

**SPEECH PRESENTED BY THE MEC FOR ECONOMIC DEVELOPMENT,
ENVIROMENT AND TOURISM, MR NORMAN MOKOENA, MPL, DURING THE
DEPARTMENTAL STRATEGIC PLANNING RETREAT AT SKUKUZA CAMP,
KRUGER NATIONAL PARK (28-30 JULY 2011)**

Thursday, 28 July 2011

**The Head of Department, Dr Vusanani Dlamini;
Chairperson of the MGB Board, Mr Jerry Vilakazi
Chairperson of the MTPA Board, Mr Sabelo Mahlalela
CEO of the MGB, Mr Bheki Mlambo;
CEO of the MTPA, Mr Charles Ndabeni;
Acting CEO of MEGA, Mr Rabeng Tshukudu;
Senior Management and officials from the Department and Public Entities;
Ladies and gentlemen;**

Good Morning, Abusheni, Dimashironi, Goie More!

Welcome to this important departmental strategic planning session.

Ladies and Gentlemen, before I proceed, without opening the healing wounds to many of you, may we once more as the collective leadership of the department take a bow to honour one of our own who was supposed to be with us today.

I am certain that we share the same view that Paul Shongwe's absence in this planning session is going to constitute the weakest link; his honest and constructive criticism of our thought processes is going to be missed dearly. I pray that we all commit to take over the baton to advance, consolidate and defend the noble process of building a state that bra Paul fought, lived and worked so hard for, a state that will grow the economy, reduce poverty and improve the quality of life of our people, failure to do so will constitute a betrayal of his vision. **(Moment of silence)**, May his departed soul rest in peace.

I would like to start by reminding you that South Africa and the nations of the world have just celebrated another significant birthday anniversary of our cherished

hero, former President of the Republic of South Africa, Dr Nelson Rolihlahla Mandela. July just like April month forms part of the most historic moments of our time by giving us an opportunity to honour Madiba's legacy characterised by values of selflessness, accountability, integrity, putting the people first, willingness and readiness to walk an extra mile in serving the people of South Africa.

These values are at the heart of a new public service cadreship we have always cherished as a people, and I want to believe these values will find expression in the dedet family. Over the next two days and beyond I will be watching with keen interest the extent to which each one of us is able to embrace these values.

I am sure in this Strategic planning session we are not going to experience what we saw in Sabie at Floreat Riverside Lodge in February this year wherein some of you were spotted busy with emails and facebook during sessions.

This brings to the fore the element of organisational discipline and I must say on this aspect we have been found wanting. In the eight (8) months since I joined the department, I have come to the conclusion that lack of discipline and inefficiencies have grossly undermined the performance of this department.

Otherwise someone must explain and interpret for me what it means if a senior and middle manager reports late for duty and vanishes by lunch time and those who hold on until 16:15 are the first ones to leave their offices leaving their secretaries and junior colleagues behind. Into enjani ke leyo.

Managers try hard not to be in their work stations they are all over the Province without commensurate results. Some of you suffer from selective illnesses or family commitments which come to the fore only on the eve of important departmental tasks to be executed.

The less said about our turnaround time in processing information or requests the better. I can't understand why it should take 10 email reminders and telephone calls just to get information from officials and often if it eventually comes, the

quality of the reports or information do not reflect anything to show that it comes from a senior manager who has applied his or her mind.

Ladies and Gentlemen the sum total of challenges related to discipline and inefficiencies equals to nothing else but a bridge of the employment contract aimed at short changing the tax payers and we will leave no stone unturned in eliminating any form of unacceptable behaviour at whatever costs.

Having said what I said, I must on the same note say **THANK YOU** to all the men and women who committed themselves to the values I talk about in committing to changing the lives of our people, especially the less fortunate section of the population.

Over the next two days we have put together a team of men and women who constitute the leadership of the department to take stock of what has been achieved, and, perhaps even more importantly, what is yet to be achieved. We have to agree to the measures and the metrics.

We are here together with our three (3) implementing agencies namely MEGA, MTPA and MGB to assess whether we are making inroads to the targets we have set ourselves, whether there are any performance gaps, what the causes for deviation are and what corrective measures need to be put in place.

However the overarching question should always be whether or not our plans and approach as a department are still relevant to the direction of the country and the Province is taking.

