

# **REPORT OF THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS, OVERSIGHT AT DR JS MOROKA LOCAL MUNICIPALITY**

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## **1. INTRODUCTION**

The Mpumalanga Provincial Legislature (the Legislature) has a responsibility in terms of Section 118 of the Constitution of the Republic of South Africa, Act 108 of 1996, (the Constitution) to facilitate public involvement in its legislative and other processes. Section 115 (a) and (b) of the Constitution empowers the Legislature to (a) “summon any person to appear before it to give evidence on oath or affirmation, or to produce documents” and sub-section (b) states that “the Legislature or any of its Committees may require any person or provincial institution to report to it”.

This is a report on the oversight visits that were conducted by the Portfolio Committee on Agriculture, Rural Development, Land and Environmental Affairs (the Committee) to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs (the department) on 01 August 2019. The report seeks to inform the House on the activities that were taken during the oversight visits..

## **2. METHOD OF WORK**

The Committee conducted oversight visits to projects of the Department of Agriculture, Rural Development, Land and Environmental Affairs on the 01 August 2019. The Department was only invited and informed of the oversight visit held at Dr JS Moroka Municipality.

## **3. OBJECTIVES OF THE OVERSIGHT VISITS**

- a) The following objectives informed the oversight visits to the projects of the department:**

- To evaluate the progress made on projects reflected in the Annual Performance Plan (APP) implemented by the department.
- To determine the extent to which public funds are efficiently, economically and effectively utilised by the department in the implementation of its projects;
- To interact with project beneficiaries in order to receive their concerns.
- To fast-track service delivery of core services to the communities within the municipality in which the department has funded projects.
- To assess the progress made in implementation of the Fortune-40 programme.

#### **4. DR JS MOROKA AGRI HUB**

##### **4.1 Project Background**

The Dr JS Moroka Agri-hub is one of the key infrastructure projects earmarked to address the market access challenges faced by farmers in the District. The Agri-hub is part of the South African Government model to have a strong social mobilisation component to the small holder farmers and the Agri business. The Agri-hub was initiated through a joint effort of Local Government (Dr JS Moroka Local Municipality); Department of Rural Development and Land Reform (DRDLR) and the Provincial Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA); and MEGA. The project is co-founded by all the stakeholders and is implemented by the municipality on behalf of the stakeholders.

The main objectives of the project includes: establishing a packaging facility for the different commodities being brought by the local emerging farmers; to establish a collection point for produce to be transported to the Mpumalanga International Fresh Produce Market; and to establish a wholesale trading centre for local traders and the school nutrition program.

Location/ Ward	Vaalbank / Ward 19
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Coordinates	S 25 <sup>0</sup> 08.746 E 028 <sup>0</sup> 56.280'
Number of Hectares	2ha
Type of Project	Fresh produce Market for the Nkangala District Farmers
Date of inception	2013

#### 4.1.2 Progress to date

The current status on the Agri-hub is that there is no construction taking place on site. The construction was suspended on the 11 March 2019, until the municipality's financial position has improved. The project is reported to be at 90% completion.

Vukani site maintenance (contractor) was appointed on 25 May 2019 for the contract amount of R6 927 892.00, and was expected to complete the work in November 2019. The amount paid to the contractor amounts to R4 188 990.22, and the remaining budget for the project is R2 738 901.78.

The work completed by the contractor includes the following as reported by the municipality:

- Electrification
- installation of tiles
- installation of doors
- completion of existing steel palisade fencing and guard house
- completion of paving; plumbing works
- installation of gates
- ceiling boards and paint works
- relocation of weighbridge
- borehole pumps
- supply and installation of air-conditioning units

The outstanding work includes the following as reported by the municipality:

- Installation of cold room (materials ordered)
- Electrical supply (from Eskom)
- Kitchen unit
- Installation of shelves (materials on site)
- Machinery and equipment for the Fresh Produce
- Beam filling around the shopping area
- Epoxy flooring on the shopping area

#### **4.1.3 Deliberation during the Oversight Visit**

The Committee deliberated with the department and the project beneficiaries as follows:

- a) The Committee noted with concern that the department and the municipality have failed to ensure that the Agri Hub was not timeously opened for the meeting, hence the meeting took place outside the Agri Hub
- b) Members of the Committee expressed their disappointment that the project is not yet complete since 2013.
- c) The department was requested to submit a plan on how the project will be completed and the budget thereof.

## **5. Findings**

After the deliberations, the Committee made the following findings:

- 5.1. The project is not yet completed.
- 5.2. There is poor communication between the department and the project beneficiaries.
- 5.3. There was overspending on the project
- 5.4. The municipality does not have budget to complete the project.
- 5.5. Air cons and other equipment's are vandalized
- 5.6 First contractor paid the full amount whiles work in the project was not completed

## 6. Recommendations

- 6.1. The department must attend to all the challenges that are affecting the project and ensure that the project is completed within the 2019/20 financial year.
- 6.2. Strengthen communication between the department and project beneficiaries, regularly inform the community and beneficiaries on the development made on the project.
- 6.3. Spend the budget as per the plan to ensure that there is no overspending on the project.
- 6.4. That there is budget to assist the municipality to complete the project
- 6.5. Ensure that measures are in place that will ensure that all equipments in the center are not vandalized.
- 6.6 Provide the Committee with the detailed report on the amount paid to the first (1) contractor and the reasons of paying the full amount while the project is not completed.

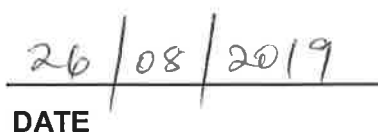
**Unless otherwise stated, a report detailing progress made in the implementation of all recommendations in this report should be forwarded to the Legislature by 30 September 2019 and thereafter on quarterly basis.**

## 7. CONCLUSION

The Chairperson of the Portfolio Committee, Hon TM Makaringe, extends his appreciation to Members of the Committee and the support staff of the Legislature for their participation during this oversight visit to the projects of the department in enhancing the oversight role of the Legislature. The Portfolio Committee tables this report to the House for adoption with its recommendations.



**HON. TM MAKARINGE (MPL)**  
**CHAIRPERSON: PORTFOLIO COMMITTEE ON**  
**AGRICULTURE, RURAL DEVELOPMENT, LAND**  
**AND ENVIRONMENTAL AFFAIRS**



**DATE**