**2. REPORT OF THE PORTFOLIO COMMITTEE ON TOURISM ON OVERSIGHT VISIT TO MOPANI AND VHEMBE DISTRICT MUNICIPALITIES, LIMPOPO PROVINCE, DATED 10 MAY 2022**

The Portfolio Committee on Tourism, having undertaken an oversight to Mopani and Vhembe Districts, Limpopo Province from 19-22 April 2022, reports as follows:

1. **Introduction**

The Department of Tourism (Department) is funding and managing the implementation of tourism infrastructure and skills development projects through the Working for Tourism Programme (WfT) which is aligned to the Expanded Public Works Programme (EPWP). The WfT funding is exclusively appropriated to EPWP compliant projects. Government objective of the WfT Programme is job creation through the provision of a range of tourism services and infrastructure. Funding is for both infrastructure and training projects.

The Committee has consistently raised a number of concerns in relation to the implementation of the tourism infrastructure projects. Some of the challenges included inter alia, poor workmanship, poor project management, no value for money, project location, operational deficiencies and others. During the engagements with the new Minister of Tourism, Hon. Lindiwe Sisulu, the Committee expressed a view that given an opportunity, it would like to visit some of the tourism infrastructure projects. This was after the Department had assured the Committee that they have changed the implementation method and identified an implementation agent that will assist in correcting all the past mistakes identified in the infrastructure projects. The Department reported to the Committee that the Development Bank of Southern Africa (DBSA) had been identified and appointed as project managers for the projects that were given a go ahead by the Government Technical Advisory Centre (GTAC) process.

The focus of the Committee on the infrastructure projects is premised on its view that enhanced implementation and management of these projects are key to the contribution of tourism to fighting poverty and unemployment at local community level. The Committees were given an opportunity by the National Assembly to utilise the week of 19-22 April 2022 for oversight work. The Portfolio Committee on Tourism welcomed this opportunity, and undertook a provincial oversight visit to Mopani and Vhembe Districts in Limpopo Province in that week to assess the state of the tourism infrastructure projects implemented by the Department of Tourism.

1. **Background**

As early as 2013, the Committee made a recommendation to the Department of Tourism to develop a turn-around strategy for all the Working for Tourism infrastructure projects, then called Social Responsibility Initiative (SRI) projects. These were projects that had a number of challenges, and some were not operational. Parliament had recommended the development of the turn-around strategy before the end of 203/14. However, little progress was achieved in this regard with many projects still experiencing varying challenges to date.

After persistent recommendations by the Committee for the Department to improve the implementation and develop internal capacity, the Department acquired the services of the Government Technical Advisory Centre (GTAC). This culminated in a list of projects to be discontinued and those to be retained for further implementation and maintenance. However, the internal incapacity in implementing infrastructure projects persisted.

The erstwhile Portfolio Committees raised these matters with the Office of the Auditor-General (AG). It was only in the 2018/19 financial year that the Auditor-General undertook to conduct the performance audit for the tourism infrastructure projects. The AG findings confirmed what the Committee had been raising over a number of years.

The following issues were identified by the Auditor-General as matters of concern in how the Department was implementing the infrastructure projects:

1. Project management
	* Lack of standardised infrastructure project management practices.
	* Standard construction industry contracts not used (SLAs and memorandums of agreement).
	* No standard project management documentation such as variation orders and extension of time requests, etc.
	* Instructions from the department to stop projects are ad hoc and not formalised.
	* No payment certificates versus progress payment reports (% completion certification by professionals).
2. Supply Chain Management process
	* Identification and appointment of implementers not formalised through a procurement process and some implementing agents have no construction industry experience.

Due to the severity of these challenges, the Department has since appointed the Development Bank of Southern Africa (DBSA) as an implementing agent for all its infrastructure projects throughout the country. The Committee has been advised that the DBSA will support the implementation of 29 community-based tourism projects (accommodation development / upgrading) of which 10 are in Limpopo. The following projects are earmarked for Limpopo Province:

* Phiphidi Waterfall, Thohoyandou
* The Oaks Lodge, Maruleng Local Municipality
* Matsila Lodge, Makhado Local Municipality
* Vha Tsonga, Makhado Local Municipality
* Ngovhe project, in Giyani
* Tisane, near Jane Furse
* Nandoni Dam, Vhembe District Municipality
* Tshathogwe Game Farm, Makhado Local Municipality
* Mtititi Game Farm, Collins Chabane Local Municipality
* Mapate Recreational Social Tourism Facility, Thulamele Local Municipality

The Committee would, therefore, visited Ngovhe and Phiphidi Waterfall projects as a sample of how the Department wants to move forward with the implementation of infrastructure projects. This was meant to compare what actually exists on the ground against what had been reported by the Department on paper.

