial departments and public institutions.

The select committee is vested with the power to monitor, investigate and enquire into and make recommendations concerning any organ of state or constitutional body regarding transversal and transformation matters to ensure a province free from gender discrimination and inequalities in the spirit of promoting the Bill Of Rights.

The committee in accordance with Rule 119 may summon any person to appear before it to give evidence on oath/ affirmation, or to produce documents and permit oral evidence. The committee may compel an institution or a person to comply with summons, subject to the rules and orders or a provincial legislation.

The Legislature seeks to establish whether provincial government delivers services effectively and efficiently within the respective local municipality areas.

2. PURPOSE OF THE OVERSIGHT VISIT

The committee conducted its oversight visit to assess the effective and efficient utilization of government funding and resources towards marginalized groups as follows:

- i) To determine the impact made by the department on the improvement of quality of life to historical disadvantage individuals (HDI's) in the province
- ii) To assess the implementation of policies by the department that seeks to improve quality of life for the vulnerable group.

3. METHOD OF WORK

The Committee invited and met with Silver Ink Environmental Solution; Rothomeng Trading Enterprise; MakaThokozwe Primary Cooperative and the Department of Economic Development, Environment and Tourism (DEDET) and Mpumalanga Economic Development Agency (MEGA) as per the programme of the Legislature and quarterly target of the committee to an oversight visit, held 11&12 October 2017 at Middleburg, and Verena.

4. OVERSIGHT VISIT SILVER INK ENVIRONMENTAL SOLUTION

4.1 Background of Silver Ink Environmental Solution

Silver ink Environmental Solution is a registered enterprise started operating in 2013 in the recycling industry as situated in Middleburg Extension 5. The enterprise started as a cooperative and then registered as a company in order to expand. The enterprise has 24 employees, of whom 12 are males, 12 are females; and it was impressive to note that 13 of the members are still in the youth category.

The enterprise has reached the breakeven point since 2015 with a turnover of about R200 000.00 to R400 000.00 per month. However the enterprise has a wage bill amounts to R70 000.00 per month. And uses approximately R20 000 per day to buy scrap.

The committee noted that the enterprise never received any government. However the enterprise has received training from SEDA and DEDET. The project received assistances from Nampark which assisted with working machine. Corrouseal assisted with 2 recycling machines; and Petco also with machinery.

On 31 August 2017 the Committee conducted its oversight to Standerton Young Nature Minders project supported by the Department of Economic Development, Environment and Tourism (DEDET). This project is driven by five (5) youth who are struggling to hit the ground in the recycling industry.

Due to the success of Silver Ink Environmental Solution in the recycling industry, the Committee visited the project together with Young Nature Minders with the purpose of:

- i) establish the support and development of business enterprises by DEDET
- ii) assess the participation of historically disadvantaged individuals (HDI's) in the mainstream of the economy
- iii) determine the effectiveness and impact of provincial policy and programme objectives and strategies
- iv) Afford Young Nature Minders an opportunity to learn best practices in the environment and recycling industry.

4.2. Interactions and Clarity Seeking Questions

The committee welcomed the initiative by Ink Environmental Solution leadership which is headed by young women and jobs that the enterprise is creating for the community. The committee then afforded Ms Matseke Masemule. an opportunity to give a brief background of the enterprise and challenges that they are facing .The committee interacted with Ink Environmental Solution and raised a number of clarity seeking questions.

The committee seeks to know on systems put in place to preventing ill-health, injuries as they are different kind of waste material in used and noted that safety measures are in place and training and precaution are done every day before the start of work.

Furthermore the committee wanted to know any management training undergone in terms of finances, safety and so forth and noted that only informal training on safety was done and therefore there is a need for formal training to be conducted.

The committee noted that Local Economic Development (LED) from Steve Tshwete Municipality will first diagnose the needs of Ink Environmental Solution and thereafter compiles a report that will then indicate assistance thereof. The committee further expressed its dismay that the plant has inadequate toilets and requested the department to seek a way in ensuring that it provides such as a matter of urgency.

A commitment was given by the department of Economic Development and Tourism that training and assessment will be conducted and a report will be provided to the committee within a month after this visit..

4.3 FINDINGS

After the deliberations, the Committee made the following findings:

- 1) The machines used for crashing get broken often and very costly to fix.
- 2) There was no forklift and loading is done manually which courses delays.
- 3) There is lack of trainings on financial management, health and safety, payroll, and bookkeeping.
- 4) There are no adequate toilets on site.
- 5) There is lack of monitoring for compliance by both the department and the municipality in terms of policies and bylaws.

4.4 RECOMMENDATIONS

- 1) The department must assist Silver Ink Environmental Solutions with the best crashing machine that is not costly to fix and efficient on production.
- 2) The Department in partnership with the municipality must assist in securing a forklift for maximum production.
- 3) The department must ensure that training on financial management, safety payroll, and bookkeeping is provided with accredited service providers.
- 4) The department and the municipality must urgently ensure there is a temporal toilet on site, pending the construction of toilets. The Department must provide a progress report to the committee by the end of November 2017.
- 5) Both the department of Economic Development and the Municipality must work closely with Silver Ink Solution to ensure compliance.

