

**VOTE 6: POLICY AND BUDGET SPEECH (2013-2014) PRESENTED BY THE MEC FOR ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM, MRS YN PHOSA, MPL, TO THE MPUMALANGA PROVINCIAL LEGISLATURE AT RIVERSIDE, MBOMBELA LOCAL MUNICIPALITY.**

**Tuesday, 28 May 2013**

Baba Somlomo, Mhlonishwa Siphon Lubisi;  
Ndunankulu Wesifundazwe saseMpumalanga, Mhlonishwa David Mabuza;  
Phini LikaSomlomo, Mhlonishwa David Dube;  
Sosiswebhu we Nhlangotho ebusayo, Mhlonishwa Thandi Shongwe;  
Abalingani bami ku-Khabinethi;  
Amalungu ahloniphekile esishayamthetho;  
uNobhala weSifunda sikakhongolose, umnumzane Lucky Ndinisa;  
USihlalo Wendlu yobukhosi, Kgoshi Lameck Mokoena;  
Umqondisi jikelele wesifunda saseMpumalanga, Dokotela Nonhlanhla Mkhize  
Inhloko yomnyango wethu, uDokotela Vusanani Dlamini, kanye nezinhloko zeminyango ehlukehlukene;  
Ubuholi bezinhloko zikaHulumeni (Public Entities);  
Deputy Director General for Knowledge Service at the National Department of Tourism, Ntate Victor Tharage and his team;  
A representative from the National Department of Economic Development, Ms Thandeka Ngangelizwe;  
Bishop Dan Gamasotho of the Anglican Church;  
Abamele osomabhizinisi;  
Ubuholi beziNhlangotho zabasebenzi;  
Izivakashi eziqavile;  
Izintatheli ezikhona phakathi kwethu;  
Abangani bethu;  
Manene nama Nenekazi

**Good Afternoon!**

Honourable Speaker;

I wish to start by reminding the people of Mpumalanga that 2013 does not only mark hundred years of the 1913 Native Land Act, but it was exactly on this day, 28 May 1913, when courageous women from Waaihoek in Bloemfontein took the Apartheid regime head on. They were protesting against the pass laws by taking a passive resistance and refused to carry permits which were designed to exclude them from the political and economic activities in the land of their birth. Let's join our hands in paying homage to the women of Africa and Diaspora, for their role in emancipating Africa and her people. *Malibongwe!*

We stand before this august House, at a crucial time in the political calendar, not only of our province and country, but also of the entire African continent. Three days ago, Africans of different nationalities came together across the continent, including our province, to commemorate the 50<sup>th</sup> anniversary of the Organisation of African Unity (OAU), which we now know as the African Union (AU). As we present our *Policy and Budget Speech* this afternoon, it is therefore particularly befitting to salute the gallant efforts of the founding African luminaries - Kwame Nkrumah, Mwalimu Julius Nyerere, Haile Selassie just to mention but a few, for having planted seeds of unity and cooperation, political and economic emancipation Africa and for her people. Despite her challenges, Africa is rising for unity, peace and prosperity. Africa is indeed, *"Open for Business."*

Similarly and without doubt, our Province, despite its challenges, is forging ahead to further advance the mammoth task of socio-economic transformation, which is an imperative towards the national democratic society. In line with the mandate of our Department, we can therefore assert at this juncture, that indeed Mpumalanga is “*Open for Business*” for the benefit of the people of this beckoning “place of the rising sun” in South Africa and in Africa.

Despite the successes of the ANC led government over the past 19 years, we still face the inherited and stubborn challenges of poverty unemployment and inequality. As the Honourable Premier stated in the *State of the Province Address*, “Together, we agreed that unless we address these challenges head-on, our envisaged future society will be nothing but a mirage.” In recognition and acknowledgement of the challenges of our times, the ruling African National Congress has commanded us as government and social partners, to amongst other things, strengthen the capacity and prioritise interventions that will build and propel social, economic and environmental resilience. This is in response to the requirements of not only the knowledge economy, but also the green economy for the benefit of the people of this province.

We have therefore, in line with the National Development Plan and the New Growth Path, developed a blue print to foster economic growth and development in the province, known as the Mpumalanga Economic Growth and Development Path (the MEGDP). We will continue to implement the MEGDP framework and the high impact priority projects guided by the Industrial Policy Action Plan (IPAP). We will also participate towards the implementation of Strategic Integrated Projects (SIPs) particularly SIP one (1) which talks to Unlocking the Northern Mineral Belt with Waterberg as the Catalyst, SIP two (2) Green Energy in support of the South African economy and SIP fifteen (15) Expanding access to communication technology.

Certainly, the present circumstances of our people propel us to act with resolve and zeal. To strive for less, would be unworthy of the deserving multitudes of our people, who persistently contend with poverty, unemployment and inequality, just on the eve of the second decade of freedom and democracy in our land. These constitute the challenges of our times.