1. **Objectives**

The Committee requested to undertake the provincial oversight visit to Limpopo Province to assess the state of the tourism infrastructure. The primary purpose was to make a follow up on some of the tourism projects funded by the Department of Tourism in Mopani and Vhembe District Municipalities. The focus areas of work included, but was not limited to:

* Visitor information services / centres;
* Accommodation establishments;
* Youth / women tourism programmes;
* Attraction enhancement; and
* Homestays and incubators; and
* The general state of provincial tourism and recovery plan.
1. **Committee attendance**

The House Chairperson approved for the Committee to undertake the oversight visit, and after the approval was received, other members submitted apologies due to a number of reasons ranging from health to party commitments. The delegation comprised of the members and support staff as indicated in Table 1 below.

**Table1: Committee attendance**

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| --- | --- |
| **Political Party** | **Members** |
| African National Congress | Hon. LS Makhubela-Mashele, MP (Acting Chairperson)Hon. MM Gomba, MPHon. S Maneli, MPHon. P Mpushe, MP |
|  | **Support staff:**Mr. JM Boltina, Committee SecretaryDr. PS Khuzwayo, Content Advisor Ms. S Loni, ResearcherMs. N Mnyovu, Committee Assistant |

**Table 2: Provincial Legislature**

|  |  |
| --- | --- |
| **Political Party** | **Members** |
| African National Congress | Hon. SD Selamolela, MPL (Chairperson) |
|  | **Support staff:**Ms. M Malabi, Committee CoordinatorMs. J Shibambu, Committee Coordinator Mr. K Neluheni, Committee ResearcherMs. M Seloana, Communications Officer Ms. S Govender, Parliamentary Communication Service |

**Table 3: Department of Tourism**

|  |  |  |
| --- | --- | --- |
| **Name of delegate** | **Organisation** | **Designation** |
| Ms. S Chettiar  | Department | Deputy Director General, Destination Development |
| Ms. L Matlakala | Department | Chief Director, Destination Development |
| Mr. T Netshidzani | Department | Project Manager |
| Mr. B Canham | Department | Sustainability Manager |
| Ms. M Moshokoa | Department | Programme Management |
| Ms. Petra van Niekerk  | Department | PLO, Director General’s Office |
| Ms. Lerato Theko | Ministry | PLO, Deputy Minister’s Office |

**Table 4: Department of Economic Development, Environment & Tourism**

|  |  |  |
| --- | --- | --- |
| **Name of delegate** | **Organisation** | **Designation** |
| Hon. Mookone | LEDET | MEC, LEDT |
| Ms. RD Makhubela | LEDET | Tourism Official |
| Ms. AE Maisha | LEDET | Tourism Official |
| Ms. N Khathutshelo | LEDET | Tourism Official |
| Mr. TS Tshisikhawe | LEDET | Tourism Official |
| Ms. TN Luvhengo | LEDET | Tourism Official |

**Table 5: Development Bank of Southern Africa (DBSA***)*

|  |  |  |
| --- | --- | --- |
| **Name of delegate** | **Organisation** | **Designation** |
| Mr. NP Rammek  | DBSA | Board Chairperson  |
| Mr. Thulani Nxumalo | DBSA | Acting Programme Manager |
| Mr. Isaac Motsoari | DBSA | Chief Procurement Manager |
| Mr. Gouse Schoeman | DBSA | Board member |
| Mr. AE Tshikondela | DBSA | Board member |

1. **Site Visit and briefing by stakeholders at Ngovhe Tourism Project**

5.1 Background to Ngovhe Lodge

According to Government Technical Advisory Committee (GTAC) assessment, the Ngovhe project is one of the stalled project based on request for additional funds. The project consists of accommodation, conference facilities and a cultural centre and begun in 2010. The project is located about 4 kilometres from Giyani near the village of Ngovhe. The turn off to the Lodge is approximately 1.5 kilometres from R81 main Giyani-Polokwane Road. To date R29.3 million had been spent in the project.

The GTAC recommended that the Department should proceed with the project in parallel with addressing the sustainability model at an estimated cost of R17.7 million. The Department accepted the recommendation and agreed to proceed with project in parallel with addressing sustainability model.