5. OVERSIGHT VISIT TO ROTHOMEG TRADING ENTERPRISE

5.1 Background of Rothomeg Trading Enterprises

Rothomeng Trading Enterprise was funded by the Mpumalanga Economic Growth Agency (MEGA) in March 2016 to begin a bakery business in the Mhluzi Township. It was loaned an amount of R182 289.00 to purchase a housing container which it uses for baking and as a selling point and to acquire baking equipment and for operating costs. The loan repayment period would run for five years.

There are 4 members in ownership which includes a person with disability, two youth and a female. The committee welcomes the full-time employment opportunity to the six community member's, noting that Mr. Zwane is a baking expert fully experienced in the field of baking. The enterprise is located in Mhluzi Township, Middelburg.

On the day of the visit, it was very evident that the enterprise is well supported by the local community as a whole as it is well situated around a busy street which has a school, police station and a prison where many of their customers are from. Mr. Zwane further stated that the enterprise is able to make enough profit to cover the repayment to MEGA for the loan of R6000.00 as well as taking care of other operational costs. He further stated that the relationship they have with MEGA is good and they are well supportive of the enterprise. They plans to expand by building a bigger working space to allow the bakery to produce more.

Challenges

The challenges stated by Mr. Zwane were seen more like opportunities in his eyes. He stated that the demand for their products was on the rise but due to the small oven which is able to bake 20 loaves of bread per time, he is unable to cater as much as he would. He also stated that a cutting machine for the bread he produces would also increase the demand for bread even further because more people prefer to buy bread that is already cut from the shelf. He also stated that he would need transport in future to make deliveries to customers who would need bulk deliveries.

The committee further noted the need of for additional wash basins; walk-away to nearest toilet; bigger machinery for more production and storage with a bigger space.

5.2 FINDINGS

After the deliberations, the Committee made the following findings:

- 1) The infrastructure is small for production as the business and demand is growing.
- 2) There are no proper business and operational plans that drive the project for growth and sustains.
- 3) There was no proper market plan for the distribution of the production.

5.3 RECOMMENDATIONS

The committee recommends that the Department of Economic Development (department):

- 1) The department must collaborate with the municipality in ensuring that the infrastructure for production is expanded for maximum production in line with municipal bylaws.
- 2) The Department must assist the project with a proper business plan and operational plan that will be implementable in line with the demand and growth.
- 3) The department in collaboration with the municipality must assist the project to come up with a market plan and in identifying a viable market to supply production in the local community, schools, police station, prison and other potential customers.

6. MAKATHOKOZWE PRIMARY CO-OPERATIVE

Makathokozwe Primary Co-operative is located in Wolwenkop 5km from Verena in the Thembisile Hani Local Municipality. The project was intended for the production of vegetables. The identified farm area is 24 hectares and was allocated to the beneficiaries as part of the Permission to Occupy (PTO) programme from the local Tribal Office. It was earmarked to provide vegetables to the locals of the area as well as various supermarket outlets. The project had 13 beneficiaries; 1 person living with a disability, 3 youth, 8 women and 1 man.

The Co-operative's application for a loan was approved in 2011 after which a contract was signed with MEGA in December 2011. The Co-operative was to be loaned an amount of R582, 190.00 thousand for the production of vegetables under tunnels. There would be a construction of three (3) fully equipped tunnels for the Co-operative where tomatoes, peppers and cucumbers would be produced and supplied to all government institutions, such as schools, hospitals and prisons in the locality. This has not yet been fully exercised by the entity, citing financial constraints. Up to date, the project is non-operational and only R49 400.00 has been spent on this project. The funds were used in December 2012 to construct a water divining facility for R2500.00 as well as for borehole drilling and equipping costing R46, 900.00.

MEGA has stated that other than the financial assistance that they provide, there is non-financial support through Business advisory such as counselling as well as market support.

CHALLENGES

The committee noted that the project operated for one season, and could no longer continue with operations due to infighting amongst the members. Intervention initiatives from MEGA was not successful as majority of the members were no longer willing to partake in all activities of the project as only three members continued to use facility but not willing to repay the loan.

The committee noted that the infrastructure has been vandalized no operation and valuable assets have been stolen

6.1 FINDINGS

After the deliberations, the Committee made the following findings:

1. The project has collapsed due to infighting between the board members.
2. There are no proper monitoring measures by MEGA to assess the utilization of loans for intended purposes and that repayment is done according to the agreement.
3. There is no proper market after production.
4. No formal training provided in terms of financial management and business management

5. No independent professional assign to the project in terms of financial management monitoring.

6.2 RECOMMENDATIONS

1. The department must ensure that the project is up and running by ensuring the conflict between the members is resolved and established a new board with 5 minimum members.
2. The department must ensure that MEGA monitors the utilization of loans and the repayment thereof.
3. MEGA must linked the project with Government Nutrition programme for their production.
4. The department must provide formal training in terms of financial management and business management with SEDA.
5. Professional independent person be assign to the project in terms of financial management monitoring.

7. CONCLUSION

The Chairperson expressed his disappointment with the Department of Economic Development on the state of the cooperative since it was officially launched, and directed them to work an extra mile in assisting the cooperative. He thanked Members of the Committee, support staff and beneficiaries from Young Nature Minders for their time and participation.

The Committee tables this report to the House for adoption with its recommendations and progress to be provided to the committee before 15 February 2018.



HON AM GAMEDE (MPL)

**CHAIRPERSON: SELECT COMMITTEE ON WOMEN,
YOUTH, CHILDREN, AND PEOPLE WITH DISABILITIES**

25/10/2017
DATE