

OVERVIEW BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MR PS NGOMANE, MPL, DURING DELIBERATIONS WITH THE PORTFOLIO COMMITTEE ON PREMIER'S OFFICE; FINANCE; ECONOMIC DEVELOPMENT AND TOURISM ON THE FOURTH QUARTER (2018-2019) PERFORMANCE REPORT AND THE (2019-20) ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM AND ITS PUBLIC ENTITIES HELD AT THE MPUMALANGA PROVINCIAL LEGISLATURE, CITY OF MBOMBELA

Friday, 21 June 2019

Chairperson and Members of the Portfolio Committee;

Good morning!

1. Thank you very much for affording us an opportunity to appear before you, to come and deliberate on the **Fourth Quarter Performance Report of the 2018-2019 financial-year, and the Annual Performance Plan of the Department and its Public Entities, for the 2019-2020 financial-year.**
2. You will recall that I now wear two (2) hats – one as the **Executive Authority of the Provincial Treasury**, and secondly, as the **Executive Authority of the Department of Economic Development and Tourism**. For this engagement, were are here to represent the latter.
3. I am therefore accompanied by the **Accounting Officer and Acting Head of the Department, Mr Nathaniel Sebitso**, and his team of senior management, who will after my Overview, provide details relating to the questions you have accordingly raised.
4. Likewise, the **CEOs of our three (3) Public Entities** will do the same when you interact with them later on.

DEPARTMENT

5. Chairperson, In respect of the vacant post of the **Head of Department, the Office of the Premier has confirmed that they will advertise the post on the 30th June 2019.**
6. **In order to avoid a vacuum,** the Hon. Premier has **extended the appointment of Mr Sebitso as the Acting Head of Department** for a period not exceeding 6 months or until an appointment is made – whichever comes first.
7. **The post of Chief Financial Officer,** will be filled soon. A submission was made to the Executive Council and I have requested that this item be placed on the agenda of the first Cabinet Sitting in order to avoid any further delays.
8. Chairperson, we remain committed to the **facilitation of economic empowerment opportunities and the promotion of local economic development** in the Province.

PUBLIC ENTITIES:

9. Turning now to our Public Entities;

MEGA (MPUMALANGA ECONOMIC GROWTH AGENCY)

10. *MEGA* is currently facing a leadership crisis.
11. As part of ***My First 100 Days in Office*** priorities, I have committed to ensuring that normalcy is realized within the Entity and my office is now in constant engagement with the Entity to address all pertinent issues.

12. In this regard, I have **appointed an Interim Board** – whose term of office will not exceed a period of six (6) months – as provided for, and prescribed in section 7 sub-section 4 of the *MEGA* Act, 2010.
13. On 18 June 2019 an advertisement, calling for the nomination of new board members, appeared in the Sowetan as well as the Government Gazette.
14. It is our intention that the New Board for *MEGA* **should have been appointed before the expiry of the 6 months mandate period** of the Interim Board.
15. One priority marching order to be given to the Interim Board, is **to resolve the issue regarding the suspension of the three (3) Executives of *MEGA*, that is, the CEO, CFO and General Manager for Funding and I have been informed that the delicate discussions are on-going and soon an announcement will be made.**
16. I also expect the Interim Board to clarify the matter surrounding **the future of Ekandustria Industrial Park** – whether it will remain *MEGA*'s property or it will be transferred to Gauteng is entirely premised on pertinent engagements on the PROS and CONS of that issue.
17. Members will recall that the Industrial Park now legally falls within the boundaries of Gauteng Province, within the Tshwane Metro, but that issues having a direct impact on Mpumalanga will have to be ironed out and as such I have commissioned people to ensure that there is smooth transition phase.
18. I must stress that these must be done within *My First 100 Days in Office and various tasks have been assigned to the officials and I am briefed on progress weekly.*

Chairperson;