5.2 Input from the Department of Tourism

Ms. Shamilla Chettiar, Deputy Director-General: Destination Development, indicated that the Department appreciated the honest engagement with the stakeholders. The Department had brought a technical team from the Development Bank of Southern Africa to assist. From 2015, the Department had been engaged with the GTAC process to ensure that the project can stand the test of time. Currently, the Department was waiting for permission by the National Treasury to proceed with appointing a service provider. In 2009, there were about 106 projects that were ceded to the Department of Tourism from the erstwhile Department of Environmental Affairs and Tourism (DEAT), in the form of Social Responsibility Initiative (SRI). One of the challenges was that detailed feasibility studies were not developed before implementation of projects. The projects were run from the national government. As a result, the Province was not involved. There was a missing link between national and provincial spheres of government. The Ngovhe project is one example of those ceded projects.

After the technical assessment, the Department had to consider the long term sustainability, because a lot of projects were running out of money, and needed more money. In 2016, the Department took a decision to stop all these social responsibility projects. Ngovhe project was stopped because it required more additional funding. GTAC indicated that poor planning was the reason over R20 million was spent on the project.

5.3 Input by the Member of the Executive Council

Hon. Mookone, MEC for Economic Development, Environment and Tourism confirmed that it was his first time to see the Ngovhe project. The Shangoni Gate needed some serious interventions as well, as there were traditional authorities squabble over the ownership of that project. Communities around the projects must be given opportunity to be participants.

Limpopo Province has 57 projects of this nature which are government owned (budget resorts). The projects are all not doing well, and there was a concern about future prospects of the Ngovhe project. The Department of Environmental Affairs is doing a study to rationalize the community projects. The visit by the Portfolio Committee and findings and Ngovhe Lodge showed that the province that there was a need to clean its house. He raised a need for coordination of projects implemented by the three spheres of government in the province.

5.4 Limpopo Provincial Legislature

Hon. Selamolela, Chairperson of the Portfolio Committee on Economic Development, Environment and Tourism, complained about lack of signage for the project and other tourism facilities in general. There was no signage that shows indicating one was approaching a tourism project. The Committee had to take a turn at a school and come back. The reason for getting lost was the Committee of the Legislature did not know about the Ngovhe project. Provincial committee had never been briefed nor visited that project. The question that needed to be asked was what is the future of Ngovhe project? The Minister needed to give a full account of the project, as to why the project went horribly wrong. South Africa has a unitary government and must work together as such. It was disheartening that the national government was implementing the project without informing the provincial and local government. The legislature will make a follow up on the Ngovhe project. The Province will develop its own report on this project as collective wisdom is needed and important to take the project forward.

* 1. Chief of the Ngovhe Area

Ndabezitha Gonwe, Chief of the Ngovhe area appreciating the presence of the Committee, said that it was fortunate that the country has a structure that can follow the tax payers money. It was for the first time in the history of the project to see the District Councillors. District Municipality is 5 or 10 kilometres from the project, but had never set foot in the project. The community was tired of talking about the project as progress was made. Before DG Chettiar joined the Department about 6 years ago, the community was never properly involved in the implementation of the project. He put it on record that the community was never asked to make an application however, it was out of community volition. At that time, the budget required was about R6 million. The Implementing Agent was asked to do feasibility, and market studies.

During the implementation of the project, the service provider had litigations with the Department in court for other projects. The service provider was then pulled out of the project and another one was appointed. As a result, the initial R6 million was increased to R9 million. The community realized that R9 million was going to be used in the mountain only for earthworks. The initial project proposed and applied for from the Department was a Cultural Village and Community Centre. Unfortunately, due to am inclined terrain that needed a lot of money to prepare the project site was changed. The service provider and the Department then unilaterally changed the project concept into a lodge and conference facility without consulting the community.

The project was then moved to a former SISAL project site. The Department then refurbished the structures already existed in the project site, except the new doors, and aluminum windows. There was already electricity supply in the area, that was done by the community on its own.

It was put on record that the project in its current form was imposed on the community but the community had to go along with it as they did not have money to implement their original concept. The assets on site are now overgrown by grass and trees and inaccessible. The conclusion done by GTAC was positive, but the condition on site was untenable. Feasibility study was not done for the new project. What is important to community is the sustainability of the project. Former Directors-General were told that the project was not sustainable. The Department wanted to hand over the project. As a Traditional Council, the community had to reject the hand over as the project was not finished and not operational. The project requires ablution facilities and electricity needs to be fixed. The damage that has been done through vandalism is too big and requires more money to be fixed. The unemployed youth in the community had a hope, ten years ago when the Ngovhe project commenced but that hope is no longer there due to delays. Both the GTAC and SISAL reports say the location is good, and relevant for tourism. The community is looking forward to improved implantation and coordination for the project moving forward.

