

COMMITTEE REPORT OF THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM:

OVERSIGHT VISIT DURING THE "TAKING THE LEGISLATURE TO THE PEOPLE" (TLP) HELD IN THE STEVE TSHWETE LOCAL MUNICIPALITY, NKANGALA DISTRICT, 14 MARCH 2017 - LOSKOP DAM (MTPA)

1. INTRODUCTION

Section 118 (1) (a) and (b) (i) of the Constitution of the Republic of South Africa empowers a provincial legislature to facilitate public access to and involvement in its oversight processes. In addition, sections 114 and 133 of the Constitution, read together with rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules) directs the Legislature to hold the Executive accountable for the exercising of powers and performance of functions.

In carrying out its constitutional oversight and public participation mandate, the **Portfolio Committee on Premier's Office; Finance; Economic Development and Tourism** (the Committee) conducted an oversight visit in the Steve Tshwete Local Municipality (the municipality) on 14 March 2017 during the "Taking the Legislature to the People" (TLP) event.

This report reflects the issues that emanated from the oversight activity during the said date, which will need further intervention of the Department of Economic Development and Tourism (DEDT) and its parastatal Mpumalanga Tourism and Parks Agency (MTPA).

2. PURPOSE OF THE OVERSIGHT ACTIVITIES

The Committee assessed progress on the project that was assisted by the Department of Economic Development and Tourism (DEDT) and Mpumalanga Tourism and Parks Agency (MTPA). The Committee wanted to interact with the management of the project and ensure that the DEDT's and entity's delivery of core mandated services is fast tracked.

3. METHOD OF WORK

As per the Legislature programme, the Economic Cluster had TLP oversight visits planned for the period 14 - 15 March 2017 at the Steve Tshwete Local Municipality. The Committee informed the department and entity about the TLP oversight visit to be conducted and the purpose thereof. Invitations were sent to the department, management of the entity and the Municipality requesting them to be part of the visit.

- On 14 March 2017, the Committee conducted the oversight visit at the Loskop Dam Nature Reserve.

4. OBSERVATIONS AND COMMENTS

The Committee observed the following:

- Loskop Dam Nature Reserve is situated in the Mpumalanga Province, between Groblersdal and Middleburg; it is located 51km north of Middleburg at latitude 25°22 to 25°31 and longitude 29°10 to 29°24. It is also the third largest nature reserve falling under the Mpumalanga Tourism and Parks Agency (MTPA) with about 23000 ha.
- The rich species diversity, hilly landscape and tranquil water of the dam make this reserve an ideal gateway for nature enthusiasts or those seeking a break from the city life. The dam surface covers an area of about 3000h when full.
- Loskop Dam Nature Reserve is home to over 70 mammal species, including three (3) of the Big Five (5) (Buffalo, White Rhino and Leopard). In addition, there is hippo, warthog, giraffe, and there is abundant birdlife. A key feature of the Loskop Dam Nature Reserve is the boat-based game watching.
- The profit made by the reserve on an annual basis is being returned to MTPA's account and there is no percentage that remains with the reserve. The reserve manager (Mr Modau) also expressed his concern on the centralized budget; he indicated that in the 2016/17 financial year the reserve received a total budget of R822 000.00 and this budget is only available on paper since MTPA's head office is still responsible for the procurement processes which is often very slow even to goods and services that require urgent attention. Loskop is nature preservation centred rather than for profit making.

5. INTERACTION WITH THE MANAGEMENT OF THE DEPARTMENT AND ENTITY

5.1. LOSKOP DAM NATURE RESERVE

Mr Modau (Reserve Manager): Mpumalanga Tourism and Parks Agency (MTPA) gave an overview on the Loskop Dam Nature Reserve.

Loskop Dam nature reserve is situated in the Mpumalanga Province, between Groblersdal and Middleburg; it is located 51km north of Middleburg at latitude 25°22 to 25°31 and longitude 29°10 to 29°24. It is also the third largest nature reserve falling under the Mpumalanga Tourism and Parks Agency with about 23000 ha. The rich species diversity, hilly landscape and tranquil water of the dam make this reserve an ideal gateway for nature enthusiasts or those seeking a break for the city life. The dam surface covers an area of about 3000h when full.

