

Office of the Chief Director Eastern Cape PSSC

Block F, Ocean Terrace, Quigney, East London, 5200 P.O. Box 1958, East London, 5200

Tel: 043 – 700 7000 Fax: 043 – 722 5960

**REPORT ON ISSUES RAISED DURING THE PUBLIC HEARINGS ON THE COMMUNAL PROPERTY ASSOCIATIONS AMENDMENT BILL CONDUCTED IN THE EASTERN CAPE ON 03-04 AUGUST 2017**

**1. BACKGROUND**

1.1 The Portfolio Committee on Rural Development and Land Reform (“Portfolio Committee”) conducted public hearings on the Communal Property Associations Amendment Bill (“CPA Amendment Bill”) in the Eastern Cape from 03 to 04 August 2017. The public hearings took place in the Chris Hani and Sarah Baartman Districts respectively.

1.2 The Committee resolved that the Department of Rural Development and Land Reform should compile comprehensive written responses to issues raised by stakeholders which are dealt with in this report.

**2. DISCUSSION**

2.1 **Ncora-Qumanco** **CPA -** Delays to the settlement of the claim by the Land Restitution Support (LRS) Chief Directorate.

**Response from DRDLR**:

(a) The Ncora Settlement Package is twofold, Phase 1 is the financial compensation that has been paid for the total number of 9121 .1505 hectares, that are non-restorable at an amount of **R144 591 056.39** which has been paid to beneficiaries from the 10 villages for a total of **1429** claimant households. It transpired that there were households that were not fully verified at the time of the settlement of Phase1 which will also be paid under Phase 2 for financial compensation pending recommendations from the Valuer-General.

(b) Phase 2 constitutes the restoration of land on portion of land known as Ncora Irrigation Scheme measuring +-5500ha in extent. The restoration of un-surveyed state land requires the office to conduct survey to determine the exact extent of land to be restored to claimants and excise state domestic functions if any.

(c) The surveyor has been contracted and a draft sketch or map has been produced. There were challenges with the Chiefs concerning the issue of survey as a result a meeting has been scheduled for 26 September 2017 to resolve the matter with the Chiefs in order for the Commission to finalise survey. There are also conflicting interests amongst the CPA and Chiefs that contribute to the delays in finalising Phase 2.

(d) Once the Surveyor-General diagram is approved, the S42D memorandum will be drafted for the restoration of the portion of land to a credible and recognised legal entity.

(e) The closing date for tender inviting contractors for the construction of a 16.1 kilometre road in Ncora is 20 September 2017.

2.2 **Goodhope CPA – Issue raised**: One of the CPA members reported that since they were refused entrance into the farm by a fellow CPA member and the same member requested members to pay R1 500.00 each. Those who refused to pay were denied access to the farm whilst another member reported that the other members abandoned the farm and he has been paying off the land bank loan alone.

**Response from DRDLR**:

(a) The Good Hope CPA farm in Elliot was acquired in 2005 for 15 members. The purchase price of the farm was R733 550.00 and the CPA qualified for an LRAD grant of R641 895.00. The remaining amount was borrowed from Land Bank. In 2016/2017 financial year the Department prioritised Good Hope CPA to be provided with support in order to ensure that it complies with the CPA Act. The first meeting was held in November 2016 and there have been follow up meetings. From these meetings it has become clear that only one member (Mr Ntungela) has been contributing towards the payment of the loan and he chased the others away from the farm and advised them that they abandoned the farm and if they want anything from the farm they must re-imburse him the amount he has already paid to Land Bank.

(b) The office has advised Mr Ntungela that even though he has paid Land Bank on his own the property is registered in the name of the CPA and when Land Bank issues a Title Deed it will issue it in favour of the CPA and not Mr Ntungela.

(c) Facilitation amongst the CPA members is on-going to establish what is the best way to resolve this matter as the other CPA members are indicating that they are interested to work on the farm. Mr Ntungela wants them to re-imburse him first before they move in on the farm. Land Bank has been requested to assist with the statement of account to ascertain how much did Mr Ntungela pay to Land Bank. Once Land Bank has assisted in that regard engagements will continue with other CPA members to determine how Mr Ntungela will be re-imbursed.