The Chief bemoaned the broken promises by the Department in one of its youth programmes. He indicated that he was approached by the Department to recruit unemployed youth for a tourism training programme. He then went on a recruitment drive and got the number required by the Department. However, the Department never came back to him about that project. He indicated that it reflected badly on the image of his traditional council as the youth had to forego other opportunities for a tourism programme that never took place. He asked for better coordination and respect of traditional communities in this regard. Chief Gonwe concluded that the project was supposed to talk expansion and networking. The next meeting should be on tangible variables, not discussing diagnosis

* 1. Development Bank of Southern Africa (DBSA)

Mr. Nxumalo, Acting Procurement Manager, Development Bank of Southern Africa indicated that the Bank had been appointed and signed a Memorandum of Understanding with the Department of Tourism. DBSA had already with its technical started with technical analysis work and identified what needed to be done. Khuma Engineers had been appointed to do an investigation. The work is at an advanced stage. The scope of the work has been identified. The work will include, the refurbishment of the chalets, fix the source of power, installing double volume, water reticulation system need to be fixed, landscaping, guard houses must be refurbished, and others.

The DBSA estimates that the work may commence by the end of May 2022. It is hoped that work will proceed once the National Treasury gives a go ahead. At this stage, there is a moratorium on procurements.

1. **Site Visit and briefing by stakeholders at Phiphidi Waterfall Project**

6.1 Background to Phiphidi Waterfall Project

The Phiphidi Waterfall project consists chalets and require the upgrading of existing day visitors’ facilities to include chalets and refreshment kiosk. The project is operational and started in 2017. The Lodge is located approximately 35 kilometres from Giyani, and is near the village of Mahlathi and the fence line of Kruger National Park. To date, R16.2 million has been spent on this project.

The GTAC assessment report recommended that the Department of Tourism should proceed with the project and address all the condition of the feasibility assessment. The Department accepted the recommendation and agreed to proceed with the project the project in parallel with addressing conditions of the feasibility assessment.

6.2 Community Board Chairperson

Mr. Phillip Ramela, the Community Trust Board Chairperson welcomed the Committee. He indicated that the project is managed by a Trust, and capacity building is needed to skill the Board members and the community. Their main challenges are:

* The project has no operational budget.
* There is a laundry at the site but there is no equipment inside.
* Administration block needs to be upgraded.
* Restaurant and dining room need upgrading.
* Access road to the project needs to be improved.
* There are security personnel working in the project.
* Changing room needs improvement.
* The Contractor left the project without completing the work.
* The community hall has no ablution facility for events, such as weddings.
* Need a hiking trail.
* The Community has some ideas on how to sustain the project for community beneficiation.
* The Trust made an undertaking to the Committee that money spent in the project will be done so wisely.
* The Trust Board has constituted by 15 members, 10 women and 5 men.

6.3 Development Bank of Southern Africa (DBSA)

Mr. Thulani Nxumalo from Development Bank of Southern Africa indicated that the Phiphidi Waterfall project is one of the project allocated to the Bank. DBSA will do upgrades and refurbishments in the projects. DBSA will do the following:

* Renovation to chalets.
* Changing rooms.
* Storm water reticulation.
* Upgrade the Administration block.
* Guard house.
* Install the retaining wall.
* Access road will be improved.
* Project is still in the planning stage, discussion and consultation are still ongoing.
* Tender documents are expected to be finalised before the end of May 2022.
* Pool and generator will form part of the plan.
* Kids facility will be looked into so that this project can be a family facility.
* DBSA can take about 8-12 months to complete the work.
	1. Concluding remarks by the local authority

In closing, Mr. Dzivhaluwani, headman of the Phiphidi area, thanked the Committee for finding time and visit their project. Hoped all the plans of the DBSA would be realized. The community is ready to get involved and help in the development of the project. The Chief asked Mr. Nxumalo to make a solemn undertaking to the Community that all the work that DBSA had stated will be done to refurbish and upgrade the facility will actually be delivered. Mr. Nxumalo made an undertaking that DBSA will deliver on all the work that was communicated to the community.