***Working together, we can do more to reduce poverty, unemployment and inequality.***

## ***ECONOMIC OUTLOOK***

Honourable Speaker, Honourable Members;

In these times of global reach in which the world has become a global village, South Africa's economy is obviously influenced by the global economic trends. This is full proof that we live in a borderless economic world. It is therefore particularly appropriate that at this moment, we share with you the economic outlook, both from the global and local perspective.

### **Global and regional outlook**

Four (4) years after the onset of the global financial crisis, the world economy continues to struggle. According to the International Monetary Fund (IMF)'s April 2013 World Economic Outlook, global economic growth is projected to increase from 3.2% in 2012 to 3.3% in 2013 and to 4.0% in 2014. Emerging markets, particularly China and India, continue to lead global growth, although at lower rates than before. IMF is projecting China's economy to increase from 7.8% in 2012 to 8.0% in 2013 which is lower than 9.3% in 2011.

However the latest figures released show that China's economy grew at a less than expected rate of 7.7% in the first quarter of 2013 as consequence of subdued overseas demand. What is of strategic importance to us, is that China is South Africa's largest trading partner in relation to export of mainly mining products.

## Outlook for South Africa

In the context of the articulated global outlook, South Africa's economy has recorded a 2.5% growth rate in 2012 and is expected to grow at 2.8% in 2013, rising to 3.3% in 2015. These figures are below the growth projections for developing economies, and even lower than South Africa's fellow *BRICS* member countries. Furthermore, our currency continues to weaken and has become volatile, although it is still complementary for exports. The drop in commodity prices is also putting pressure on our foreign currency earnings thus impacting negatively on our trade balance. However as a country, we took a conscious decision to follow a counter-cyclical approach during these tough economic times.

## Outlook for the Mpumalanga Province

In line with our country's economic outlook, Mpumalanga's economy grew by 2.7% in 2010 and by 2.5% in 2011 (according to *Statistics SA's* third quarter GDP Statistical Release). Although these figures appear to be low, a positive result is that during these two consecutive years, the two (2) major sectors of the provincial economy, that is, manufacturing and mining, have each produced positive growth. This is in contrast to the high levels of contraction experienced in these sectors during 2009. Our export commodity to the Asia-Pacific Economic Cooperation (*APEC*) trading block, which includes China and Russia, has grown exponentially since 2009 whilst exports to the European Union (EU) have decreased. Exports to our fellow SADC member states have grown slowly but steadily since 2008.

It is not foreseen that demand will soon pick up in the EU, hence this is an opportune time to strengthen intra-regional trade within the SADC in particular and Africa in general. We therefore believe that the ongoing talks between members of the Southern African Customs Union (SACU) will assist in reaching an agreement that promotes more robust trade and industrialisation within member states.

With regards to inflation, Mpumalanga's year-on-year inflation rate as measured by the Consumer Price Index (CPI) was recorded at 5.7% in March 2013, down from 6.1% in February 2013. The main drivers of inflation are food, housing and transport, which are thorny issues affecting the majority of our people – the hardest hit being the poor. On the other hand, South Africa's inflation rate is expected to average 5.8% in 2013, but projected to temporarily breach the upper end of the target range in the third quarter of 2013, and declining to 5.3% in 2014.

Honourable Speaker;

Mpumalanga is a youthful province, with 69.4% of the population being below 35 years of age (according to *Census 2011* Results). These are the people who unfortunately swell the ranks of the unemployed at 43%. The provincial unemployment rate (strict definition) decreased from 30.0% in the first quarter of 2012 to 29.4% in the first quarter of 2013 (according to *Statistics SA's* latest Quarterly Labour Force Survey). This challenge demands that we become bias towards the youth as we tackle these three (3) highlighted challenges. However on a positive, the province has actually recorded net job creation of 57 000, year-on-year basis. The Agriculture, Mining, Manufacturing, Construction, Finance sectors, and Community and social services recorded net job gains of 13 000, 11 000, 14 000, 7 000, 5 000, and 42 000 respectively, while the sectors that recorded job losses include Utilities (at 6 000), Trade (20 000), Private Households (at 3 000) and Transport (at 7 000).

Distribution of income remains highly unequal. The poverty rate in the province remains high at 41.6%, with the gini-coefficient of 0.62. Just to remind the Honourable Members, the gini-coefficient index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. In this context, therefore a low gini-coefficient indicates a more equal distribution, with zero corresponding to complete equality, while higher gini-coefficients indicate more unequal distribution, with one (1) corresponding to complete inequality. These figures therefore clearly indicate that we have a mammoth task ahead of us, in order to combat the triple challenges of unemployment, poverty and inequality.

Honourable Speaker; Honourable Members;

The economic outlook that I have just articulated is a platform on which we base our plans. However before I present our plans for the 2013-2014 financial year, it is imperative that I should update the august House on the progress we have made since we tabled our *Policy and Budget Speech* in the past financial year.