Loskop Dam Nature Reserve lies in the Oliphants river valley in the bush veldt region. It is home to over 70 mammal species, including 3 of the Big Five (Buffalo, White Rhino and Leopard). In addition, there is hippo, warthog, giraffe, and there is abundant birdlife. A key feature of the Loskop Dam Nature Reserve is the boat-based game watching.

Operations of the Reserve

The reserve has four (4) divisions namely:

- Protected Areas Management (PAM) which are responsible for the road, fire, fence, security and patrolling of animals.
- Wild life is responsible for animals, game capture, game sales and breeding projects.
- Scientific services division is responsible for monitoring the field as well as the water and crocodiles.
- Anti-poaching unit ensures that animals are well protected from poachers. It was reported that in the 2016/17 financial year there was no poaching in the reserve.

The reserve has three (3) chalets namely; Hippo Chalet that accommodates six (6) people at R1400.00 per night, Fish Eagle Chalet that accommodates eight (8) people at R1500.00 and the

Crocodile Chalet which accommodate eight (8) people at R2000.00 per night. The reserve generates more income on accommodation, entrance fees, boat and fishing.

Revenue for the past 4 financial years

YEAR	2013/14	2014/15	2015/16	2016/17
REVENUE	R328 015.00	R298 500.00	R236 247.00	R199 245.00

The profit made by the reserve on an annual basis is being returned to MTPA's account and there is no percentage that remains with the reserve. The reserve manager also expressed his concern on the centralized budget. He indicated that in the 2016/17 financial year the reserve received a total budget of R822 000.00 and this budget is only available on paper since MTPA's head office is still responsible for the procurement processes which is often very slow even to goods and services that require urgent attention.

Infrastructure upgrades

The reserve received R35 000 000.00 from the Department of Environmental Affairs (DEA) under the Environmental Protection and Infrastructure Programme (EPIP). This funding was divided into two; R5 000 000.00 was allocated to the anti-poaching unit and is being implemented by MTPA, then the remaining R30 000 000.00 was for infrastructure upgrades. This funding was approved in 2014/15 and implementation started in 2015/16 financial year. The deliverables for the infrastructure upgrades are divided into the following categories: Building of new pickets, renovation of living quarters and the supply of water to the pickets. The estimated end date for this project is October 2017.

New Pickets

- Spider picket to accommodate four (4) field rangers
- Doormen picket to accommodate four (4) field rangers
- Hondekraal gate picket to accommodate four (4) rangers
- Hondekraal valley picket to accommodate four (4) rangers

Renovation of living quarters

- Upgrade of Rietfontein anti-poaching picket
- Upgrade of Parys field rangers picket
- Upgrade of Doornfontein picket
- Upgrade of four (4) official houses

Supply of water to pickets (Boreholes)

- Rietfontein
- Spider
- Doornnek
- Hondekraal gate
- Hondekraal valley

During physical verification it was found that all new pickets were at roof level, renovations of living quarters were not finalized and the water supply was not started. This process is being implemented by IMOGENE a contractor appointed by DEA.

Claimants

Loskop Dam has three (3) landowners namely; Loskop Mmamarumo, Rampholodi and Dindela. They have all signed the settlement and co-management agreements and are now working together with the reserve. According to the co-management agreement, the land owners should get benefits out of all the profits generated by the reserve. One of the benefits is that out of every 100% employment opportunities created, about 60% must be given to the landowners.

Stuff turnover and cost per head

There were no staff movements at Loskop Dam Nature Reserve in the 2015/16 financial year.

