

**ADDRESS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIROMENT AND TOURISM, MR  
NORMAN MOKOENA, MPL, TO THE BOARD OF THE MPUMALANGA TOURISM AND PARKS  
AGENCY (MTPA).**

**Tuesday, 31 January 2012**

- 
- Chairperson of the Board of MTPA – Mr JP Ngomane;
  - Deputy Chairperson of the Board – Ms BC Ndlovu, and other board members;
  - Head of Department for Economic Development, Environment and Tourism – Dr Vusanani Dlamini
  - The Acting CEO of MTPA – Dr Nthabiseng Motete;

**Good afternoon!**

It is my privilege and honour to address the newly constituted Board of Directors of the Mpumalanga Tourism and Parks Agency (MTPA), comprising of the newly appointed and existing Board Members. May I also convey to your good selves my sincere and heart-felt appreciation for devoting your valuable time and efforts to undertake fiduciary duties as Board Members in order to provide strategic guidance to the entity towards fulfilment of its mandate as enshrined in the MTPA Act of 2005.

Briefly stated, the mandate of the MTPA is to, and I quote:-

- *“to provide for the sustainable development and improvement of the tourism industry in Mpumalanga; and*
- *to provide for conservation management of the natural resources of Mpumalanga”* close quote.

In order for all of us to fully develop a common understanding behind the rationale for the twin mandate of the entity (tourism and conservation), allow me to further extract from highly clarified preamble of the MTPA Act as follows:-

***“AND whereas a priority of the Mpumalanga Provincial Government to develop the tourism sector within the Province of Mpumalanga in a sustainable and acceptable manner so as to ensure the development of the true potential of the tourism sector will significantly contribute to economic growth and development within the province in order to improve the quality of life of every inhabitant of the province.***

***AND whereas the development of the tourism industry in Mpumalanga will greatly increase entrepreneurial and employment opportunities in the industry and specifically contribute to the development of entrepreneurial opportunities for previously disadvantaged individuals and communities within the province of Mpumalanga.***

**AND *whereas conservation management of the natural resources of Mpumalanga will greatly increase entrepreneurial and employment opportunities and specifically contribute to the development of entrepreneurial opportunities and the broadening of participation in conservation management by previously disadvantaged individuals and communities within the Province of Mpumalanga;***

**AND *whereas such development of the tourism industry and conservation management of the natural resources will greatly contribute to, and enhance the uniqueness of Mpumalanga***”

In view of the aforementioned extracts from the legislative mandate, kindly allow me to draw alignment to the strategic direction derived from the (i) Outcome-based approach of Government, and (ii) the Mpumalanga Economic Growth and Development Path, as articulated in an address by the Honourable Premier at the State of the Province Address (SOPA) for the year underway during February 2011:-

#### **Outcome-based Approach of Government**

The key tenets of the mandate of this entity are concisely and explicitly captured in Outcomes 4 and 10, which respectively emphasise “Decent employment through inclusive economic growth” and “Environmental assets and natural resources that are well protected and continually enhanced”. Both Outcomes 4 and 10 speak directly to the MTPA mandate as further clarified in the preamble of the MTPA Act.

#### **State of the Province Address 2011**

I will proceed by connecting your legislative mandate to the strategic direction and marching orders that were given to the MTPA by the Honourable Premier, Mr D.D Mabuza when he delivered his *State of the Province Address* for the year underway in February 2011. He said, and I quote:

***“...Central to the proposed Mpumalanga Economic Growth and Development Path, like the National Growth Path, is economic growth that focuses on job creation and the reduction of poverty and inequalities.....It is a Growth Path that envisages to create 720 000 jobs by 2020”.***

He further went on to emphasise that, and I quote:

***“Tourism and cultural industries also have huge potential in terms of growth and job creation. We are rich in physical products and heritage. All our parastatals, namely, The Mpumalanga Economic Growth Agency, Mpumalanga Tourism and Parks Agency and Mpumalanga Regional Training Trust are also***

***going to be central in driving the job creation agenda of government. Growth potential in the tourism sector will be driven by the Mpumalanga Tourism and Parks Agency.***

***Like MEGA, we expect to see this agency (meaning, the MTPA), attracting more tourists to the Province, capitalizing on the strength of our physical attractions, rich culture and heritage, and rigorously developing new tourism products for the market. Transformation of the industry through the development of small business is going to be paramount.***

Having reminded you of your marching orders, it is clear that the programme of action for the entity during the 2011/2012 financial year should have focused on:

- Job creation within the tourism sector, in a large scale;
- Rigorously driving the tourism sector, given its growth potential;
- Capitalising on the strength of attractions, rich culture and heritage;
- Developing new tourism products; and also
- Developing small tourism business as part of our transformation of this sector.