### **REVIEW OF THE 2012-2013 FINANCIAL YEAR: PROGRESS MADE**

Our financial resources were not infinite, however we continued to provide some targeted training to co-operatives in partnership with *Small Enterprise Development Agency (SEDA)*. To this end, we have trained 85 cooperatives in the CRDP sites on business management.

In an endeavour to further support SMMEs and cooperatives, we completed the construction of the water bottling plant in Mkhondo Local Municipality which once operational, will create 23 permanent jobs. About 25 temporary jobs were created during the construction phase, of which 90% were the youth. As promised, we explored in partnership with the Department of Trade and Industry (*the dti*), the feasibility of setting up two (2) Special Economic Zones (*SEZs*) in Govan Mbeki and Nkomazi municipalities. Subsequently only the establishment of Nkomazi *SEZ* was approved for implementation.

Honourable Speaker; Honourable Members;

As the Department, we have the responsibility to regulate and govern business operations in the province. In ensuring compliance to applicable liquor laws, we have conducted 657 inspections on liquor premises; processed 758 liquor licence applications and only issued 71 new licences. As a caring government, in partnership with various stakeholders such as the National Liquor Authority, Department of Social Development, the South African Police Service and other role players in the liquor industry, we continued to raise awareness about the dangers of irresponsible consumption of alcohol.

In our quest to protect consumers against unscrupulous business practices, we managed to resolve 1810 consumer cases. This achievement constitutes 210 more cases than the planned target, and in the process we have recovered a total of R5, 1 million on behalf of consumers. All these achievements were possible through the work of the Office for the Investigation of Unfair Business Practices and the Mpumalanga Consumer Court, which is one of the only four functional consumer courts in the country.

With regards to regulating the gambling industry in the province, we have through *the MGB*, collected approximately R70 million in direct revenue during the financial year under review. This represents an increase of about 16.6 % as compared to the previous financial year. As the government, we have the responsibility to caution our people about the negative effects of irresponsible gambling.

In strengthening the public awareness and education drives to reach a much wider audience within the Province, *the MGB* has conducted 196 awareness campaigns which have reached approximately 120 000 people across the Province. As a result, we have continued the partnership with Miss Mpumalanga 2013, **Miss Ntandoyenkosi Kunene**, to champion the promotion of responsible gambling campaign in the Province.

In contributing towards job creation, the *MGB* has evaluated bookmaker applications and granted licences to 31 bookmaker operators, which resulted in 137 jobs, and an increase in the gambling revenue. We continued to be pioneers of the gambling industry in South Africa, and even globally, hence the CEO of *MGB*, Mr Bheki Mlambo, was elected to the Board of Trustees of the International Association of Gambling Regulators (*IAGR*). The *IAGR* is a global association whose main objective is to advance the effectiveness and efficiency of gambling regulation.

As promised, we also reviewed the ICT Strategy of the Province, with the assistance of *the CSIR* and the Department of Communications. This strategy outlines initiatives designed to bridge the digital divide in the province. We will continue to engage the Department of Communications on programmes that will ultimately increase usage and uptake.

We also undertook a set of activities to conduct and co-ordinate economic planning, monitor and evaluate the impact of *the MEGDP* implementation against the set targets. In collaboration with Statistics South Africa, we have developed a framework to assist us in tracking employment creation by the private sector in the province, disaggregated to the level of local municipalities. We will solicit funding to implement the framework.

Turning to our tourism and bio-diversity conservation entity;

In pursuit of our job creation agenda, *MTPA* has also contributed to this noble effort by creating 974 new permanent equivalent jobs, through *EPWP* programmes such as the fire management and infrastructure upgrade at four (4) prioritised nature reserves. It should be noted that further 199 permanent equivalent jobs were created during the refurbishment of the Zithabiseni Resort and Conference Centre through the *EPWP* grant funding from the National Department of Tourism. We also wish to report that there is satisfactory progress in turning around the Resort. Following the upgrades and facelift of the resort, we encourage government departments, the Provincial Legislature and business sector to utilise the facility.

In our quest to increase the number of tourists visiting our province, we can report that just over 1,3 million international tourists arrived in Mpumalanga during 2011, and contributed R4.7 billion in foreign direct spend. This has contributed to over 146 000 direct jobs in tourism, given that the national norm is that for every nine (9) tourists, one (1) direct job is created. The indication is that wildlife, natural attractions and shopping were the major draw-cards. The result is that our province managed to retain the number three spot nationally, in terms of international arrivals, after Gauteng and Western Cape Provinces. For the first three (3) quarters of 2012, we have received just over 1 million 30 thousand international visitors, compared to 973 thousand, 849 in the first three (3) quarters of 2011 – which is an improvement of 5.5% (56 359 more visitors).

In relation to domestic tourism, 2.2 million people visited our Province in 2011, compared to 2.5 million in 2010, signalling a decline of 12%. The decline in 2011 could be attributed to the big event that South Africa hosted in 2010, namely the *2010 FIFA World Cup*. However, the total tourism spend into the province increased from R1, 2 billion in 2010 to R1, 8 billion in 2011.