Ladies and Gentlemen, when I read the National Planning Commission's diagnostic overview which is the first step in helping to define the South Africa we seek to achieve in 20years time and also to map out a path to achieve those

objectives, I was fascinated by the similarities between the key challenges identified in the diagnostic report and the SWOT analysis as contained in our five year strategic plan.

These parallels of a problem statement as defined both by the NPC diagnostic report and ourselves confirms not just the relevance of our strategic economic discourse but also that the fundamental development binding constraints cut across the wall to wall borders of Provinces albeit that the solution cannot be one size fits all because the economic strength and weaknesses of each province must be taken into account.

We are alive to the fact that in September / October this year, the commission will release a draft plan that sets out key targets for 2030, and the steps or decisions required to achieve the plan.

This plan will include details on issues that affect South Africa's long-term development such as food, water, energy, education, spatial planning, infrastructure, climate change and the economy, and inevitably if we start engaging systematically with the processes of the Planning Commission we stand a better chance of timeously adjusting and aligning our plans to the 2030 vision.

Already both our five (5) year plan and Mpumalanga Economic Growth and Development Strategy (MEGDS) confirms the diagnostic overview report by NPC that the continued social and economic exclusion of millions of South Africans, reflected in high levels of poverty and inequality, is our biggest challenge.

Central to addressing these challenges sustainably over time is our ability to create jobs for more people and to improve levels of skills especially for the economically active population.

However this diagnostic overview report gives an injunction to the Province to give more details to our problem statement and adopt a more scientific approach to our plans.

We need updated, official data on inter alia:

- Per capita income which tells how much income there is to share and the proportion of people living below the poverty line.

The Gini co-efficient which talks to how the income is distributed from the richest to the poorest sections of society. The poorest **20%** of the population earns about 2.3% of the national income, while the richest 20% earns 70% of the income. Redressing of the skewed economic patterns must find expression in our plans.

South Africa's Gini coefficient Of 0,68 and is one of the highest in the world. If we want stability and growth in our country then people need money in their pockets, the current inequality is not sustainable.

The report further confirms that too few South Africans are employed. A large proportion of out-of-school youth and adults are not working. Inactivity of broad sections of society reduces our potential for economic expansion. By definition inclusive growth must involve the participation of a broader section of working age people.

So we are not advancing economic growth for the sake of growth through the outcome based approach we must create an environment that will trigger job-creating growth.

Outcome-based Approach

As you are aware, our Department is expected to lead the process of ensuring the realisation of two (2) outcomes.

They are:

- (a) **Outcome 4:** 'Decent employment through inclusive growth'
- (b) **Outcome 10:** 'Environmental assets and natural resources that are well protected.'

The emphasis of **Outcome 4** is on the development of policies which are more developmental in nature, with the focus mainly on the creation of sustainable jobs and to re-prioritise industries (sectors) which high labour absorbency so that more people could find employment.

However, we are mindful that in order to grow our economy, we will need 'a skilled and capable workforce to support the inclusive growth path,' (Outcome 5), even though as a Department, we are not directly responsible for leading the realisation of Outcome 5.

If we are to say that we have facilitated the creation of 'decent employment through inclusive growth,' that is Outcome 4; we need to ensure the realisation of seven (7) outputs:

- Faster and sustainable inclusive growth (**Output 1**);
- More labour absorbing growth (**Output 2**);
- Multi-pronged strategy to reduce youth unemployment (**Output 3**);
- Increased competitiveness, to raise net exports, grow trade as a share of world trade and improve its composition (**Output 4**);
- Improved cost structure in the economy (**Output 5**);
- Improved support to small business and co-operatives (**Output 6**);
- Implementation of the expanded public works programme (**Output 7**).

However, for us to be able to carry out our mandate in relation to Outcome 4 we need our bio-diversity for operational purposes and existence, hence the protection of our environmental assets and natural resources is critical, in terms of Outcome 10.

The Province's exceptional biodiversity is internationally recognised and its economic and social importance should become the nerve centre of our Tourism prowess.

Through our Environment Management unit, we are therefore required to lead the process of realising four (4) outputs, namely:

- Enhanced quality and quantity of water resources (**Output 1**);
- Reduced Greenhouse Gas Emissions, Climate Change Impacts and improved air/atmospheric quality (**Output 2**);
- Sustainable Environmental Management (**Output 3**);
- Protected Biodiversity (**Output 4**).