STAFF	NUMBER
Permanent workers	14
EPWP	8
Working on fire	27
TOTAL	49

Staff cost per head

JOB CATEGORY	NO OF POSTS	SALARY
Reserve Manager	1	R637 337.52
Section Manager	1	R457 614.13
Chief Field Ranger	1	R262 064.86
Principal Field Ranger	0	0
Senior Field Ranger	6	R1 218 842.00
Field Ranger	7	R870 345.98
Cashier	2	R317 021.08
Admin Officer	1	R217 945.08
Driver	2	R221 525.04
Artisan	2	R406 614.00
Store Clerk	1	R126 817.44
House Keepers	4	R497 340.60
Foreman	2	R332 476.32
General Assistants	19	R1 838 115.48
TOTAL	49	R8 306 356.49

Security measures

During the Committee oversight visit that was conducted in August 2015 at the Loskop Dam, it was found that about 60km of the fence was old and needed to be replaced and that there were

no security guards at the entrance gate which was posing danger to both tourists and the employees of the reserve. MTPA reported that currently about thirteen (13) field rangers and five (5) ant-poaching unit staff members are responsible for security and the private security company also employed five (5) security guards to control access at the gates. During physical verification, the Committee found that indeed there were two (2) security guards working on a day shift at the gate and the fence was replaced.

5.1.1 The management indicated that the resort is experiencing the following challenges:

- Centralized budget and booking systems
- Lack of infrastructure maintenance
- Limited / inadequate budget
- Vacant posts; staff shortage
- Drought

5.1.2 Achievements and marketing strategy

- The appointment of eight (8) employees from EPWP from surrounding communities.
- The approval of EPIP DEA Funding project of R 35 000 000.00.
- The appointment of 217 employees for DEA project from the neighbouring community.
- The appointment of 57 employees for the R5 000 000.00 project which is part of the R35 000 000.00 project.
- An Integrated Management Plan is in place with the Tourism Master plan.
- The tourism development opportunities are outlined in the Tourism Master plan and the plan will ensure that tourism is expanded to an optimum level so that it increases revenue generation.

5.1.3 Future plans for the Reserve

- The new building of the three (3) chalets on the dam will increase the income generation.
- Trophy game hunting will increase income generation (Lion, zebra, buffalo, hippo).

- Revised reserve access tariffs will ensure increased income generation.

6. FINDINGS

After the interaction with the department and entity, the Committee noted the following:

- 6.1. The nature reserve has a huge potential of attracting tourists in order to generate more revenue.
- 6.2. The reserve is still struggling with non-maintenance of infrastructure.
- 6.3. There is no signage that leads to the reserve.
- 6.4. About 69% of the total budget allocation goes to Compensation of Employees.

7. RECOMMENDATIONS

After the deliberations, the Committee resolved on the following:

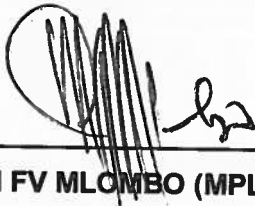
- 7.1. MTPA must play its role of ensuring that the natural resources are well protected and infrastructure is well maintained.
- 7.2. The entity must review its strategies and provide the required support so as to sustain maintenance to this particular reserve.
- 7.3. The entity must ensure that sufficient signage is put up and be prioritized in the 2017/18 financial year.
- 7.4. The entity must develop systems and put mechanisms in place to reduce this exorbitant percentage under Compensation of Employees.

6. CONCLUSION

The Chairperson would like to take this opportunity to thank the Members of the Portfolio Committee for their active participation and constructive contributions during the TLP oversight visit.

In addition, the Chairperson extends a word of appreciation to the Acting CEO of MTPA, Mr Sibiya, senior management officials of DEDT and MTPA, the management of Loskop Dam Nature Reserve, the Steve Tshwete Local Municipality and all other stakeholders for their co-operation during the oversight work of the Committee. The Chairperson would also like to thank the support staff for contributing to the production of this report.

Unless otherwise stated the Department of Economic Development and MTPA are required to investigate the observations and findings in this Committee report and implement all the House Resolutions. The report detailing progress in the implementation of all recommendations should be forwarded to the Committee by 15 June 2017 and thereafter on a quarterly basis.



HON FV MLOMBO (MPL),
CHAIRPERSON: PORTFOLIO COMMITTEE ON
PREMIER'S OFFICE; FINANCE;
ECONOMIC DEVELOPMENT AND TOURISM

25. 05. 2017
DATE