Despite the decline in 2011, Mpumalanga occupied position six (6) in terms of domestic arrivals, up from position seven (7) in 2010. The challenge we face now is to improve domestic activations in terms of domestic arrivals. The 2012 official annual figures for domestic arrivals will only be released by *South African Tourism* later this year.

With regards to conservation, we have successfully negotiated with private land-owners to consent to their land being proclaimed as land under conservation. To date, a total of 28 600 hectares of land has been transferred under the stewardship programme that supports land owners to change the land use for purposes of nature conservation.

We have further reviewed the Mpumalanga Biodiversity Conservation Plan, and continued to monitor compliance with environmental laws to ensure that our bio-diversity is not compromised. The *MTPA* has implemented, monitored and enforced environmental legislation for conservation by issuing 3341 permits. In our attempt to counter the scourge of rhino poaching, we managed to micro-chip and collect DNA samples of 52 white rhinos, and dehorned ten (10) white rhinos as part of our anti-poaching strategy. The rhinos that were not dehorned are only those on Big Five reserves, where they need horns for self defence against predators.

As Honourable Members are aware, our endangered rhino species continue to be slaughtered for their horns at an alarming rate. Government, both at national and provincial spheres, is really concerned about these barbaric, selfish and greedy acts of making quick money at the expense of sustainability for future generations. It is sad that since January this year until last week (24 May), a total of 354 rhinos were poached nationwide, with Mpumalanga accounting for 21 of which 19 were on private reserves and two (2) on provincial nature reserves. The Kruger National Park continues to be the hardest hit, with 242 rhinos having killed for their horns.

We applaud the efforts of the South African National Defence Force, through their anti-rhino poaching operation dubbed *Operation RHINO*, being carried out at the Kruger National Park. However, we were saddened by the loss of five (5) of their members, who died in the call of duty, when their helicopter crashed during a scheduled aerial patrol at the Kruger National Park recently. Our heartfelt condolences go to their families and loved ones. May their soul rest in peace.

As Pioneers, we have discovered and described a new bat species, prevalent to the Mpumalanga Province. This discovery should be applauded, as it will put our Province on the world map in the field of science. We congratulate our scientists at the *MTPA* who have made the discovery possible.

Honourable Speaker;

In continuing to push for the adoption of low carbon energy resources; mitigate the impact of climate change; and promote the adoption of environmentally sound waste management practices in society, including communities and industry, we continued to pursue alternative funding models for the compilation of a strategy document on the Provincial Climate Change Response and in implementing Green Economy Initiatives.

We also managed to plant 10 233 trees thus exceeding the target of 5000 owing to the immense support from our partners. Furthermore, we continue to collaborate with the Department of Agriculture, Rural Development and Land Administration on initiatives that will lead to the mainstreaming of the green economy in the Province in the area of bio-fuel production from agricultural processes, including bio-diesel; bio-gas and ethanol.

In implementing the Environmental Impact Assessment (EIA) Regulations under the National Environmental Management Act 107 of 1998 as amended, we have amongst others, managed to finalise 211 applications. We further issued 165 environmental authorisations on proposed new developments following 228 site visits. Given that we have a mandate to comment on environmental attributes for land development and mine applications to other organs of the state, we have in this regard issued comments on 116 land use change applications, and 81 mining applications.

Under pollution and waste management, three (3) facilities were issued with Atmospheric Emission Licences, while nine (9) waste facilities were granted waste management licenses. The development of the Centralised Waste Management Facility in Gert Sibande is also progressing well. The project has now entered the waste licensing phase, which includes the environmental impact assessment investigations. It is expected to be completed by March 2014, largely due to delays experienced in the submission of waste licence application forms by the District Municipality. The licensing of municipal waste management sites in Mbombela and Nkomazi Local Municipalities is also progressing very well.

Through our environmental outreach programmes, we have reached close to 46 000 people across the province, with learners being in the majority at close to 34 500. We also continued to facilitate the *Provincial Greenest Municipality Competition*, which saw the Steve Tshwete Local Municipality being the provincial winner and the third runner up at the national level. We therefore congratulate the Executive Mayor, Councillor Michael Masina and his team for continuing to hoist Mpumalanga's flag high.

Honourable Speaker;

Our contribution to the development of the skills base in the province is coming to fruition. We are therefore proud to announce that nine (9) external bursary holders who were funded by the Department have completed their under graduate studies in 2012. Out of the nine, two (2) have since received permanent employment; six (6) are continuing with their post graduate studies on a full time basis, and one (1) is yet to be placed on an internship programme.

The Department continues to diligently oversee the performance of public entities. All the three (3) Public Entities reporting to the Department have stabilised in terms of leadership, financial and performance management, and good governance with the appointment of credible Board Members and CEOs.