The big question is how far are we in implementing our mandate in relation to the two (2) Outcomes, more especially with regard to Outcome 10, since we have committed to it through the Service Delivery Agreement we've signed with the Minister of Water and Environmental Affairs?

I hope that during your presentation/s over the next two (2) days, you will give us a progress report.

The MEGDP - Providing the way-forward

Since the proposed Growth Path for the province was endorsed by the Executive Council for engagement with stakeholders, we've met a number of these stakeholders ranging from labour movements such as *Cosatu* and big business.

We are still continuing with those consultations in order to move towards the finalisation and approval of the strategy by the Executive Council.

We expect to be given a progress report on the consultations we've done so far, and the way forward.

Implementing the *CRDP* as part of the *MEGDP*

As you may be aware, the implementation of the Comprehensive Rural Development Programme (*CRDP*) is in response to one (1) of the five (5) Apex priorities of the ruling party. This programme aimed at responding to poverty and food insecurity by maximizing the use and management of natural resources to create vibrant, equitable and sustainable rural communities.

Our responsibility therefore, is to ensure the creation and development of SMMEs through holistic support in order to contribute towards pushing the frontiers of poverty, and creating entrepreneurs. We believe the *CRDP* should present an opportunity to the province's entrepreneurs to start new industries in order to serve rural communities, while providing jobs and sustainable livelihoods.

Our Department has participated in the launch of this programme in three (3) of the seven (7) identified municipalities, and we expect a progress report. We need to know whether we are on the right direction so far, or whether we need to change the way we do things.

Our New Mandate

Our new mandate compels us to ensure:

- (1) the finalisation of the MEGDP and to drive its implementation;
- (2) The survival and prosperity of our small, medium and micro enterprises by supporting and developing them. As promised to the Provincial Legislature when we delivered our *2011-2012 Policy and Budget Speech*, we must ensure that the proposed Entrepreneurship School of Excellence becomes a reality, if we are serious about developing entrepreneurs of note; ***(on this note, I would like to mention that I am very pleased that the Bushbuckridge business licensing Authority which has recently been established has already approved 226 business licenses. This is a very successful outcome for the Bushbuckridge communities and traditional areas and is in compliance to our Governments Strategic priorities to create jobs and assist local communities to be self-sustaining.)***
- (3) that big companies/businesses enter into agreements on transformation targets for local people to increase compliance levels for B-BBEE in order to ensure real empowerment for local people;
- (4) The growth of priority sectors such as agriculture, agro-processing, forestry; energy, mineral beneficiation, tourism and cultural industries, to mention but a few. We have a competitive edge in relation to the Tourism Sector, and through our entity responsible for tourism growth, *the MTPA*, we will need to work harder and implement strategies which will see our Province claiming a much bigger slice of the tourism sector. We must fulfill the promise of facilitating the establishment of a Creative Industry Super-hub to support our tourism and cultural industries.

National Cabinet approved the National Tourism Sector Strategy on 2 March which aims to increase the number of foreign tourist arrivals to South Africa from 7 million in 2009 to 15 million by 2010, tourism's total contribution to the economy from R189 billion in 2009 to R499 billion by 2020, the number of domestic tourists from 14.6 million in

2009 to 18 million by 2020 and to create 225 000 new jobs by 2020, the question remains: **What will our contribution as a Province be to these targets?**

- (5) That we increase investment into the Province, through our entity, *MEGA*, in order to ensure the creation of the much-needed jobs to propel our economic growth. We must remember that we committed, through our *2011 Policy and Budget Speech*, that we intend to **attract new direct investment to the value of R300 million** in the current financial year ending March 2012.
- (6) Facilitate the establishment of 30 projects under the Comprehensive Rural Development Programme in the seven (7) identified municipalities.
- (7) That through the *CRDP*, we must facilitate the establishment of at least 30 projects or SMMEs in the seven (7) identified municipalities.
- (8) That we strengthen the protection of consumer rights given the advent of the National Consumer Protection Act, Act No. 68 of 2008 which came into effect on 1st of April 2011.
- (9) That we fully operationalise the Mpumalanga Liquor Licensing Act, Act No. 5 of 2006 by establishing the Mpumalanga Liquor Authority, which will be responsible for regulating the liquor industry in our Province.
- (10) That we, in consultation with all stakeholders, come up with the *Climate Change Mitigation and Response Strategy* for the Province. This is the first step towards ensuring realisation of Outcome 10. As promised, we must also ensure that we facilitate the hosting of the Provincial Climate Change Summit in October this year, as a build up to South Africa's hosting of the United Nations' 17th Congress of Parties (COP17) on Climate Change in Durban towards the end of the year. ***I have directed that we should develop a simple, easy to follow programme i.r.o build up attention which places a society at the centre of our campaign.***

