

OVERVIEW REMARKS BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MRS YN PHOSA, MPL ON THE OCCASION OF PRESENTING THE DEPARTMENTAL THIRD QUARTER PERFORMANCE REPORT (OCTOBER – DECEMBER 2012) TO THE PORTFOLIO COMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION; ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM.

Tuesday, 26 March 2013

Chairperson of the Portfolio Committee, Honourable Member Refiloe Mahlobogoane;
Honourable member of the Portfolio Committee; and the
Support staff;

Good afternoon

May I start by expressing our appreciation for being given an opportunity to appear before this committee, to provide feedback on our work for the third quarter ending 31 December 2012. We commend this committee for continuing to oversee our work and guide us in implementing our mandate. It is also appropriate that I should acknowledge the leadership of the former MEC for this portfolio, Honourable Member Norman Mokoena, under whose guidance the Annual Performance Plan (APP) we are implementing was done.

Honourable Members would recall that when we tabled our Policy and Budget Speech last year, we had planned in the main to amongst others:

- Focus on strategy formulation and management, research, policy development, co-ordination of policies, monitoring and evaluation of the provincial economic trajectory, while departmental agencies, in collaboration with Development Finance Institutions (DFI's) focus on implementation of programmes and projects as directed by the Executive Council;
- Pay special attention to the development and strengthening of small businesses and co-operatives as directed by the Honourable Premier in the 2012 *State of the Province*;

- Finalise the Programme of Action for the implementation of the *MEGDP* (Mpumalanga Economic Growth and Development Path);
- Track where jobs are created in the province, per economic sector.

The above-mentioned plans and many others, were funded though not adequately. Honourable Members will recall that we have raised this issue with the committee previously, and even when we were tabling our *Policy and Budget Speech* last year, indicating that we may be unable to fully carry out our mandate unless our baseline budget is adjusted. Despite this challenge, we continued to perform our work as per the approved APP.

We continued, working with our public entities, to carry out our mandate in relation to SMMEs and co-operatives development; facilitating trade and investment in the province; regulating business operations in the form of liquor license administration and compliance; collection of gambling and betting levies and enforcing responsible gambling; protecting consumers from unscrupulous business practices; ensuring environmental sustainability and tourism growth, amongst others.

We are proud that in relation to governance issues, the *MGB* continues to be a beacon of hope and encouragement that we too as the mother Department, and the other two (2) agencies reporting to us, can, and will finally receive a clean audit. This is a non-negotiable output which I told the HOD that it shall happen during my time in the Department. I commit that I will never relax until this dream becomes a reality, hence we believe that such engagements with the committee, are welcomed and appreciated given that you continue to keep us on our toes.

Once more, we are delighted to appear before the committee to account for our work for the third quarter of the 2012-2013 financial year, which covers the period October to December 2012.

We upfront acknowledge our shortcomings in some areas of our work, as it will be detailed by the HOD when he makes his presentation. In order to make up for under-performance in some areas, we have devised some interventions to ensure implementation of our planned targets.

We further appreciate the guidance of the Portfolio Committee after interrogating the third quarter report we have submitted, and commit that we will ensure implementation in those under-performing areas of our work.

We are proud to announce that we have since stabilised the operations at our public entities, which now have fully fledged Boards of Directors that continue to provide guidance and execute their fiduciary duties. We have appointed CEOs for *MEGA* and *the MTPA*, which has now brought about stability at these entities. The merger of the three (3) entities forming *MEGA* has now been completed, and the new entity is in the process of being registered by the National Treasury.

We are currently providing guidance to the Zithabiseni Resort, to ensure that governance issues are adhered to. We received the refurbished assets at the resort from the National Department of Tourism (*NDT*) in November last year, following the R30 million refurbishment project funded by the *NDT*. The resort is now showing some signs of recovery, given that it can now generate income, as you will hear in our presentation.

In this regard, we have improved the content of the report we previously submitted, by responding to the questions forwarded to us, as HOD will outline.

Overall, the third quarter report indicates a 74% performance against our planned targets. In some areas we did not perform fairly well owing to financial and human resource shortage, and commit to improve in those areas going forward.

Through your valued guidance, we will make amends to where we have faltered, as we move forward in guiding the provincial economic trajectory of our province.

Thomas Edison – the light bulb inventor who failed for umpteenth times in his endeavour to create the light bulb, and I quote: *“I haven’t failed. I’ve just found 10 000 ways that won’t work.”* I hope this is the same understanding of the committee with regard to areas where we under-performed.

Working together, we can do more to **fight unemployment, poverty and inequality**, which is what *the MEGDP* is focusing on.

At this point, I now wish to hand over to the HOD, Dr Dlamini, to present our **Third Quarter Performance Report**.

I thank you for affording us this opportunity!