As the 2011/12 financial year draws to a close, and the audit period approaches, it is important to ensure that the MTPA has fulfilled its role in the context of the new growth path by facilitating and supporting the development of an equitable tourism sector which creates jobs.

This means that we should see jobs and inclusivity in the relevant sectors each time we look at MTPA

To be able to do this, MTPA, should demonstrate delivery in the following areas:

**(1) Manage product and enterprise development**, and ensure that SMMES and the historically disadvantage are brought into the mainstream of the tourism industry.

We need to be able drive both our domestic and international tourism growth through the introduction of new products and further development of our traditional product offerings.

I believe that we have not been able to maximise on our product development drive and therefore a number of tourism opportunities remain under-exploited.

The national Department of Tourism has amongst others , begun a rural tourism action plan process which I think should favour us, other initiatives include the DTI's AviTourism (Bird Watching) research which has just been released, outlining opportunities for this lucrative area of our industry

We also have not been able to maximise on the opportunities arising from on our proximity to Mozambique and Swaziland to drive a comprehensive regional tourism package. To this end, it is pleasing to reflect on the successful launch of the Tri-land Brand in Maputo on 30<sup>th</sup> September 2011; between Mpumalanga, Mozambique and Swaziland. While the launch was a resounding success and made headlines among tour operators as far afield as Portugal and Spain, there is still a lot of effort that needs to be placed on brand activation. As a Board of Directors, your strategic guidance will be most needed in this regard.

## **(2) Facilitating the development of tourism infrastructure**

We need to identify and find means of rolling-out our projects under the Expanded Public Works Programme through the use of labour intensive methods targeting the unemployed, youth, women the disabled and SMMEs.

I believe that the envisaged infrastructure investment programme by MTPA should be able to do this. In this regard, I would like to point out to the exercise conducted by the entity in collaboration with the Council for Scientific and Industrial Research (CSIR) on the infrastructure maintenance and upgrade programme. I urge you to make the best use of this credible product to inform the roll-out of infrastructure plans. To justify our relevance in South Africa's growth ambitions, our call for more resources in infrastructure development must be translated into job numbers and real income in households, rural communities and communities bordering our protected areas and parks.

Furthermore, the MTPA still has huge untapped potential for development of high impact economic infrastructure in key nature reserves like the Blyde River Canyon. I am reliably informed that there is an on-going process to conclude and sign an MoU with the Industrial Development Corporation in this regard. This is clearly an area that requires strategic support in order to unlock the huge investment and job creation potential.

## **(3) Tapping into the potential of the green economy and the wildlife economy**

Central to the execution of the MTPA legislative mandate is the recognition that Mpumalanga's biodiversity provides an important basis for economic growth and development; and the commercialisation of the conservation estate of the Province is critical in positioning the Province as a world class tourism destination. This represents a strategic shift towards transformation of the tourism, conservation and wildlife sectors of the economy.

#### (4) To promote the growth, competitiveness and quality of the tourism sector

In the light of the new dispensation on consumer protection, we should pioneer Consumer Protection and lead programmes to promote and enforce Responsible Tourism practices.

There is lot which leaves much to be desired in our current star grading system – I have had experiences which clearly have said to me – **this facility is over-graded**, we also have seen establishments whose standard remains undervalued by the star grading system for whatever reasons.

We are going to need MTPA, to guide us and be foot-soldiers on our quest to create and build a sustained and efficient human capital, capable to grow a service oriented and world class tourism sector in the province.

We need to ask ourselves the extent to which we will be able to tap in the underutilised skills funds and the additional public expenditure allocation for MRTT.

One of our challenges remains the **availability of the appropriate, relevant and up to date information** for policy making.

Whilst we understand our statistical capacity challenges, MTPA should therefore still is able to provide us with the intelligence that accords us the knowledge to provide strategic Tourism policy development.

We can only do this with strong research, planning, monitoring and evaluation capabilities.

#### (5) Destination Marketing – Selling our province

Whilst we have receive negative media areas in some areas of our political and service delivery space, our province remains the most desired destination by many.

We need to develop a destination marketing plan, that claims a share of the meetings, conferences, events market, which bring in spending, number of nights, and the brand exposure to our province

With Mbombela Stadium and the envisaged ICC, we surely cannot go wrong.

Unfortunately, contrary we will not have all the money we need, but surely can mobilise promotion and marketing partnerships that equally delivers in this area of our work. Most notably, the Mbombela Local Municipality has just recently hosted a very successful Economic Summit in the Kruger National Park on 26 – 27 January 2012, where outstanding opportunities for partnership were outlined. It is imperative for yourselves as Board of Directors to familiarise yourselves with the proceedings of this summit in order to obtain more insight.