2.3 **Dordrecht CPA**. **Issue raised**: One of the members advised that ever since the farm was bought for them they never received any support from government. They were advised to register a Co-operative by another Department and now the Department of Rural Development has approached them enquiring about CPA books. They thought the CPA is no longer operational.

**Response from DRDLR**:

(a) The CPA members were approached by the Department through the Department’s support programme to ensure that the CPA is compliant with the CPA Act. They have been advised that the land is registered in the name of the CPA therefore the fact that they registered does not mean that the CPA was de-registered.

(b) The process of supporting them towards a complaint CPA is on-going and it is through this process that it will be established that the CPA should remain or be deregistered.

* 1. **Masizame CPA - Issue raised**: One of the CPA members highlighted that there is no production in their farm. They have a challenge with electricity. It is costing them a lot.

**Response from DRDLR:**

The CPA has been advised to approach the Department of Agriculture for post settlement support and the Department of Rural Development and Land Reform is assisting them to ensure that the CPA is compliant with the CPA Act.

2.5. **Amatshezi CPA: Issue raised**: The CPA amendment Bill is not clear as to what happens to those people who do not want to work on the farm. Their farm is also too small now for 12 beneficiaries.

**Response from DRDLR:**

(a)A meeting has been organised with the CPA members to establish how they would want members to conduct themselves.

(b)Each member has been given a homework to write down how would they want their challenges to be resolved and this will be used towards the amendment of their CPA constitution.

(c) A follow up has been arranged for November 2017.

2.6 **Nqancule CPA**: **Issue raised**: A member of the CPA advised that their farm was sold by the CPA chairperson without their knowledge. Would like to thank the Department for the intervention that they were given when their stock was impounded by the person who bought the farm however the matter is not yet resolved.

**Response from DRDLR:**

(a)A lawyer was appointed by the Department to represent the CPA members to challenge the sale. The Elliot Magistrate court ordered that the sale was legal however an appeal was made to the Grahamstown court citing that the Magistrate never gave the CPA members an opportunity to prove their case.

(b) The Grahamstown High court has referred the matter back to the Elliot magistrate court for arguments. The matter will be heard at the Elliot Magistrate Court during the third week of September 2017.

2.7 **Ndunge Family Trust: Issue raised:** A report was submitted to the Portfolio Committee that an official promised them R3 million but that promise was never fulfilled.

**Response from DRDLR:**

(a)The restitution project was settled and land was returned to the claimants and the settlement award was without development grants. The official never promised the trust R3 million as claimed by one of the members.

(b) A development assessment was conducted on a number of projects to determine the cost of developing the farms. The cost of the developmental needs for the said property amounted to R3 million. The assessments were conducted in order to request funds from National office. However, the funds could not be accessed due to other priorities.

2.8 **Sikhululekile CPA: Issues raised:** One of the members advised that they have a crisis in their CPA. Since the farm was bought nothing has happened. DRDLR has made promises but none have been fulfilled. Mr Mbongwa and Nadime from DRDLR in Pretoria made a promise but still nothing has happened. About 75% of their farm is being used by the reserve. Mr Mbongwa and Nadime are the ones who implemented the reserve and they told them that because they have no funds to work on the farm therefore the other land must be used as a reserve. They are happy to hear that the Bill will assist their CPA. The title deed for that land is still under government. They were close to being divided but they resolved the matter.

**Response from DRDLR:**

(a)The CPA is not yet registered however the Department is in the process of registering it. An application for the disposal of land to the beneficiaries is being facilitated. An amount of R2 555 423.15 has been approved by the department for the implementation of 1 household 1 hectare programme.

(b) The evaluation of bids for the supply of inputs will be concluded during the month of September. Work on the land is expected to resume by November this year.

2.9 **Masibambane, Masizakhe CPA: Issue raised:** The CPA members are not happy with how their partner used their recap money.

**Response from DRDLR:**

(a)CPA members approached Mr Vermaak (Strategic Partner) in 2011 who is their neighbouring farmer to assist them to start farming on their farm. Mr Vermaak and the CPA members approached the department for financial assistance. They submitted a business plan to the department.

