

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).

Friday, 25 March 2011

Chairperson of the Board of MTPA, Mr Sabelo Mahlalela;

Deputy Chairperson of the Board, Ms Lisa Sheard, and other board members;

The CEO of MTPA, Mr Charles Ndabeni;

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Good morning!

My I start by appreciating the opportunity being afforded to me to address the Board and Management of the MTPA.

1. State of the Province Address 2011

I think it is significant for me to start our discussion by referring to the marching orders that were given to the MTPA by the Honourable Premier, Mr D.D Mabuza when he delivered the *State of the Province Address* last month. 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 your programme of action for the 2011/2012 financial year should focus 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.

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 2011 as the year of job creation.

2. Financial position of MTPA

2.1 Personnel costs

We take note of the fact that quite a huge percent of the budget of the MTPA is spent on personnel related costs. We acknowledge that this agency is not adequately 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.

2.2 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.

2.3 Expenditure

There is a need to curtail costs – we still have to be convinced about the necessity of a fully-fledged office in Gauteng, and another one at the KMIA. What are the staff members in Gauteng doing that occupies them the whole day? The same goes to the staff members at the KMIA. The two scenarios are just a few examples of areas which can be critically looked into, to see if there is a possibility of cost curtailment. We must seriously look at reducing any duplication, if it exists.

3. Legal issues

We hope that the legal matters, specifically those involving staff members, have been resolved after my intervention. Let us hope that the situation that led to those issues does not rear its ugly head again. We would like an update on the matter and others facing the agency.

4. 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.

5. 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.

6. Auditor General's Report

6.1 Compliance with laws and regulations

In terms of the Auditor General's findings for the 2009/2011 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.

6.2 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.

6.3 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.

6.4 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.

7. 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 (3rd) most visited destination by international tourists; and the sixth (6th) most visited destination by 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.

Working together, we can do more to make 2011 a year of massive job creation.

I thank you!