

**REPORT OF THE SELECT COMMITTEE ON WOMEN, YOUTH, CHILDREN AND
PEOPLE WITH DISABILITIES OVERSIGHT VISIT HELD 29 NOVEMBER 2017**

DEPARTMENT OF ECONOMIC DEVELOPMENT



1. INTRODUCTION

The Mpumalanga Legislature is duly vested with the mandate to maintain oversight on 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 Mpumalanga Economic Growth Agency (MEGA) on the improvement of quality of life to vulnerable groups in the province
- ii) To authenticate the existence of the projects funded by MEGA on the improvement of quality of life for the vulnerable groups in the province.

3. METHOD OF WORK

The Committee invited and met with the Tsotetsi Family Farming Cooperative; Ubuhle Siyazenzela Poultry; and the Mpumalanga Economic Development Agency (MEGA) as per the programme of the Legislature and quarterly target of the committee to an oversight visit, held 29 November 2017 at Lekwa Municipality.

4. OVERSIGHT VISIT TSOTETSI FARMING COOPERATIVE

4.1 Background of Tsotetsi Farming Cooperative

The Tsotetsi Farming Cooperative is located at Morgenzon, Lekwa Local Municipality. The cooperative has 7 members (4 Females and 3 males) involved in the Agriculture sector and started operating in December 2010 on their own farm acquired through Land Restitution. The farm is comprised of 118 hectares which is utilized for Merino Sheep. The farm received a grant of R250,000.00 through Comprehensive Agricultural Support Programme (CASP) initiative.

The cooperative is involved in mixed livestock farming such as cattle, sheep and cultivating crops. In November 2016 a loan assistance of R350,000.00 was approved by MEGA to purchase 150 Merino sheep; 150 ewes and 5 Rams with operational cost to cover feed, supplements and medication.

In terms of the finance agreement entered into between MEGA and the cooperative repayment of the loan must commence on or before the 28th of February 2018.

The committee noted that the cooperative received technical assistance, constant business monitoring and advice with regular Veterinarian from Department of Agriculture Rural Development and Land Administration (DARDLEA).

The sheep stocks maintained is 183 sheep including 28 merino Sheep from rural development programme and 9 Bonsmara cattle breed.

4.2. Interactions and Clarity Seeking Questions

The committee then afforded Mr Tsotetsi an opportunity to give a brief background of the enterprise and challenges that they are facing. Mr. Tsotetsi indicated that he sold 15 sheep out of the 150

provided by MEGA to pay for electricity bill without informing MEGA. Furthermore he indicated that some of the sheep died and that he never reported to the Veterinarian services so that they may identify the cause of death.

The committee noted that Mr Tsotetsi sold only 15 sheep out of the 150 provided by MEGA and the remainder should be 135 sheep. Surprisingly the number of dead sheep was not reported hence there cooperative is now left with 60 sheep excluding the lambs.

Mr Tsotetsi family cooperative fall in the category of primary cooperatives made up of a group of five or more individual members with the purpose to provide services and employment for one another and promote community development.

In this regard, the committee noted that the elder son was nominated to handle and run the cooperative in all matters and liaise with MEGA to ensure that all required matters are attended to as per the Loan agreement. Mr. Tsotetsi felt disappointed as the son never informed MEGA about the death of the sheep.

Furthermore, the committee noted that the sustainability of the cooperative is on the verge of collapse at any time and MEGA should come up with a strategy that will assist the coop and ensure that it repays the loan.

5. FINDINGS

After the deliberations, the Committee made the following findings:

- 1) The number of Sheep that died was never reported as no procedure in place when such an incidents occur.
- 2) The cooperative failed to account for the number of sheep at hand including the lambs due to lack of knowledge on farm and stock management.
- 3) The cooperative is slowly collapsing as there is no farming taking place and the sheep are being sold including the wool without following procedures.

6. RECOMMENDATIONS

- 1) MEGA must conduct workshops provincially to train all live-stock farmers on early warning signs as a way of capacitating farmers to identify and report diseases early; and on procedures that need to be followed when live-stock die.

- 2) MEGA must strengthen its visitation to the farm and ensure that the number of live-stocks is accounted for on daily basis for proper monitoring.
- 3) MEGA must develop a comprehensive strategy that will prevent the collapse of the cooperative as a matter of urgency and strengthens monitoring on the selling of sheep and wool.

7. OVERSIGHT VISIT TO UBUHLE SIYAZEZELA COOPERATIVE

7.1. Background of Ubuhle Siyazenzela Cooperative

Ubuhle Siyazenzela Poultry Cooperative is situated at Morgenzon, Lekwa Municipality, located 5 km outside the Township on the Standerton road. The cooperative has been leasing the farm for a period of 12 years and was started by 18 local community members, that is, 9 females, 9 males of which 3 are people with disabilities.

It only received funding from MEGA for the first time on 15 March 2017,

Ubuhle Poultry is one of the cooperative funded by MEGA in order to boost local economies, assist emerging entrepreneurs and fight poverty amongst historical disadvantage individuals. An amount of R4, 880,000.00 assistance was provided by MEGA to grow chickens and sell stock to selected market. The loan repayment period would run for five years.

A further R530 000.00 was used for Machinery and equipment; while operational costs to buy feed and medication amounted to R320.000. The project is reported to have created 18 employment opportunities for 9 permanent and 9 casuals.

A performance Guarantee of R4, 000.000 was secure with Goldi Chicken that it will mentor and monitor the project to ensure quality of chickens and skills transfer. Furthermore a production manager and training was provided by Goldi Chickens.

The committee further noted that matured birds are slaughter after 34 days at live body weight of 1.85 Kg with the total placement of 151 200 per cycle of seven per year.

The committee welcomed the progress made by Ubuhle Siyazenzela cooperative since its inception and encouraged the members not to all be involve in the management but allows management to manage and the others to support by continues working but to ensure that they get reports of the financial status and progress during meetings.

The committee was concerned with the failure rate of cooperatives as reported that currently there is a failure rate of 88% and there were only 12% operational in the country, the committee welcomed the success of this cooperative.

8. FINDINGS

After the deliberations, the Committee made the following findings:

- 1) The cooperative was found to be doing very well with the assistance of Early Bird.
- 2) Lack of financial management and administrative training.
- 3) There are three members that appear in the cooperative Companies and Intellectual Property Commission (CIPC) certificate who are not known by the current members.

9. RECOMMENDATIONS

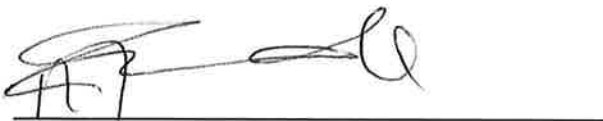
The committee recommends that the Department of Economic Development (department):

- 1) MEGA must continue provide necessary support to the cooperative for sustainability and growth.
- 2) MEGA must strengthen ongoing training to support the cooperative on Financial Management and Administration for the future of the cooperative.
- 3) MEGA must assist the cooperative in clearing the unknown members or assist the current members in re-registering a new cooperative.

10. CONCLUSION

The Chairperson thanked Members of the Committee, support staff and beneficiaries from Tsoetsi Cooperative and Ubuhle Siyazenzela Poultry 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 March 2018.



HON AM GAMEDE (MPL)

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

01/03/18
DATE