19. It is unfortunate that we have put the **Government Nutrition Programme** on hold, due to some challenges it was facing.
20. We are, however, hard at work to resolve the funding mechanism of the Programme, which was putting serious financial strain on the finances of *MEGA* but be rest assured that a thorough process is underway to ensure that this matter is treated as a top priority and progress will duly be reported.
21. On the **Mpumalanga International Fresh Produce Market**, MEGA is currently in talks with IDC to partner with us on the project. We are informed that the IDC Board will decide on the matter soon.
22. I am also looking into the role of a Councilor and appointed CLO in order to ensure that there are no conflicting scenarios which may hamper desired project management trends.
23. On the **Nkomazi SEZ**, we are in the process of forming a separate Entity which will run the affairs of the SEZ, as required by the enabling legislation and this issue remains a top priority and as will be shown post our EXCO Lekgotla of 28/29 June 2019.

MTPA (MPUMALANGA TOURISM AND PARKS AGENCY)

24. With regards to the *MTPA*, the Entity continues to **market the Province as a tourist destination of choice**, at local and international tradeshows, albeit not adequately funded. It requires additional funding to effectively carry-out its marketing and promotions functions.

25. We have also been provided with certain pointers to ensure that our Tourism remain on the apex of priorities and again specific pronouncements will be made on or before my 100th day in office.
26. Nonetheless, we were able launch the **Nkangala Resistance and Liberation Heritage Route** in March this year.
27. It highlights the key freedom fighters who fought against racial segregation, as well as the destinations that featured prominently during the liberation struggle.
28. The four (4) key towns and sites forming part of this Heritage Route include **Delmas, eMalahleni, Botshabelo and Mapoch Caves.**

Chairperson;

29. One of the priority areas requiring immediate **funding is for the establishment of the Management Authority for the Barberton Makhonjwa Mountains World Heritage Site.**
30. This was one **non-negotiable condition of the inscription** of the Site by *UNESCO*.
31. We therefore cannot, fail on this one. We need to find funding to address this issue and all alternative scenarios are being mapped as we speak. Failure to fund would run the risk of our Site losing its World Heritage status and that is something we intend avoiding at all costs.
32. The *MTPA* has further continued to exercise its responsibility regarding the **management and conservation of biodiversity and ecosystems** in the

Province, despite financial and human resource constraints, work must be done and realizable progress will be publicised in due course.

MER (MPUMALANGA ECONOMIC REGULATOR)

33. Turning to *MER*, the Entity continues to perform as mandated.
34. It continues to **collect revenue due to the fiscus on gambling levies and liquor licenses**, and has further implemented various **responsible gambling and drinking awareness campaigns** across the Province.
35. Details on how much was collected during the fourth quarter will be provided by the CEO, later on and it is anticipated that the recorded achievements will have a meaningful impact on the entity's mandate and performance.
36. The Entity, however, is still facing the daunting challenge of coming up with **one (1) consolidated database of all liquor license holders** in the Province and work-in-progress will be shown in the next quarter.
37. In a nutshell, we cannot, with certainty, confirm the number of liquor licenses previously issued, owing to various liquor licensing legislation under which those licenses were issued and as such a complex scenario is presented but we are obligated to provide a detailed matrix report on the issue.
38. The consolidation process is, nonetheless continuing, and will be completed very soon.
39. The other challenge facing *MER* is the **acquisition of a system which will automatically inform liquor license holders about the impending expiry of their licenses**, and even advise them to renew them.
40. We hope this will be resolved in due course but on-going enhancements will be reported in the next quarter.

41. Lastly, the Entity is in the process of **reviewing liquor license fees**.
42. This follows a benchmark exercise which indicated that we still charge very low fees, in comparison to other Provinces, and we want to adjust them in line with the national norm.

CONCLUSION

Chairperson and Members;

43. Having provided an **Overview** of the performance and plans of the Department and its implementing Agents, I will now pause here, to allow the Acting Head of Department and his team to provide the details.
44. I am aware that you have scheduled separate engagements with our Public Entities later on, where the CEO will also provide details.
45. The Acting HOD and myself, would be happy to remain and be part of those engagements, if you so wish.
46. Once again, let me express our appreciation for this engagement, as this guides us in doing our work.
47. ***Let's grow Mpumalanga together!***

I thank you!