Of note, is that the *MGB* continues to make us proud as the Province. It has once again received an unqualified audit opinion (clean audit) in the 2011-2012 financial-year. I therefore take this opportunity to once again congratulate the chairperson of the Board, Mr Jerry Vilakazi, the CEO, Mr Bheki Mlambo, and their teams for the sterling job they continue to perform.

Honourable Speaker;

We can also report that *MEGA* is making progress with regard to the implementation of the bulk water infrastructure project. It has to-date, signed service level agreements with the eight (8) CRDP municipalities within Mpumalanga. These municipalities have committed their 3-year MTEF infrastructure budgets to the implementation of these projects. We are in the process of concluding funding agreements with development institutions like the Development Bank of Southern Africa (*DBSA*), and will soon appoint a Project Management Entity to manage the implementation of the infrastructure project.

## **PROGRAMME OF ACTION: 2013-2014**

Honourable Speaker; Honourable Members;

As indicated in the previous financial year, the role of the Department is mainly policy development and coordination, whilst our public entities are responsible for policy implementation. This clarification seeks to highlight the roles and responsibilities between the Department and its public entities which are actually the implementing agents of the Department. In fulfilling the aim of Vote 6, which is to facilitate, co-ordinate and implement integrated economic planning and sustainable development in the province, I now have the pleasure to present the plans of the Department for the 2013-2014 financial year.

### **Economic Planning**

The ANC-led government continues to strive to reduce poverty, unemployment and inequality hence the implementation of the programme of action of the *MEGDP* continues to be the cornerstone of accelerating economic growth in the province. In this regard, the Department in collaboration with Office of the Premier is leading the finalisation of the Memoranda of Understanding with private sector partners. The main areas of cooperation are: Human Capital Development, Enterprise Development, Urban and Rural Development, Environment and Sustainable Development and Research and Development. The Department has planned to initiate and coordinate more partnerships agreements in the quest to reverse the triple challenges outlined in the *MEGDP* framework.

### **Support to SMMEs and Co-operatives**

The Honourable Premier in the *State of the Province Address* this year raised the issue of enterprise development as one of the priority areas for the current administration. Our focus on enterprise development will therefore be on training of SMMEs and Co-operatives, and facilitation of access to markets.

In taking forward this area of our work, we intend to **formalise training of co-operatives** through partnerships with institutions such as the South African Bureau of Standards (SABS), the National productivity Institute (NPI) and the South African Qualification Authority (SAQA) so that we instil efficient collective production and ownership, as well as a sense of collective community enterprise, anchored on the values of democratic member's participation in decision making.

We will also continue to work very closely with development agencies such as the Small Enterprise Development Agency (*SEDA*), the Small Enterprise Finance Agency (*SEFA*), the Industrial Development Corporation (*IDC*), the National Development Agency (*NDA*), the National Empowerment Fund (*NEF*) and the private sector to **assist SMMEs and co-operatives to access finance and other business development support services**. We will also accelerate the implementation of the **SMMEs and Co-operatives Development Strategy** in line with the *MEGDP*.

Honourable Speaker:

We can indicate that the partnership agreements concluded with private sector partners will immensely benefit our SMME's and Co-operatives. The partnership with ESKOM bears testimony to this endeavour which has resulted in a fly-ash pilot project at Dr Pixley Ka-Isaka Seme Local Municipality. The Fly-ash (coal-ash) project is intended to manufacture bricks, detergent, fertilisers and cement targeting youth cooperatives.



In order to enhance this area of work, the Department in partnership with the Department of Trade and Industry, will **host the Annual National Small Business Summit in October** this year. The event will provide a platform to SMMEs in the Province to showcase their products and services to the rest of the country, and also to network with other SMMEs.

Honourable Speaker;

In line with the Broad Based Black Economic Empowerment Act 53 of 2003, we will continue to **strengthen engagements with social partners** to ensure participation of black businesses in the mainstream economy. We will also **monitor compliance** of provincial and local government to the said Act. In ensuring survival of SMMEs and co-operatives, we will **monitor adherence to the 30-days payment for goods and services** rendered by both government and the private sector. The Department will continue to **maintain and update the database of all BEE companies** in the Province, and this database will be made available to other government and private sector companies.

On local economic development, we believe that we can only succeed in this area of our work if the three spheres of government continue to work together. In this regard, the Department will **work closely with municipalities to promote local economic development in line with the MEGDP**. We plan to enhance support to municipalities within the CRDP sites to ensure implementation of projects identified for job creation.

### Trade and sector development

Honourable Members;

The promotion and marketing of Mpumalanga as an investment province of choice in South Africa remain high on our priority list. In fulfilling this mandate, we intend to finalise the **Mpumalanga Export Strategy**, which is a critical foundation for export development. The strategy will be developed in line with the recently launched **National Exporter Development Programme** by the Department of Trade and Industry, which is aimed at increasing exports in general, especially exports of those products and services that add value, and contribute to employment and to the green economy. This programme is targeting SMMEs, both generally and those drawn from the ranks of the previously disadvantaged, whilst still taking into account the needs of larger potential and established exporters.

