

**ADDRESS BY THE MEC FOR FINANCE, ECONOMIC
DEVELOPMENT AND TOURISM, MR SIKHUMBUZO KHOLWANE,
MPL DURING THE OPENING OF THE STRATEGIC PLANNING
SESSION HELD IN BADPLAAS**

02 August 2018

- **Acting Head of Department;**
 - **Chairpersons and members of Boards of the entities;**
 - **Chief Executive Officers of our public entities;**
 - **Ladies and gentlemen;**
1. We are gathered here to review the performance of the department and our public entities and also to map the administrative path for the next fiscal year.
 2. I am emphasising the administrative path because whatever we come up with in this session must, at the end, be guided by the policy instruction from the new administration which will be installed in 2019.

3. To this end, I would advise the department to review progress made in the last four years and this year in particular in order to have a solid base on which to formulate a strategy for revival of our economy.

Programme Facilitator

4. The broad mandate arising from our policy injunctions includes taking steps to reignite growth, creating decent employment as the primary focus of our economic policy, and transforming the structure of production and ownership to accelerate shared and inclusive growth amongst others.
5. We have some of the most progressive policies, including the National Development Plan and Mpumalanga Vision 2030, which provide the basis for government programmes to uplift our people from the dominant challenges of poverty, unemployment and inequality.



6. What we need, is results-based performance and strong monitoring and evaluation to ensure that the broad objectives of government are achieved.
7. As we begin this session, it will be important to ask the following questions:
 - 7.1 *to what extent are we translating the Mpumalanga Vision 2030 into implementable programmes of the department, and*
 - 7.2 *to what extent is this mandate filtering down to the operational levels of the department and our public entities?*

Tourism development and growth

8. The National Development Plan identifies tourism as a key sector that can propel economic growth and contribute to our job creation efforts.
9. Over the past 20 years, tourism has proven to be one of the fastest growing economic sectors in the country.

10. However our progress is thwarted by various socio-economic challenges.

10.1. The economy is not performing at an optimal level, posing a serious threat to domestic tourism growth.

10.2. The state of our roads, including in some of the state of our tourism attraction areas remains a concern amongst our key stakeholders.

10.3. The pace of transformation in the sector does not give us comfort that there is a collective appreciation of the agenda of inclusive economic growth.

10.4. As we reflect on these challenges, we must equally take stock of progress made in implementing our policy commitment to promote economic inclusion and advance black people's ownership in the industry.

11. We need to make an honest assessment of the progress on key commitments such as the revitalisation of Pilgrim's Rest and Waterval Boven; commercialisation of Zithabiseni Resort, the Tri-land initiative and other strategic tourism projects such as Cable car and Skywalk, if we are to make real advances as a sector.
12. This department must lead the entire industry in the process of transformation and growth.
13. We must move with speed to revive the tourism structures such as Regional Tourism Organisations (RTO's) to Local Tourism Organisations (LTO's) to foster unity of purpose between ourselves as government and the private sector including our traditional leaders.
14. This will however not happen until we start to keep our commitments made to all stakeholders. The Pilgrim's Rest case is an example. Communities should not have to close roads and hold tourist busses hostage for us to take their concerns seriously and honour commitments made to them.

Small business and cooperatives development

15. The Executive Council has placed a huge responsibility on this department and allied entities to facilitate the emergence and growth of small businesses and cooperatives as part of growing an inclusive economy.
16. In pursuance of this mandate, we have successfully launched the MEGA/SBSA funding partnership to respond to the huge demand for funding of enterprises in the Province.
17. We need to review progress made so far, and activate new plans to broaden access to funding opportunities for small businesses. The report prepared for Cabinet in this regard highlights that this partnership has not performed as expected.



18. I will appreciate if the department can conclude partnership agreements with other banks to bridge the gaps of access to funding for small businesses and cooperatives in other priority sectors and programmes that are not catered for in the MEGA/SBSA funding partnership.
19. We expect a progress report on the proposal made by Amalgamated Bank of South Africa (ABSA) to partner with the Provincial Government on Enterprise Development, including on hosting of the Provincial SMME / Cooperatives Summit and the SMME Award Flagship Project.
20. Another important area of work, is the non-financial support to the enterprises.
21. I want to appeal to both the department and the entities to ensure that businesses are supported to the level at which they can stand on their own – that way we will be minimising the so called dependency syndrome that has been adopted by some of the enterprises.