(b) The department entered into a tripartite agreement with Masizakhe CPA and Vermaak Sans Trust represented by Kobus Vermaak as a Strategic Partner. The agreement was signed by Mr Vermaak and CPA representative – Mr. Sindekile. The department assisted the beneficiaries with Recap funding. An amount of R7 236 600.00 was approved for development of Masizakhe CPA and an amount of R5 000 000.00 was approved for development of Masibambane CPA. These funds were transferred into the joint bank account wherein the grant recipients are co-signing with the Strategic Partner (Mr Vermaak) on the account. The Recap funding was used to develop infrastructure (fencing, and installation of 3 centre pivots for irrigation of vegetables and handling facility for cattle), inputs (seeds, seedling, fertilizers and chemicals), equipment and machinery (2 trucks, 2 bakkies, 3 tractors and implements) and also livestock (heifers). They were selling their produce to the East London Fresh Produce Market.

(c) These beneficiaries together with their mentor were not saving some money to buy inputs for the following planting season. They divided all the money from the proceeds of the farm among themselves and the strategic partner.

(d) The department is in process of verifying all the work that was done by the Strategic Partner including the financial management. There is currently no or very little production taking place on these farms.

2.10 **Joe Slovo: Issue raised** - It was established in 1997. Has been the spokesperson of the CPA when it was still being formed in 1996. Would like to thank government to see that there are challenges in their constitutions but this has taken too long as result a lot has gone wrong but she hopes that there is still time to make amends. The issues that are proposals for amendments are the main issues that have been a challenge to them as various CPAs. They are not receiving support even from the Municipality. It is clear that national government do make laws but the local spheres do not implement them. They had a challenge as the CPA because their councillor wanted to be the Chairperson of the CPA and transfer land to the Municipality. The Municipality has taken 199 Ha of their land and they need help and have appointed a lawyer. They no longer have a title deed but they do have a copy which they received from the Deeds Office. They have been asking the Municipality about the details of the other land that they did not take but the LM does not know. They are very happy with the proposed amendments.

**Response from DRDLR:**

The office was not aware of the challenges facing the CPA until they were raised at the Public hearings. A Project officer has since been assigned by the Department to investigate all the matters and assist the CPA to resolve their challenges.

2.11 **Thornham CPA: Issues raised -** These laws are very beautiful when they are developed but it gets difficult to get the copies of the law to the people and that causes conflict between the CPA’s and the Municipalities. They have a problem with their title deed. When the Registrar’s office is operating it must look at the challenges that they are having as the CPAs. One thing that is not clear on the Bill is if the Registrar appoints an administrator how long will that administrator work with the CPA. They are a small rural community and are poor. The previous speaker comes from the area but is not a member of the CPA. They registered the CPA on 13 November 2002. Of the 127 land owners only 10 are alive. A commissioner was appointed and made a ruling in 2004 but because of objections they had to get another commissioner. She was Advocate Xoliswa Bacela and is not their commissioner anymore. DRDLR is busy advertising for a new commissioner (3rd one now).

**Response from DRDLR:**

This is a Title Adjustment application by the Community. The Department is in the process of appointing a Title Adjustment Commissioner in order to investigate the rights so that land can be transferred to the rightful land owners.

2.12 **Makana CPA: Issues raised** - They have 2 titles. They used to be 13 families / households. They got the farm in 2000 and they were given some livestock as a start-up but as time went on some of the members showed no interest on the farm. They drafted a constitution that was talking about the conduct of members on the farm and this constitution made provision for the selling and buying of shares. This constitution had a clause that state that if you have money as a CPA member you can purchase the shares from those that are not interested. They have practised this and it was a legal process and they signed with lawyers. They are in a crisis because Government has neglected them for a very long time. He thought this session was about them raising their problems.

**Response from DRDLR:**

On 29March 2017 the Department had already appointed a legal expert to assist the CPA with the challenges that it is facing and to assist them to ensure that they are complying with the CPA Act. The CPA had already started their own process with lawyers and the Department is looking into the work that has already been done as well.

**3. CONCLUSION**

All the matters that were reported by the beneficiaries at the hearings are being attended to by the Department.

**Prepared by the EC Provincial Shared Services Centre’s Head: Mr. Z Pityi**