 **7. Committee observations**

The observations made by the Committee are twofold. Firstly, general observations were made in relation to the general state of tourism support services in Limpopo Province. Secondly, there were specific observations made in relation to Ngovhe loge and Phiphidi Waterfall projects.

7.1 General observations

The general observations are as follows:

* + 1. Condition of the roads

The general observation wat that road in Limpopo province are not in a good condition appropriate for a tourism destination. The potholes are ubiquitous, and in some places in a close proximity to one another, which makes roads untraversable. This conditions make it difficult to drive and navigate the dangerous roads. The Committee physically experienced what could possibly go wrong with tourists visiting the Limpopo province. The vehicle of the Limpopo Highway Patrol officers which was escorting the Committee got into a pothole and had a puncture. All the cars had to stop and allow the police officers to change the tyre in their vehicle.

This incident was a clarion indication of what can happen to tourist vehicles visiting the province of Limpopo. The roads condition is a bomb waiting to explode and has a potential to further damage the already ailing image of South Africa as a tourism destination. The Committee is concerned that if a tourist incident caused by the potholes may occur, not only the Limpopo Province, but South Africa as a whole will suffer a tremendous dent in its reputational image. Such incidents have a tendency to attract negative publicity and reporting by international media.

The Committee is also concerned about the danger posed by such roads to the people of Limpopo on daily basis as they traverse such dangerous roads riddled with potholes. The Committee would therefore urge all road authorities in Limpopo to attend to the conditions of the roads in order to prevent possible road calamities involving tourists.

* + 1. Signage

The Committee observed that there is poor road signage in Limpopo, especially for the tourism facilities. This may make it difficult to for potential tourists to identify the tourism attractions and sites in the province. The products or projects visited by the Committee also do not have proper and clear signage. This calls for the national, provincial and local authorities to provide appropriate road and tourism signage.

* + 1. Intergovernmental relations

There is glaring poor coordination between the spheres of government in relation to tourism infrastructure projects implemented in the Limpopo Province. At the Ngovhe Lodge, the Committee learned that the Member of Executive Council (MEC) and the Portfolio Committee responsible for the Limpopo Economic Development, Environment and Tourism portfolio were not aware that the Department was implementing this infrastructure project. The Committee also learned that it was for the first time that the district and the local municipalities were visiting the project during the site visit scheduled by the Committee. This is a cause for serious concern as it depicts poor intergovernmental relations and lack of conscientious efforts to coordinate tourism development amongst the three spheres of government.

It was observed that intergovernmental relations were somehow better at the Phiphidi Waterfall project as the provincial government and local municipality were aware of, and supporting the project. This points to poor project management by the Department as there is dissimilar approach to how they communicate with provincial and local government counterparts on infrastructure projects implemented in provinces.

* + 1. Moratorium on government tenders

The Committee noted that on the 25 February 2022, the Office of the Chief Procurement Officer (OCPO) issued the treasury note stating that:

* Tenders advertised before 16 February 2022 be finalised in terms of the Procurement Regulations;
* Tenders advertised on or after 16 February 2022 be held in abeyance; and
* No new tenders be advertised.

The Committee noted that the prevailing moratorium on tenders imposed by the tender suspension imbroglio caused by the Constitutional Court judgement on the 2017 Tender Regulations has a potential to delay and derail the implementation of tourism infrastructure projects. The Committee noted that if the current situations prevails, the implementing agents may not be appointed on time to implement departmental projects in general, and the completion of Ngovhe Lodge and Phiphidi Waterfall in particular. The prevailing tender regulation regime will have serious implications for the implementation of the 2022/23 annual Performance Plan tabled by the Minister in parliament, and will delay the implementation of the undertakings made in respect of the Ngovhe lodge and Phiphidi Waterfall projects. This may create further polarisation with disgruntled local communities who are beneficiaries of the projects implemented by the Department.

* 1. Observations in relation to Ngovhe Lodge

7.2.1 Protracted time to implement the project

The Committee made a serious observation that the project was first conceptualised by the Ngovhe community and application made to the erstwhile Department of Environmental Affairs and Tourism in 2003/4. The project was then inherited by the Department of Tourism in 2009. Since then, the project has undergone tedious and unsuccessful processes of trying to complete and operate it as a tourism enterprise. The Committee learnt that there was a dispute with the initial company appointed to implement the project due to inferior and shoddy workmanship done on site. This culminated in the contract lapsing between the Department and the implementing agent. The Department also appointed Sivest to determine the feasibility and demand of the product to be offered by the Ngovhe Lodge. This process did not yield better results as nothing was done after that process. The Department later appointed the Government Technical Advisory Centre (GTAC) to determine whether the implantation of this project should be continued, and the process yielded a go ahead. Now the Department has appointed the Development Bank of Southern Africa (DBSA) as an implementing agent to finalise the implementation of the project.