In promoting and supporting sustainable growth and development of agricultural enterprises, **MEGA will provide loan funding to the tune of R5 million**; and will also provide a further **R7 million for the development of SMMEs and co-operatives** across sectors. **MEGA** further plans to **increase exports up to R300 million**, and further attract **foreign direct investment to the value of R200 million**.

The agency further intends to increase access to housing loans to individuals whose income is between R3, 500 and R28, 500 per month, and will also **develop about 40 affordable housing units and 250 serviced stands for affordable housing** for the "gap housing market."

Honourable Speaker, Honourable Members;

The **provision of bulk water infrastructure to municipalities** in the province remains high on our priority list. We will therefore through **MEGA**, continue to ensure that all processes are concluded to pave the way for the construction of the required water infrastructure.

## Business Regulation and Governance

In continuing with our mandate to protect consumers from unfair business practices in line with applicable legislation, we intend to **resolve 1 600 reported cases** through the Office for the Investigation of Unfair Business Practices and the Mpumalanga Consumer Court. We should indicate that there is presently one consumer court servicing the entire province, on a roving basis and this court has a staff compliment of six (6) members. In order to alleviate this situation, and to bring services closer to the people, we intend to establish the second consumer court which will service the Gert Sibande and Nkangala Districts.

In this regard, we have already started with the process to recruit members to serve in the consumer court. We will further **amend the Mpumalanga Consumer Affairs Act No. 6 of 1998 to align it with the National Consumer Protection Act No. 68 of 2008**, in order to provide additional legislative protection to the consumers. We will further intensify our consumer education and awareness programmes to empower consumers about their rights and responsibilities.

The regulation of the liquor industry in the province will be strengthened through the establishment of the **Mpumalanga Liquor Authority**, in terms of the Mpumalanga Liquor Licensing Act no 5 of 2006. We are delighted to announce that we have allocated an amount of R6, 6 million for this purpose, and this will now ensure full adherence to the Act. We will continue to collaborate with the South African Police Service in conducting liquor inspections around the Province to curb illegal liquor trade and non-proliferation of liquor outlets next to schools and places of worship. In order to highlight the social ills associated with irresponsible consumption of alcohol, we will continue with the **ACE** campaign which talks to **Awareness** of the Act, **Compliance** with the Act, and **Education** on responsible drinking and trading.

In fulfilling the mandate of regulating the gambling and betting industry in the province, the Mpumalanga Gambling Board will continue to perform this responsibility with zeal, as it has done so since its inception. This will include strengthening the roll out of responsible and prohibited gambling awareness campaigns, and will also consider applications for the fourth casino licence, which once approved, will create job opportunities for our people.

## Environment Services

Honourable Speaker; Honourable Members;

The Bill of Rights in our country's Constitution guarantees that, and I quote:

*“Everyone has the right to an environment that is not harmful to their health or well-being; and to have the environment protected for the benefit of present and future generations.”*

At the same time, it bestows on all of us the responsibility to collectively:

*“Prevent pollution and ecological degradation; promote conservation; and to secure ecologically sustainable development and the use of natural resources while promoting justifiable economic and social development.”*

In fulfilling this constitutional mandate, the ANC-led government is committed to facilitate economic growth and development without the depletion of natural resources which might lead to pollution, congestion and diseases.

Our programmes are such that we focus on sustainability, which implies meeting the needs of the present without compromising future needs. Our Department will therefore, continue to raise awareness around environmental sustainability by intensifying our education and awareness campaigns, paying particular attention to learners.

The strategic environmental support to municipalities to promote sustainable environmental planning and management will remain top of our environmental priorities. In this regard, we will finalise the **Provincial Air Quality Management Plan**. This will strengthen our work in continuing to monitor levels of air pollution. We will also commission yet another **Ambient Air Quality Monitoring Station**, and this time in Delmas at the Victor Khanye Local Municipality. This will bring the total number of Ambient Air Quality Stations commissioned by the Provincial Government to five (5), the other four (4) being in Balfour, eMalahleni, Middelburg and Standerton. Similarly, we will finalise the first draft of the **Provincial Integrated Waste Management Plan**, and complete the feasibility study for the Gert Sibande District Centralised Waste Management Facility.

Honourable Speaker, Honourable Members;

We are all aware of the negative implications of climate change on our bio-diversity and the economy, hence we will strive to finalise the **Provincial Climate Change Response Strategy**. This will be driven through established partnerships with civil society, other organs of state, the private sector and international government partners. Therefore in order to ensure environmental compliance with the relevant provisions of the National Environmental Management Act (Act 107 of 1998, as amended), we will compile the **3<sup>rd</sup> Edition of the Mpumalanga Environmental Implementation Plan** to promote co-operative environmental management.

