

COMMENT

Have you read the Minister's speech? That's the question being most asked this month at maritime functions and it refers to Minister of Transport, Dipuo Peters' discourse at the South African Maritime Safety Authority's (SAMSA) AGM at the end of September where she called for "immediate action from the (SAMSA) Board in order to resolve the appalling state of affairs at SAMSA".

What usually follows the opening question in these chats amongst maritime colleagues are the knowing nods and ensuing discussion on the schism that we all believe to exist between the Department of Transport and its subsidiary body – as if this could be the explanation as to why the minister was so severe in her deliberations.

This leads into a conversation on the three pillars of SAMSA's mandate and how many seem to believe that it is clear that the Authority has taken to heart the third point: to promote South Africa's maritime interests as its over-arching purpose – perhaps to the detriment of the first two tenets of its existence which relate to the preservation of life, environment and property at sea.

It is an interesting dilemma for the industry. We've lauded the Authority, and particularly its CEO Commander Tsietsi Mokhele, for his foresight and passion to champion the maritime cause. We've watched him weave the maritime thread into the government conversation. And, as we begin to see a level of recognition across a number of government departments, we are told take stock of an entity that requires some oversight.

One cannot fain surprise that expenditure on conferences and advertisements ballooned from R12m in 2012 to R54 million in 2013. Most conference organisers and many publications have viewed the Authority as an unofficial Lotto pay-out as they cashed in their rate cards and sponsorship tiers. SAMSA has been visual at most events on the calendar including one hosted by us – the Maritime Industry Awards.

Was this a waste of resources? I dare to say that a little discernment could have been applied, but that some of the television slots highlighting the cadets on the *SA Agulhas* were well timed and could have contributed to a broader maritime awareness amongst our youth. So too do career and job summits, but a rubber stamp of approval associated with the sponsorship and exhibition stands of just about every maritime exhibition and conference could have been undertaken with some introspection.

What the industry has been waiting for is a follow-up to the successful and refreshingly different South African Maritime Industry Conference (SAMIC). Organised by the Authority, the conference has the ability to knock many conferences off the calendar by providing one unified thought tank for the industry.

Envisioned to fill a gap left by the demise of the National Maritime Conference of the 1990's organised by industry for industry – SAMIC was well positioned to meet the needs of an industry ready and willing to move forward. It seems a pity, however, that this conference, anticipated to take place before the end of 2014, may now never take its rightful place on the calendar.

But this is not the only reason the minister pegs the Authority to be "in serious trouble". Citing plummeting cash flows (a 350 percent decline), irregular expenditure (R28.8 million), fruitless and wasteful expenditure (R1.1 million), a total asset decline of

96 percent and the cost escalation associated to the *SA Agulhas* of 31 percent – Peters did not mince her words when she asked that "immediate actions be taken" to make the entity viable and able to deliver on its legislative mandate.

The *SA Agulhas* may lie at the heart of many of SAMSA's reported woes, but most in the industry will agree that the Authority's sheer determination to create a dedicated training vessel for their cadetship programme should not go unapplauded. It was never going to be an easy or cheap endeavour – something that is clearly realised by the Authority. Their Annual Report highlights the need for projects such as the cadetship programme and the *SA Agulhas* to be funded externally.

"Projects will therefore be funded only to the extent to which project funding is available and the organisation's core revenue will not be used. The *SA Agulhas* and the cadetship projects, which contributed significantly to the deficits will soon no longer be funded by SAMSA," it states in the report.

But perhaps what is most alarming and does not come across clearly in the visually alluring Annual Report is the "lack of reliability of reported information". The Annual Report provides performance targets that are generally reported as being met or at least mostly met, but the Auditor General raises concerns that these targets are "not specific, measurable or time bound".

In addition, what is not evident in the Annual Report, but is highlighted in the Minister's speech is anomalies of data – or data spike for the fourth quarter of the reported year. For instance the tally of inspections of both local and foreign going vessels catapults rather unrealistically in the fourth quarter – calling into question the validity of what is presented.

Similarly, although a 100 percent target of audited training institutions is reported at year-end, according to the speech, data allegedly reveals that no audits were carried out within the first three quarters of the year.

"The fact that the auditors could not validate the performance results and that the third quarter results of some KPI's seem to be far apart from the fourth quarter results, call for an objective independent performance audit of the 2013/2014 performance information," she says.

With much more fodder to chew on in both the Annual Report as well as Minister Peters' speech, it would be unfair to try and unpack the issues within this column. And as transport month draws to a close and we mull the pronouncements of Operation Phakisa, perhaps our closing issue for the year will delve a little deeper into the state of South Africa as a maritime nation on the continent.

If you have anything to say on this topic, we welcome your input both on and off the record.

Colleen Jacka, editor

EDITOR'S CHOICE: RECOMMENDED READS:

INVESTMENT IN THE FISHING SECTORS? Claire Attwood highlights recent trends in investment in the South African fishing sectors on page 17.

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