Since 2003/4 the Ngovhe community has been waiting for the completion of the project. The current chief is the only remaining founding member of the original Community Trust Board that made the application, as some have been discouraged by the delays and lost interest in the project. The Committee is of the view that it has taken too long for the community to reap the benefits from this project. The Committee is also of the view that the project, in its current state, cannot be operated as a tourism business. This means that the Ngovhe community is still going to wait for some time to realise the benefits of this project. The situation is exacerbated by the National Treasury note that has put tender advertising in abeyance. The Committee is, however, confident that the appointment of DBSA as the implementing agents will expedite the process of completing the project.

7.2.2 Value for money

The Committee was concerned about escalation in the amount of money needed to implement the project over the years. Initially, the project fees were at R6 million. This was meant to finalise phase one. After the delays the project amount increased to R9 million and later to R20 million. This amount also did not complete project implementation as it left the project inoperational. The Committee was informed by DBSA that the amount of money needed to complete the project is estimated at R30 million. This amount was, however, inconclusive as DBSA was still in the planning phase and more money may still be needed to render the facility operational. The Committee is seriously concerned that a project that could have cost R6 million might now be over R50 million.

The Committee also learned that the current value of the project is above R20 million which is the amount that has been invested in the facility. This seems like the value of the facility has appreciated over time. However, this is misleading as the value of the facility cited by the Department did not take into account the pre-existing structures that were inherited by the Department and incorporated into the project. The Committee learned that that facility used to be a SISAL project site with structured erected by the then government of Gazankulu. Most of the work done on site was the refurbishment of existing structures. This meant that the Department achieved more by using less money on refurbishing existing structures.

7.2.3 Project conceptualisation and relevance

The Committee learnt that the initial project was conceptualised as a cultural village. This was meant to provide a unique tourism experience to international tourists and harness the market that is already attracted by the neighbouring Kruger National Park. The site was identified in the mountain and upon project costing by the appointed implementing agent, it became apparent that about 70 percent of the project was to be utilised for earthworks and providing bulk water and electricity supply. The Department then unilaterally changed the project concept and imposed on the community the current Lodge and Conference Centre business idea. The community did not have a choice but to go along with the idea as the Department was providing funding, but the concept remains the business model imposed by the Department onto the community. The Committee noted that the community would still like to incorporate the aspect of cultural attributes as they deem this a unique selling proposition in the area. The Committee is of the view that the Department should consider incorporating the original concept of a cultural village as proposed by the community.

7.2.4 Neglect and Vandalism

The Committee observed with dismay the extent to which the existing facilities at Ngovhe Lodge have been neglected. It was observed that the facility is inaccessible and overgrown with vegetation and there is no maintenance whatsoever of the existing buildings. The Committee was also disappointed by the extent to which vandalism has bedevilled the facility. The fittings made to various chalets have been removed and stolen. These include items such as television sets, air conditioners, sliding doors, electricity fittings; kitchen fittings, tiles, ceiling boards, and others that have been removed from the facility. This happened despite availability of security personnel stationed at the facility. The observation was that the facility is dark at night whilst expansive to conduct dangerous night patrols. Night patrols might present security threat to life and limb of the security personnel as it is completely dark with no form of lighting at night. The Committee learnt that a number of cases had been opened with the South African Police Services whenever an incident of theft and vandalism was identified. However, all the reported cases have yielded no arrest of perpetrators as vandalism continues.

7.2.5 Completion of the project

The Committee learned with optimism that plans are afoot and at an advanced stage to complete the Ngovhe Lodge project. The representative of DBSA informed the Committee that they have signed a Memorandum of Understanding with the Department for projects that were given green light for further implementation and completion by the GTAC process. The Committee appreciated that DBSA has appointed a service provider to conduct technical work to quantify what needs to be done. The project is thus still in the planning phase, with optimism injected by the appointment of DBSA. If all goes well, the contractor will be appointed by the end of Quarter 1 of the 2022/23 financial year (June 2022). The work will include, amongst others, the refurbishment of the 10 standard chalets and 4 executive chalets; roof canopies; providing effective and efficient source of power such as solar energy; double volumes; kitchen; laundry; completion of the function halls; restoration of the water reticulation system; fencing; installation of the edges; landscaping; and others. The Committee was emboldened by the undertaking made by DBSA that all the planned work will be done within 12 months after the commencement date. The planned work was estimated at R30 million additional funding to the project costs.