Through *the MTPA*, we plan to increase land under conservation to 478 927 hectares and continue to implement the **Mpumalanga Biodiversity Conservation Plan** by enforcing compliance with conservation and environmental legislation. We will continue to review and prepare environmental authorizations for development projects that can have a significant impact on the environment. In this regard, we will introduce a **cost recovery system** to offset the costs incurred by government in reviewing applications and drafting the environmental authorizations.

On the Stewardship Programme, the target will be to declare as protected areas, additional 55 000 hectares of land for purposes of nature conservation, of which the primary focus will be on Chrissiesmeer and Wakkerstroom in the Gert Sibande District.

## Tourism

Since the tourism sector has been prioritised in the *MEGDP* as one of the sectors with a huge potential to create the much needed job opportunities, we will continue to strengthen our work in this area of our mandate. As a response, we have elevated tourism to be a stand-alone Programme (Programme 7) in the Department. This decision follows a national directive emanating from the approval of Programme and Budget Structures for all provincial tourism departments by the Tourism *MinMEC*.

This new Programme will specifically focus on issues of tourism policy development, regulations, transformation of the tourism sector, sustainable management and promotion of tourism and nature conservation, and strengthening partnerships with the tourism industry.

In this regard, we have increased the budget of the *MTPA*, to enable it to strengthen its marketing campaigns aimed at promoting Mpumalanga as the preferred destination of choice. Furthermore, in responding to the Honourable Premier's pronouncement during the *State of the Province Address* earlier this year that the province is "**working on a system to register all tourists coming into the province,**" the *MTPA* will ensure that an IT system is developed in this regard.

In relation to infrastructure upgrades, we will continue the work that we had started in refurbishing the four (4) prioritised nature reserves, namely, Blyde River Canyon, Songimvelo, Loskopdam and Manyeleti.

Honourable Speaker;

Tourism in this Province is further bolstered by amongst others, the majestic Barberton Makhonjwa Mountains permeated with scientific record of the pre-history of the earth, human stories and rock formations dating back to 3, 5 billion years. It should be noted that it has a tentative World Heritage Site listing by the United Nations Educational, Scientific and Cultural Organisation (UNESCO). We will, in future, explore this potential tourism jewel.

In this regard, the Department will develop the **Heritage and Cultural Tourism Strategy** in line with the National Framework. It is also our intention to review the **Mpumalanga Tourism Growth Strategy** and all other relevant tourism, and environmental legislative and policy instruments to enable the *MTPA* to deliver on its mandate.

### **Development of skills required for economic growth**

Honourable Members;

For our country to achieve high levels of economic growth, we must work together and invest in training and skills development in order to increase the skills base. In contributing towards youth empowerment and development, as required by the national Human Resources Development Strategy (HRDS) and the third National Skills Development Strategy, the Department will **appoint at least 20 interns** in this financial year, who will be recruited across the province.

In addition, our Department is firmly committed to the HRDS and as such we intend networking with the Retail Motor Industry Organisation (RMI) to explore the possibility of establishing Work Integrated Learning hubs for the Automotive Industry. These hubs will allow us to build industry capacity in general, and at the same time focus on developing entrepreneurs. The model will involve providing work seekers with theoretical and occupational development programmes which will allow them the opportunity to bridge the gap between theoretical learning and work experience.

Through the work integrated learning hubs, prospective employees and entrepreneurs will have the opportunity to apply their theoretical knowledge and skills in a real-life working environment where they will be supervised, groomed to work independently, and given enough work time to master their craft. They will then qualify as experienced employees (technicians and managers) or future entrepreneurs. These strategies are intended to achieve significant increases in qualifications and skills to support priorities and initiatives such as the *MEGDP*, the Industrial Policy Action Plan, the Human Resource Development Strategy, and the sector development plans.

## ***BUDGET ALLOCATION (PER PROGRAMME): 2012-2013***

Honourable Speaker;

Having presented our plans, I now table the proposed budget for Vote 6: Department of Economic Development, Environment and Tourism, per programme, for the financial year ending 31 March 2014, which will enable us to carry-out our mandate.

### **Programme 1: Administration**

In order to amongst others, continue to provide political policy directives; administrative, financial and other support functions to the Department, Programme 1 is allocated a total amount of **R84 million, 236 thousand**.

### **Programme 2: Integrated Economic Development**

This Programme is allocated an amount of **R196 million, 866 thousand**, to amongst others, continue to promote and develop small enterprises; facilitate local economic development and ensure the implementation of the Broad-Based Black Economic Empowerment Policy. Included in this budget, is an amount of **R169 million, 410 thousand**, to fund the requirements of the *Mpumalanga Economic Growth Agency (MEGA)*.

### **Programme 3: Trade and Sector Development**

An amount of **R17 million, 720 thousand** has been allocated to Programme 3 to amongst others, continue to ensure growth in exports and investment in the province; and ensure the development of competitive industries. As indicated earlier, the function of enhancing sustainable tourism growth and nature conservation has been removed from this Programme to become a stand-alone Programme, to be known as Programme 7. Subsequently the allocation for both *the MTPA* and the *Zithabiseni Resort* has been moved to Programme 7.