22. We can only achieve meaningful socio economic change if we develop and support township businesses, and transform townships and villages from labour and consumption reserves into thriving productive investment hubs in the Province.
23. I have been advised that Lennard has presented some interesting statistics to put the size of the rural economy into perspective.

Trade and investment

24. Few days ago, in our Cluster we had a brief discussion on the role of Mpumalanga Economic Growth Agency.
25. My view is that MEGA should promote the Province as a preferred destination for foreign direct investment, while contributing significantly to the growth of small, medium and macro enterprises as well as the cooperatives in the priority economic industries.
26. Therefore, attracting both domestic and foreign direct investment remains the core function of the entity.



27. We must fast-track the engagement with the DTI on the possibilities of establishing a One-Stop Shop for Investors in the province.
28. Furthermore, and as directed in the economic cluster, it will be important that Acting HOD and CEO take the discussion forward in a constructive manner, ensuring that the developmental mandate of the entity is not pushed aside in the ongoing reconfiguration of the entity.
29. Let me take this opportunity to reassert my earlier directive that MEGA should develop a strategic plan to revive Ekandustria, and the other industrial parks in the Province before the end of the third quarter of the current year (2018/19).
30. Last week I was in Marapyane, and I believe there is a need for us to exploit various options to develop or construct a Shopping Complex in that area.

31. As we approach the time for the Executive Council Lekgotla, it is important that the department is able to demonstrate progress made on implementation of the centres of excellence focusing on Agriculture & Forestry, Petro-Chemical and Mining & Metals Technology Parks as well as Special Economic Zones (SEZs) in Nkomazi & Steve Tshwete, to keep the momentum high.

32. We must ensure that these industrial parks and special economic zones become the bedrock of promotion and growth of black industrialists in our Province.

Governance and administration

33. We have just emerged from the most gruelling regulatory auditing process, and the outcomes are not pleasing for the DEDT family.

34. It cannot be business as usual.



35. As you are aware, the Public Finance Management Act directs the accounting officer and by extension all managers to maintain effective, efficient and transparent systems of financial and risk management and internal control.
36. It is concerning that some of these legislative directives do not find expression in the day to day operations of some of managers in the department.
37. I am sure there are provisions in the policy regime for amendments to be effected on performance contracts.
38. I would therefore like to see this deficiency in the performance contracts of managers addressed before the end of the quarter.
39. Let me emphasise that we must pay attention to our Annual Performance Plans, draw strategic linkages between the planned outputs in the plans of the department and public entities and ensure effective and continuous monitoring of performance outcomes.



40. I want to emphasise that the commitments made in the Policy and budget speech must be prioritised and a progress report as at end July 2018 on implementation thereof through the developed commitment registers must be submitted to my Office before the 10th August 2018.

Programme facilitator

41. I recently heard about a disorder called “**Compassion fatigue**” which is a term typically used to document a gradual lessening of compassion over time.
42. It usually refers to trauma and crisis professionals such as therapists, nurses, psychologists and first responders.
43. However, when defining it in a broader way, this condition also promises to be one of the greatest challenges facing anyone who thinks they can make the world a better place.



44. I think that some of us may be suffering from this, we see people in need every day - Unemployed communities, people with ideas and business plans but no financial means to back them up; Officials who are turning to managers and HR to address their issues, and People who expect miracles from the department and entities.
45. Gradually your tolerance for requests dwindles, your once big heart for humanity and assisting others disappears through your own self diagnosed ability to not move the needle far or fast enough.
46. It's no wonder we all feel this way as change makers. There is significant resistance from the status quo. It is an uphill battle to sustain momentum.
47. There's always the feeling that more can be done, but the burden of failing to help everyone who needs it, and the constraints of doing more with less sometimes weigh us down.
48. Be it as it may, I implore you all, do not give up the fight. Put yourself in their shoes, they are desperate to feed and educate their children and please give them hope of a better future.



49. Let us be mindful of the suffering of others when we go home to our cooked meals and warm beds every night.
50. Let us accept the call to public duty, and say Thuma Mina...
51. I wish you fruitful discussions, and remind you that our people depend on the decisions or proposals that will emerge from this strategic session to take Mpumalanga Forward.