

**REPORT OF THE SELECT COMMITTEE ON WOMEN, YOUTH, CHILDREN AND
PEOPLE WITH DISABILITIES HELD 25 APRIL 2018**

(DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM)

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 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 the beneficiaries Sphandangezinkukhu; 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 25 April 2018 at Middleburg a committee meeting on the 10 May 2018.

4. INTERACTION WITH MANAGEMENT OF THE DEPARTMENT AND THE BENEFICIARIES

4.1 Sphandangezinkukhu

Mr Dumisani Skhosana: Managing director for the Sphandangezinkukhu gave an overview on the project located in Leeupoortjie, Middelburg.

Mr Skhosana is a young person who is the member and director of the project which was funded by the Mpumalanga Economic Growth Agency in 2016/17 financial year; to establish a rabbit breeding farm. The business was loaned an amount of R3 922 774.00 to construct a rabbit rearing structure, purchase cages, safety equipment, drinkers, purchase 600 does and 60 Bucks, install fencing, supply of water and electricity, and to cover operational costs. The repayment term of the loan was reported to be 10 years and the business was given the first 14 months before they start servicing the loan.

The committee noted that whilst the loan was issued in 2016, practically, the business has only been operational since the breeding started in November 2017. Furthermore, the business cannot supply the required quantities of 4500 rabbit, instead they are only able to do an average of 400 per cycle which means they will not be able to service the loan.

According to Mr. Skhosana the project is leasing the land for 10 years while they have also signed a contract with Coniglio of whom they will be supplying the rabbits to. The contract with Coniglio runs in conjunction with the lease agreement of ten years. The business will be paid per cycle depending on how many rabbits they manage to breed. It is estimated that they could breed around 4500 rabbits per cycle.

The committee noted that on the day of the visit, the project was indeed operational and with the potential to grow bigger. Furthermore Coniglio provided training to prepare them for the cycles ahead, theoretical instruction on rabbit farming, followed by three months practical training before starting their operation. They were all confident that they had acquired enough practical experience to begin their own operation. Currently the project created about 6 full time job opportunities. A sizable number of temporal job opportunities will be created on a monthly basis on a 45 days cycle.

He explained to committee that rabbit meat contains the highest amounts of digestible proteins and the lowest cholesterol and fat of all types of meat. . It contains less calories and Sodium than other meats but contains more calcium and phosphorus (which is very good). Rabbits are also easy to raise; they're clean and require little capital, labour, time and space to manage.

The committee noted that the rabbits are slaughtered at between 2,1kg and 2,3kg live weight, and the current price per carcass is R45/kg, which amounts to an average of R55/rabbit resale price. Furthermore underweight rabbits delivery are being turned back, due to the type of transport used, a van with trailer.

Even though the project may face various challenges regarding the high mortality rate in the past month i.e. during November- February, currently the death mortality rate has been drastically reduced.

The committee further wanted to know measures put in place to ensure that the project achieves its objectives and noted that Agriculture Research Council (ARC) do provide technical support.

The committee noted that transport is problematic for the project as initially Coniglio was going to collect at the cost of the producer (Sphanda), but their truck collects for all other farmers who are around Pretoria. This became expensive for Sphanda because of the radius. The committee advised that they should hire a proper truck as they cannot maintain the truck if they purchase currently, as it will only be used twice a month.

The committee observed that the business will not be able to meet its obligations if proper monitoring with regard to breeding and mentorship is not adhere to and that this could lead to the collapse of the project as it will not be able to service the loan.

4.2. Challenges

- The transportation of rabbits to the abattoir problematic, the current bakkie in use is a 1ton which is very small.
- There are no safety crates to carry rabbits to the abattoir – 200 crates

- The day to day operational costs which include transport to work, conducting of research and travelling.
- The rabbit feed ingredients from ARC and rabbit pallet making machine costs R 300 000 locally (in Zaust) Johannesburg business counterpart.

The committee recommend that the pallet making machine can be bought at a later stage with proper plans to utilize it to produce more feed and sell to their counterparts.

5. FINDINGS

After the deliberations, the Committee made the following findings:

- 1) The transport used to the abattoir is very small not suitable for the transportation of rabbits.
- 2) There are no safety crates to carry the rabbits to abattoir.
- 3) Lack of monitoring of the project by the department and the other stakeholders.
- 4) Insufficient funds for the day to day operational cost.

6. RECOMMENDATIONS

The committee recommends that:

- 1) The MEGA and the NYDA must assist the project to get a suitable transport that will transport the rabbits to abattoir.
- 2) MEGA must purchase 200 create as part of the loan agreement on equipment needed for running the project.
- 3) MEGA in collaboration with the other stakeholder (Department Agriculture and ARC) must closely monitor the project to ensure that it grows to the standard of supplying the 4500 rabbits per cycle as projected and to avoid failure of this project.
 - Link the project with veterinarian doctors; National Youth Development Agency (NYDA).
 - Provide training, skills development and Financial Management by SEDA
- 4) MEGA must provide the committee with a breakdown of the R3 922 774 loan, expenditure and the current balance.

6. CONCLUSION

The Chairperson expressed his gratitude to Sphanda ngezinkukhu, the Department of Economic Development and MEGA for their co-operation during the visit .He further thanked Members of the Committee and support staff for their contribution.

Unless otherwise stated, the Department of Economic Development and MEGA are required to investigate the findings and observations in this report and implement all House Resolution. The progress report on the implementation of all recommendation should be forwarded to the committee by 29 June 2018.

A handwritten signature in black ink, appearing to read 'Am Gamede', written over a horizontal line.

HON AM GAMEDE (MPL)

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

02/05/2018
DATE