



Member of the Executive Council
for Finance, Economic Development and Tourism
MPUMALANGA PROVINCE

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 ANNUAL PERFORMANCE PLAN OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM AND ITS PUBLIC ENTITIES HELD AT THE MPUMALANGA PROVINCIAL LEGISLATURE, CITY OF MBOMBELA LOCAL MUNICIPALITY

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, we 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. Likewise, the **CEOs of our three (3) Public Entities** will do the same when you interact with them later on.

DEPARTMENT

Chairperson;

[RED PART STILL TO BE RE-WORKED – ITS FROM PREVIOUS APPEARANCE BEFORE THE PC]

4. During our last appearance of the Department before this Committee, you were informed that the vacant posts of the **Head of Department and the Chief Financial Officer**, will be filled soon. In this regard, I can report that interview for the HOD post were held, and we hope the Executive Council will pronounce on it soon.
5. In the meantime, the 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.
6. Regarding the CFO position, the post was **widely advertised. The closing date for applications was 19 October 2018**, and internal processes are ongoing to finalise the shortlist and interview the prospective candidates. We are confident that we will fill the post soon.
7. Chairperson, we remain committed to **facilitate economic empowerment opportunities and to promote local economic development** in the Province. Against all odds, we continued to provide financial and non-financial support to SMMEs and Co-operatives.
8. Amongst others, we have **partnered with the Department of Trade and Industry on the Agro-Processing Incentive Scheme** – which is geared towards stimulating investment opportunities for agri-business enterprises.
9. We are currently running workshops Province-wide, to assist small businesses to participate in the Scheme.

PUBLIC ENTITIES:

10. Turning now to our Public Entities;

MEGA (MPUMALANGA ECONOMIC GROWTH AGENCY)

11. *MEGA* is currently facing a leadership crisis. It has **no Accounting Authority** – in the form of a Board – and is **led by an Acting CEO**. In the meantime, the legislation allows me to perform the roles and responsibilities of the Board as the MEC and shareholder representative.
12. As part of ***My First 100 Days in Office*** priorities, I have committed to ensure that normalcy is realised within the Entity.
13. In this regard, I will within days, **appoint 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.
14. One priority matching 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**.
15. 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. Members will recall that the Industrial Park now legally falls within the boundaries of Gauteng Province, within the Tshwane Metro.
16. I must stress that these must be done within *My First 100 Days in Office*.

17. We will, however, not wait for the term of office of the Interim Board to expire; hence we have already called for **Nominations of new Board Members** through newspaper advertisements.
18. 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.

Chairperson;

19. It is unfortunate that we have put the **Government Nutrition Programme** on hold, due to some challenges it was facing. 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*.
20. 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.
21. 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.

MTPA (MPUMALANGA TOURISM AND PARKS AGENCY)

22. 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.
23. Nonetheless, we were able launch the **Nkangala Resistance and Liberation Heritage Route** in March this year. It highlights the key freedom fighters who fought against racial segregation, as well as the destinations that featured prominently during the liberation struggle. The four (4) key towns and sites

forming part of this Heritage Route include **Delmas, eMalahleni, Botshabelo and Mapoch Caves.**

Chairperson;

24. One of the priority area requiring immediate **funding is for the establishment of the Management Authority for the Barberton Makhonjwa Mountains World Heritage Site.** This was one **non-negotiable condition of the inscription** of the Site by *UNESCO*.
25. We cannot, therefore, fail on this one. We need to find funding somewhere to address this issue. If we do not do that, we run the risk of our Site losing its World Heritage status.
26. 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.

MER (MPUMALANGA ECONOMIC REGULATOR)

27. Turning to *MER*, the Entity continues to perform as mandated. 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. Details on how much was collected during the fourth quarter will be provided by the CEO, later on.
28. 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. In a nutshell, we cannot say, with certainty, confirm the number of liquor licenses previously issued, owing to various liquor licensing legislations under which those licenses were issued. The consolidation process is, nonetheless continuing, and will be completed very soon.

29. 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, in case they still wish to continue trading. We hope this will be resolved in due course.
30. Lastly, the Entity is in the process of **reviewing liquor licenses fees**. This follows a benchmark exercise which made us realise that we still charge very low fees, as compared to other Provinces. We want to adjust them to be in line with the national norm.

CONCLUSION

Chairperson and Members;

31. 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.
32. I am aware that you have scheduled separate engagements with our Public Entities later on, where the CEO will also provide details. We, the Acting HOD and myself, would be happy to remain and be part of those engagements, if you wish so.
33. Once again, let me express our appreciation for this engagement, as this guides us in doing our work.
34. ***Let's grow Mpumalanga together!***

I thank you!