* 1. Observation with regard to Phiphidi Waterfall

The Committee was generally satisfied with the progress made at Phiphidi Waterfall project. The following observations were made:

* + 1. Current state of the project

The Committee noted that the Phiphidi Waterfall project was initiated in 2011 and consists of 8 chalets. The project is currently operational, albeit not in full capacity. The project was funded for R6.5 million in 2011. A total of 8 chalets were constructed, with a kitchen, restaurant and laundry facility. The kitchen, restaurant and laundry facility are not operational currently as they are small and have no equipment. The community trust has constructed 2 swimming pools from their own funding. The project employs 15 people who are paid from gate entrance fees. The concern was that the facility has no operational costs hence staff salary payment from gate takings. The Committee was, however, pleased to learn that the project is fully patronised by local day trip visitors on weekends and public holidays. It is anticipated that the further work to be done on site will render the project more sustainable.

* + 1. Sustainability intervention

The Department has also appointed the Development Bank of Southern Africa to complete and improve the facilities at Phiphidi Waterfall project. The Committee noted that the next phase of the project will cost around R28 to R30 million. The work to be done will include, amongst others, refurbishing the chalets; expansion of the kitchen and restaurant; construction of 10 additional units; completion of electricity and plumbing work; construction of braai area; construction of a change room at the swimming pools; construction of the storm water and soil drainage system; upgrade of internal access roads (though these still need more investigation to blend with the natural attributes of the site); refurbishment of guard room and administration block. The Committee was pleased to learn that the tender for doing all this work will be advertised in the second term of the 2022/23 financial year. However, this also depends on how the National Treasury deals with the note that has put advertising new tenders in abeyance.

The Committee noted the requests put forward by the community to improve the conference hall so that it is in a good state to host events. The required improvements include electricity; adding ablution facilities; installing air conditioners; buying function chairs and other improvements to be derived from technical assessment of the place. A request was also put forward to assist with ensuring that the facility is graded through the national tourism grading system. Other improvements needed on site include fencing; construction of the retaining wall between the administration block and the conference hall; construct steps that lead to the waterfall; construct/ refurbish the guard rails that lead to the waterfall; construction of a Kid’s Park.

* + 1. Community involvement

The Community involvement at the Phiphidi Waterfall project is highly commendable. As alluded earlier, the community has added value to the project through constructing swimming pools. It was reported that the swimming pools have made a huge impact as the numbers have increased as local day visitors are attracted to this new addition to the facility. The Committee was enthused that the staff employed by the community trust are prepared to earn a salary that depends on gate takings as there is no operational budget. It was also good to learn that the Board comprises 15 members with 10 females and 5 males. The Board of the community trust made an emphatic undertaking to the Committee that they will safeguard the property and make sure that it yields good value for money as they understand the project is funded from tax payers’ money. They want the facility to be profitable and provide stable and gainful employment to the community.

7.3.4 Natural attractions and tourist activities

The Committee was impressed by choice of project site as it boasts five pristine and active waterfalls. This makes the site attractive to both local and international tourists. The project site also has a potential for a 10 kilometre hiking trail that has proven to be popular with the locals. The project is also in the close proximity of Nandoni dam which is a compatible tourist attraction. The site has tranquil natural canopy of trees which makes it cool throughout the year. This is a plus for the site as it provides locals with a reprieve from the scorching summer temperatures in Limpopo. The Committee was therefore pleased with the project site as it has a potential of becoming a thriving tourism facility once completed.

**8. Recommendations**

Having conducted an oversight visit to tourism infrastructure projects in the Limpopo Province and made the aforementioned observations, the Committee makes the following recommendations to the Minister of Tourism for responding within three months after adoption of the report by the House.

