

SPEAKING NOTES FOR THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MR M.N MOKOENA, MPL (DEBATE AND PRESENTATION OF THE DEPARTMENTAL ANNUAL REPORT: 2009/2010)

- When we adopted the Constitution of our country on 8 May 1996, our people mandated us to *“Improve the quality of life of all citizens and free the potential of each person.”*
- In our quest to fulfil this commitment, the Department of Economic Development, Environment and Tourism is therefore mandated to steer provincial economic growth activities and ensure the preservation of the environment, in order to speed up economic growth and transform the economy **to create decent work and sustainable livelihood** for the people of Mpumalanga.
- In terms of the environment, the Bill of Rights indicates that:
 - *Everyone has the right -*
 - (a) *To an environment that is not harmful to their health or well-being; and*
 - (b) *To have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation; promote conservation; and secure ecologically sustainable development and use of natural resources while promoting justifiable economic and social development.*
- This in terms of the Constitution of the Republic of South Africa, Act 108 of 1996 and many other pieces of legislation.
- Our quest remains “to be a catalyst for a globally competitive economy and sustainable environment for all.” This remains the *Vision* of our Department going forward.

- We are therefore charged to ensure the **speeding up of growth, the creation of more jobs, decent work and sustainable livelihood**, which is one of the five strategic developmental priorities of the current administration.
- During the financial year under review, the Head of the Department, whose mandate I am politically responsible for, was able to deliver on the mandate being given to me.
- We acknowledge that we may have not done enough, but significant progress was done in carrying out our mandate.

What we planned to do during the financial year under review:

Honourable Members, you will recall that the current administration took office in the midst of the biting global economic recession. Our marching order from the Honourable Premier when we took over the administration after the 2009 general elections was to, **“accelerate economic growth and transform the economy to create decent work and sustainable livelihoods.”**

In striving to fulfill this mandate, we came before this house and amongst others, promised:

- **To convene a Provincial Economic Summit to craft better mechanisms to respond to the recession;**
- **To merge the Mpumalanga Agricultural Development Corporation (MADC) and the Mpumalanga Housing Finance Company (MHFC) with the Mpumalanga Economic Growth Agency (MEGA) before the end of the current financial year;**
- **To advance the objectives of the broad-based black economic empowerment.**

- We are able to convene the **Economic Summit** with all stakeholders and crafted better mechanisms to respond to the crippling recession.
- We successfully managed to **merge the three (3) public entities** by the end of the financial year under review, and created a new super entity, still known as MEGA, in terms of the Mpumalanga Economic Growth Agency Act of 2010 (Act 1 of 2010). We've now appointed a board for the public entity, and we have started recruitment of the CEO for the entity.
- We continued to advance the objectives of the broad-based black economic empowerment by ensuring that the previously marginalised also claim a stake in our economic activities.
- These are some of the successes we've recorded, and have been verified by the Auditor General (AG).
- Despite some minor concerns raised by the AG, we received **an unqualified audit opinion with one matter of emphasis**.
- We experienced some budgetary constraints due to the fact that we had to surrender R30 million to the provincial revenue fund, and another R30 million as additional allocation to the MTPA, to address previous financial year short-fall to its budget.
- This undoubtedly placed severe pressure on our budget, hence Programmes 1 and 5 ended up overspending their goods and services budget by R10. 393 million.
- The economic recession also had a negative impact on our revenue collection. To this effect, we only **managed to collect R45. 564 million against a projected budget of R53. 606 million**, representing 85% of the budget.

Audit Committee

- We had a functioning Audit Committee, chaired by Mr Dzuguda, which held at least four (4) meetings during the period under review. The committee was satisfied that the internal audit function is operating effectively, and that the Department has now fully implemented the risk management system.
- It was pleased that the AG was also able to express his opinion regarding the annual financial statements of the Department.
- The AG's opinion is that the audited financial statements **“present fairly, in all material respects, the financial position of the Department of Economic Development, Environment and Tourism as at 31 March 2010, and its financial performance and its cash flow for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the PFMA and the Division of Revenue Act.”**

Wayforward

- Going forward, we commit to resolve all issued raised by the Audit Committee and the AG.
- We commit to further improve in carrying out our plans for the current financial year and beyond.

Appreciation

- My appreciation firstly goes to the Honourable Premier for his leadership and guidance;

- I would also like to acknowledge the significant role played by my predecessor in this portfolio, former MEC, Honourable Member J.L Mahlangu, for providing political direction to the Department during the period under review;
- My appreciation also goes to the Head of the Department and Accounting Officer, Mr Rabeng Tshukudu, who continues to ensure effective utilisation of public funds, in carrying out our mandate.
- To the Chairperson, Honourable Member Refiloe Mahlobogoane and Members of the Portfolio Committee on Agriculture, Rural Development and Land Administration; Economic Development, Environment and Tourism, thank you very much for your guidance during the period under review.

I appreciate that the annual report for the work we have done has been accepted the house.