



*Sandhurst Office Park  
Block E, 3<sup>rd</sup> Floor c/o Katherine Street & Rivonia Road, Sandton  
PO Box 1329, Rivonia 2128  
Telephone (011) 217 0600, Facsimile (086 505 33 88)*

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## **URGENT MEDIA RELEASE**

**ISSUED BY: Tourism, Hospitality and Sport Education and Training Authority  
(Theta)**

**DATE: 21 JANUARY 2009**

**EMBARGO: NONE**

### **THETA REFUTES WEEKEND MEDIA REPORTS**

The City Press published on Sunday January 18 a story stating that a Theta (Tourism, Hospitality and Sport Education and Training Authority) project aimed at training graduates in the tourism sector has been suspended (***Red Card for R200m project***).

The Theta resolved to offer a graduate development programme (GDP) to 7500 learners between 2006 and 2010 at a rate of 1500 learners per annum.

However, because of delays in approvals we did not roll out the project in 2006 as envisaged. Unfortunately according to legislation, regulations and our policies and procedures, money committed for a particular financial year can only be spent in that financial year, failing which, the funds would go back to Treasury. Only in instances where contracts have been signed, even if the projects have not been rolled out, can we carry over to the next fiscal year.

Therefore, our target moved to 6000 learners between 2007 and 2010. Already for the current financial year we have just over 1100 learners in the programme. For 2008, we placed 518.

“It is therefore not true that we ran out of funds. We simply reviewed our targets because we could not use funds from a previous financial year going forward, which is normal practice in public sector,” says Mike Tsotetsi, CEO of Theta.

“It is also important to note that the said figure of R200-million for the project is not accurate. Our budget was R167.5-million,” Tsotetsi continued.

For some reason there was a sudden and rather aggressive uptake on the programme by municipalities last year, specifically from about October. This is irregular because municipalities should be applying for GDP grant offered by the Local Government SETA, not by us. Theta looks at the hospitality and sports industries. Be that as it may, applications were received and they were considered against our criteria and guidelines.

To this effect, we approved hundreds of applications from our levy paying companies and a few municipalities including Thabo Mofutsanyana District, Phumelela (both in the Free State) and Bushbuckridge Municipality in Limpopo. We also made payments of stipends to the value of R24 000 per learner per annum and paid the employers R6000 once-off per learner.

A further 15000 applications from 21 other municipalities were turned down.

In May last year the Thabo Mofutsanyana District Municipality applied for 709 learners to be enrolled into the GDP and these were approved, on the basis of the qualifications submitted by the learners. CVs were not required.

Says Tsotetsi: “It is on the basis of the approval of the application that in June last year we made a payment of R10.6-million to the municipality, which constituted 50% of the value of the agreement covering stipends and employer once-off payment.”

However, in October 2008, we received a separate application of 300 learners from Phumelela, of which we approved only 46, because the rest did not meet the required criteria.

The suggestion that Tsotetsi is friends with Thabo Mofutsanyana mayor Mr Msebenzi Zwane is not only false but it is malicious because it casts aspersions on the professional character and conduct of the head of Theta and conflates the real issue, which is that Tsotetsi actually intervened in a manner that disadvantaged and not advantaged the District Municipality.

For the record, Tsotetsi has met Zwane on two occasions only, first at the launch of the Graduate Development Programme late last year and on one more work related occasion.

“It appears to us that there is more to this story than meets the eye. Rather than just being a story of alleged Theta bungling, which we in any event disagree with, are investigating whether 3<sup>rd</sup> party agents were involved in misleading municipalities to

apply for the grant for which they did not qualify. We are also investigating whether these agents were benefiting irregularly from monies aimed at municipalities. Theta will call a media briefing to findings on this matter,” said Tsotetsi.

ENDS

For more information:

Call: Mike Tsotetsi  
Telephone: 011 217 0600  
Email: [mike@theta.org.za](mailto:mike@theta.org.za)