* 1. General Recommendations

It is recommended that the Minister of Tourism:

* + 1. Appraises her Cabinet colleagues about the state of disrepair and poor maintenance of the roads in Limpopo province and urge the national, provincial and local road authorities to ensure that the roads falling in their jurisdictions are properly maintained at all times for the general safety of locals and visiting tourists.
		2. Urges her Cabinet counterparts to provide and improve road signage in the Limpopo Province, both green road signage and brown tourism signage.
		3. Should implement deliberate and conscientious interventions to foster and improve intergovernmental relations amongst the three spheres of government in tourism projects implemented in Limpopo Province.
		4. Incorporates all the tourism projects implemented in Limpopo Province in the District Development Model to harness full project support for all the projects implemented in the province.
		5. Provides clear service delivery implications of the continued National Treasury tender regulation regime which has implications of delays in appointing service providers to implement tourism infrastructure projects.
		6. Ensures that the Ngovhe Lodge and Phiphidi Waterfall projects are implemented on time and within budget.
		7. Ensures that further work to be done at Ngovhe lodge and Phiphidi Waterfall projects will render the two facilities operational and competitive in the market.
		8. Ensures that the community trusts/ boards are capacitated to effectively manage the facilities as business enterprises once work has been completed.
		9. Makes certain that the staff of the Ngovhe Lodge and Phiphidi Waterfall projects are taken through departmental training programmes to ensure effectiveness, efficiency and service excellence.
		10. Ascertains that the facilities are universally accessible and can be enjoyed by all sectors of the population.
	1. Recommendations with regard to Ngovhe Lodge

It is recommended that the Minister of Tourism ensures that:

* + 1. There is consequence for:
1. The deviation without community consultation from the original concept of the cultural village to a lodge and conference centre at the Ngovhe facility,
2. The wasteful and fruitless expenditure for the escalation of project costs over the years.
	* 1. A repeat visit is undertaken by the Portfolio Committee and the Minister to Ngovhe Lodge to engage the community on the successful implementation of the project.
		2. The Department and the Development Bank of Southern Africa appears before the Committee to account for the Ngovhe Lodge project and future implementation of the project.
		3. The project is incorporated in the district and local municipality plans through the District Development Model.
		4. There is improved cooperative governance amongst the three spheres of government in the implementation and support given to Ngovhe Lodge Project.
		5. That provincial and local road authorities are engaged to improve access to the project at the main road off ramp to improve safety for road users and visitors to the facility.
		6. A sustainability plan with detailed operational support interventions is developed to ensure that the facility holds its own once transferred to the community.
		7. The community is involved and taken along in the Development Bank of Southern Africa process to enhance transparency and ownership of the development by the community.
		8. The original concept of the cultural village is incorporated into the plans of refurbishing and completing the facility.
		9. A temporary security measure is put in place to augment current safety provisions whilst further work is being planned for the facility to avert further vandalism and theft of materials at the facility.
		10. The Committee is kept abreast through quarterly reports on the progress made in the implementation of the Ngovhe Lodge project.
	1. Recommendations with regard to Phiphidi Waterfall Project

It is recommended that the Minister of Tourism ensures that:

* + 1. A sustainability plan is developed for the Phiphidi Waterfall project to guarantee successful operations and market competitiveness.
		2. All the work to be done on site will render the project fully operational and sustainable.
		3. The site guides are trained and certified according to the provisions of the Tourism Act (Act No.3 of 2014). Recognition of Prior Learning be applied to the community site guides who have insightful knowledge about the facility and its natural endowments.
		4. The facility is assisted through the departmental grading support programme once work has been completed on site.
		5. The facility is included in the hidden gems programme of South African Tourism and exposed to marketing platforms.

**9. Conclusion**

The oversight visit to Limpopo Province presented the Committee with an invaluable direct experience of how the infrastructure projects are being implemented by the Department. The Committee could link the information presented on paper and verbally by the Department to the actual physical facilities on the ground. It was apparent that in the past the Department has struggled with implementing infrastructure projects. There was glaring evidence of poor project management and lack of value for money on the projects visited. The protracted time taken to implement infrastructure projects was also a concern. The lack of operational support and sustainability of projects was also a glaring discovery by the Committee. This confirmed the issues that have been raised by the Committee to the Department over a period of time.

The lack of cooperative governance amongst the three spheres of government was another discovery that is seen as hampering the successful implementation of community infrastructure projects. The non-involvement and non-participation of district and local municipalities was shocking and defies logic in the context of Local Economic Development mandate of municipalities.

Given the focus and prioritisation of the Villages, Townships and Small Towns/Dorpies (VTSDs), the Committee was not generally satisfied about the support that has been given to community projects. Tax payer’s money has been spent on projects that have not yielded a change in peoples’ lives at a community level. The introduction of DBSA, however, is seen as an important intervention to support and professionalise community projects. The Committee is optimistic that all the projects that have been incorporated in the DBSA process will become beacon of hope for the intended beneficiaries and will change the life of local communities for better.

Report to be considered.