## **Moving forward - A Plan to fulfil the marching orders**

Our interest is on how you plan to achieve these marching orders, as outlined by the Honourable Premier. You will also recall that President Jacob Zuma has also declared this term as the term of job creation. To fulfil this, we need a sound organisation, with a string corporate discipline culture and the ethos to do the right things right

### **1 Financial position of MTPA**

#### **1.1 Personnel costs**

We take note of the fact that higher than 70% of the grant allocation to the MTPA is spent on personnel related costs. We acknowledge that this agency may be inadequately funded, but going forward, we would like to know what your plan is to correct this, given the budgetary constraints our province and country is facing. The entity may have to reconfigure its organisational structure which seems to be top heavy with the possibility of merging some of the business units with related functions.

#### **1.2 Revenue collection**

We are convinced that much can still be done to optimise revenue and its collection. We are not convinced that there exist, especially in your game reserves, sufficient internal controls to safeguard the shrinkage of revenue being collected. We would like to know what you intend doing to address this challenge, given that it continues to affect revenue collection.

#### **1.3 Staff Morale**

There is a need to improve the environment in order to improve staff morale, more so, after the recent suspensions of senior managers. Low staff morale will affect performance, and as such, the agency may not be able to deliver on its mandates. Remember that you have a critical mandate of contributing towards job creation for the next ten years. You therefore need the support and determination of your employees, if you are to achieve your mandates.

#### **1.4 Capacity**

If the reports are true that there are more than 20 scientists in your staff compliment, surely this capacity should be made available to the Department and its other public entities, such that the appointment of service providers is minimised. This in turn, will save the Department, including its entities, a lot of money which could be diverted to funding other pressing areas, including even topping up your budget. We believe that we are spending a lot of money on consultants, despite having internal capacity to assist, and this may be viewed as wasteful expenditure.

### **2 Auditor General's Report**

#### **2.1 Compliance with laws and regulations**

In terms of the Auditor General's findings for the 2010/2011 financial year, this entity is **not adhering to treasury regulation 8.2.3**, which states that all creditors must be paid within 30 days of receipt of an invoice after a service has been rendered or good received. We implore on the CEO to ensure compliance in this regard.

From henceforth, we direct that we must be forwarded a report on a monthly basis, indicating how many service providers were paid within 30 days of receipt of an invoice, including the amounts. If there are those who are not paid within the stipulated time-frame, we would also like to know their names and reasons why they were not paid.

This should also include when they are going to be paid. We should also have a courtesy to write to all our unpaid service providers, apologising for the inconvenience we have caused them, and commit a date of payment.

## 2.2 Leadership

The Board, as the Accounting Authority, is expected to exercise oversight over compliance with laws, regulations and internal controls. However, the Auditor General is not satisfied. He has indicated that did not perform this responsibility, given the problems he uncovered. Going forward, we implore on you to concentrate on the issues raised. We would also like to know how you are going to ensure that such issues do not recur.

## 2.3 Financial and performance management

The Auditor General has also raised a concern around non submission of information necessary to support performance information. If I have to quote him, he says ***"pertinent information was not identified and captured in a form and time frame to support performance information."***

We hope that such a thing would never happen again, and going forward, we would like to know how such an occurrence would be prevented in future.

## 2.4 Other matters: investigations in progress

We note the ongoing investigations by the Auditor General, with regard to compliance with the PFMA and the supply chain management policy, as well as an investigative disciplinary action against an employee of the entity. We would like to know the outcome of the investigation, once it is completed. We also note that the Auditor General is investigating the possible abuse of assets – and we will await the report of the outcome.

## 3 Achievements (2010/2011)

Despite the issues I raised, we acknowledge the report on your achievement for the financial year ending March 2011.

We applaud you for taking our province to the **third (3<sup>rd</sup>) most visited destination by international tourists; however, the destination is not doing so well with respect to domestic tourists.** We appreciate that you've ensured that flying into our province becomes affordable by implementing the Tourism Airlift Strategy, amongst others.

In terms of **bio-diversity conservation**, we acknowledge that you've crafted the **anti-poaching strategy; and signed four (4) land restitution settlement and co-managements agreements**, amongst others.

However, we believe that your role in this regard does not end with the signing of the agreement. You must ensure that our people are capacitated and benefit meaningfully through these agreements.

As I close, chairperson, we hope that all the concerns we've raised today, will be taken care of. The MTPA has a huge role to play in promoting our province as the tourism destination of choice, and at the same time, ensuring bio-diversity conservation.

#### **Key injunctions**

Under no circumstances, should we ever allow a public entity to Plan for a deficit budget – we must cut our cloth to fit our robe.

To remind the board on the provisions of the MTPA Financial Policy and Procedure manual, that states that the executive Authority and Treasury Approval for the disposal and off-setting of immovable assets

**Working together, we can do more to make 2012 a year of economic growth and massive job creation, as we escalate our efforts from 2011.**

**I thank you!**