Challenges faced by the Department

- Finalising the merger of *MEGA*, *MADC* and *MHFCo*. We believe that the process to wind up the operations of the Mpumalanga Housing Finance Company, as it was registered in terms of the Companies Act, would be concluded by the end of August this year, paving the way for the registration of the new entity.
- The issue of water licenses for economic development will be discussed with the Minister of Water Affairs so that the Province can have more say on issuing water licenses for better management of water resource for development.
- Approval of EIA for economic growth versus ‘the protected bio-diversity’ (output 4 of outcome 10). Large scale land use changes can have widespread impacts on the ability of ecosystems to provide ‘free’ goods and services in a sustainable manner. It is therefore imperative that the direct, indirect and cumulative impacts on biodiversity are minimised.

In the words of our former colleague, Advocate Blessing Mubarak – You have a situation where mega development projects with the potential to create thousands of jobs and they have to compete with a mosquito to be approved. This should tell you how serious we take sustainable management of our environment as a country.

- Reduction of greenhouse gas emission levels in the Highveld Pollutant Priority Area. We must continue to gather data and maintain the Air Quality Monitoring Networks in the area.
Such remains a critical tool to inform spatial development planning, and for the reduction of ambient air quality levels of pollution to meet national and international standards.
- Mitigating the impact of global warming and climate change by coming up with strategies to deal with the phenomena.

Expectations from the Strategic Planning Retreat

I accordingly direct that this planning session should amongst its output be able to come up with:

- Identification of performance gaps and related corrective measures with clear timelines.
- Final details of the newly reconfigured organisational structure, which must help to synchronise optimal operations of Regional Offices, I expect you to spend some time discussing how best to resource our regional offices and a report on the BPR should also be discussed.
 - A final 5year strategic document which must be forwarded to the Chairperson of the Portfolio committee by Tuesday 2 August 2011.
 - I would also expect as the outcome of this strategic session that we come up with a revised CRDP plan with clear targets, I must say that we are not doing well in this line of work.
 - A plan to accelerate consultation on the growth path, I want to finalise this process before end of August 2011.
 - We must also finalise and sign service delivery agreements for both outcome 4 & 10 before the end of August 2011.
 - Finalising and signing all revised shareholders compacts by mid-August 2011.
 - Finalising the setting up of a project management unit in partnership with DBSA by end of August 2011. I repeat the call I made on **8 June 2011** in the extended management meeting held at MTPA headquarters that all

middle and senior managers MUST undergo basic training in project management over the next two years at least.

- I have also called for a central database of all our projects including those from agencies. I need them centralised so that we can track, monitor them and provide adequate oversight. Each business unit including State Owned Agencies must identify not less than two (2) projects to be launched by the MEC in the current financial year 2011/12 and this matter is going to remain on my radar from now onwards.
- In the last strategic planning session in Sabie I also called for the revival of Batho Pele Principles aimed at capacitating those individuals at the coalface of service delivery in the department and in our SOEs and this too has not happened.
- SOEs must focus on strategies which will enable them to be self sustaining in the long term; their revenue enhancement strategies should give impetus to this objective.

HOD, Ladies and Gentlemen setting goals collectively ensures accountability and addresses the sense of belonging and ownership. Thus all of us must move mountains to ensure that the goals and targets we have set ourselves are achieved.

Working together we can do more to turn the socio-economic profile of our Province around. I wish you fruitful deliberations over the next three (3) days.

I would like to close with a quotation by Jared Diamond, the author of Collapse: How Societies Choose to Fail or Survive when he said and I quote:

“If our society is to succeed, we need the courage to practice long term thinking and to make bold, courageous, anticipatory decisions at a time when problems have become perceptible but before they have reached crisis proportions.”Close quote

This kind of thinking is the opposite of short-term reactive decision making that has too often characterised our Departmental operations of late.

I thank you!