### **Programme 4: Business Regulation and Governance**

Business Regulation and Governance is allocated the total amount of **R75 million, 817 thousand** to continue to ensure compliance with applicable liquor and gambling laws; business practices; and to implement consumer protection and awareness strategies. From this financial year, we have funded the *Mpumalanga Liquor Authority (the MLA)* to the tune of **R6 million, 600 thousand**. Also included in this amount, is **R57 million, 908 thousand** to enable the *Mpumalanga Gambling Board* to continue to fulfil its legislative mandates.

### **Programme 5: Economic Planning**

This Programme is allocated an amount of **R9 million, 833 thousand** to continue to formulate provincial economic policy priorities; drive provincial integrated economic planning and co-ordinate the implementation of the *Mpumalanga Economic Growth and Development Path (the MEGDP)*.

## Programme 6: Environmental Services

In order to amongst others, continue to facilitate sustainable development through environmental planning and governance, environmental awareness; integrated pollution, waste management and the promotion of bio-diversity management in the province, this Programme is allocated a total amount of **R110 million, 375 thousand**.

## Programme 7: Tourism

This new Programme focuses solely on tourism growth and development. In order to continue to enhance sustainable tourism growth, conservation and bio-diversity and to promote Mpumalanga as a world class tourism destination of choice, Programme 7, which deals with Tourism, Conservation and Bio-diversity has been allocated an amount of **R326 million, and 720 thousand**, of which **R304 million, 422 thousand** will be transferred to the *MTPA* and **R19 million** to the *Zithabiseni Resort*.

## PROPOSED TOTAL BUDGET: 2013-2014

Honourable Speaker, Honourable Members;

The total amount proposed to be appropriated to fund the requirements of Vote 6: Department of Economic Development, Environment and Tourism for the 2013/2014 financial year is **R821 million, 567 thousand**. This amount includes transfers to public entities reporting to the Department, totalling **R550 million, 740 thousand**. These transfer amounts represent just over 67% of the proposed budget allocation to the Department. I therefore request this august House to consider and approve the proposed budget of **R821 million, 567 thousand** for Vote 6, for the financial year ending March 2014.

## CONCLUSION

In conclusion, we are confident that the plans we presented to the House this afternoon, and the budget we tabled, will assist the Department to implement its provincial priorities as directed by the Honourable Premier in the *State of the Province Address*. I believe that it is only through meaningful partnership that we can collectively and successfully continue to further improve the lives of our people. We require the hands of all stakeholders to fight the triple **challenges of poverty, unemployment and inequality**. We continue to acknowledge the valuable contribution being made by, and remain indebted to the private sector which is actually the main creators of job opportunities.

As government, we commit to continue to ensure that favourable conditions exist for your businesses to prosper and create the much needed job opportunities. We require your commitment to conserve our endangered bio-diversity and to protect the rhino species from becoming extinct; and for the growth of the tourism sector.

The significance of partnerships in tackling challenges is further stressed by Julia Gillard, the Australian Prime Minister, in the knowledge that ***“At the end of the day, government is about teamwork and partnership, and we will be proving that by working together”*** to resolve the challenges facing us.

As I close, allow me Honourable Speaker to pay homage to our movement, the African National Congress, for continuing to ensure that the dream of “A better life for all” becomes a reality.

My gratitude further goes to the Honourable Premier, Mr DD Mabuza, who is also the Chairperson of the ruling party in the Province, for his far-sighted leadership, guidance and selfless contribution to our collective effort aimed at delivering quality basic services to the people of Mpumalanga.

To my colleagues in the Executive Council and the Provincial Legislature, your support and advice are highly appreciated – thank you very much. My profound gratitude also goes to the Chairperson of the Portfolio Committee on Agriculture, Rural Development; Economic Development, Environment and Tourism, Honourable Member Refiloe Mahlobogoane, and her team for the thorough work and dedication in overseeing the complex work of our Department.

To the Head of *Team dedet*, Dr Vusanani Dlamini, the management and the entire staff of the Department; the Chairpersons, Board Members and CEOs of our Public Entities; as well as our valued stakeholders, your individual and collective contribution is much appreciated.

To Bishop and Mother Bishop MVG Lephoko, thanks for keeping me in your prayers.

To my husband, children and grand children, thank you very much for your support as I continue to discharge my responsibilities in the service of our people.

I leave you with these inspiring words from the book of Galatians 6:9 -

*“And let us not grow weary of doing good, for in due season we will reap, if we do not give up.”*

May the Almighty God give us the wisdom to successfully implement our plans, and to use the budget we are requesting this afternoon effectively and efficiently.

*Working together we can do more* to reduce poverty, unemployment and inequality.

**I thank you!**