



NORTH WEST PROVINCIAL LEGISLATURE

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PORTFOLIO COMMITTEE ON ECONOMIC DEVELOPMENT & TOURISM

REPORT ON PRESENTATION BY DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM ON THEIR STRATEGIC PLAN – 2009/10.

BRIEF OVERVIEW

1. On the **23rd June 2009**, the provincial Department on Economic Development & Tourism presented to the Portfolio Committee on Economic Development & Tourism their Strategic Plan for 2009/10.

INTRODUCTION

The Department of Economic Development & Tourism has been allocated **R 288 021,000** for the current financial year 2009/10.

OBJECTIVE

The objective of the meeting was for the Committee to receive a presentation from the Department of Economic Development & Tourism on their 2009/10 Strategic Plan. This had to be done in order for the Committee to be informed, as part of processing the budget for the department to be passed in the Provincial Legislature.

PRESENTATION

The Department highlighted;

- The thirty pieces of legislation and policies that encompass the mandate of the Department among them are; The North West Gambling Act of 2002 and the Urban Renewal Strategy.
- The Provincial Growth & Development Strategy (2004 – 2014) has identified eight growth pillars to achieve; 6.6% average growth per annum (2004 – 2014), halving unemployment (2004 – 2014), to raise R6,3 billion investment per annum from public and private sector the department , being responsible for four of the seven established Provincial Growth Development Strategy (PGDS) working groups which are; Small Micro & Medium

Enterprises (SMME) development, Tourism, Manufacturing & Trade and Mining & Energy.

- The challenges that the department faces are;
 - Hiring of Economists.
 - The mandate of the parks development and maintenance through the North West Parks & Tourism Board which is not funded.
 - Inadequate funding, State Owned Enterprises (SOE) are not adequately funded.
 - Salaries are not attractive, they are not competitive either.
 - There is a lack of province specific business incentive schemes that results in high dependency on national treasury handouts.
 - SMME's from rural areas are disadvantaged.
 - Limited private sector participation, there is also lack of integration with other levels of government whether it be at national level or district municipality level.

- The Department gave a break-down of their expenditure for 2009/10 which is;

<u>PROGRAMME</u>	<u>2009/2010</u> <u>MTEF</u>
1. ADMINISTRATION	44,684
2. INTERGRATED ECONOMIC DEVELOPMENT SERVICES	16,439
3. TRADE & INDUSTRY PROMOTION	196,079
4. BUSINESS REGULATION & GOVERNANCE	24, 479
5. ECONOMIC PLANNING	6,340
TOTAL AMOUNT	288,021

The Department's transfers to its Public Entities are;

<u>PROGRAMME</u>	<u>2009/2010</u> <u>MTEF</u>
MIDZ (Operations)	8,482
(Infrastructure)	30,000
Invest North West	16,416
North West Gambling Board	12,277
North West Parks Board	120,277
TOTAL AMOUNT	187,452

The North West Development Corporation is one public entity that has not ever been funded by the Department since 1994, except funds allocated for refurbishment of its industrial flats.

This then leaves the department with **R 100,569 00.**

- How the department will be managing their finances, among those performance indicators are; collaborating information on

and monitoring their cash flows, the preparation of financial reports and aligning the Departmental budget to its annual performance.

- The communication activities of the department are; written media invites, media briefings, radio interviews, articles and advertorials, media monitoring & analysis reports, radio scripts for talk shows and media research reports.
- The Intergraded Economic Development Programme, which aims to review the current SMME Strategy, enhance economic empowerment therefore by having a number of BBBEEE workshops.
- The business plan of Mafikeng Industrial Zone (MIDZ) has been presented to the Department of Trade & Industry and the department is waiting for a response from the Minister.
- That all liquor acts should be synergized throughout the country.
- That the department is at an advanced stage of erecting a Consumer Court which will also be used for liquor issues. The landlord is currently redesigning the building which belongs to North West Development Corporation (NWDC).
- A new National Commission for Planning & Evaluation has been set up.

QUESTIONS

- Mafikeng Industrial Zone (MIDZ) has outdated reports, what are their terms of reference?
- What is happening to the Canadian Trust that was setup in conjunction with the department to make jewellery out of platinum?
- How do Black Economic Empowerment (BEE) and Local Economic Development (LED) synchronise?
- Why are the communications functions scattered and not under one unit?
- What impact has the Provincial Growth Development Strategy (PGDS) had in the last five years?
- What are the core functions of North West Development Corporation (NWDC)? and can the department name a few concrete things that NWDC has done.
- Is there gender compliance in the department as most of the delegation from the department consists of men?
- Has the budget of the department grown?
- Is capacity in the department being strengthened internally?
- Are there institutions that are available for gamblers to go for rehabilitation?
- Is MIDZ a legal entity?
- Would it be possible for MEC's and MMC's to synergise ?
- What has happened to the transfers of R25 million from ABSA to NWDC?
- Is NWDC viable and can it stand on its own?
- How does North West Parks & Tourism Board assist in terms of SMME's?

- How many car washes are there and where are they in the province?
- What are the core functions of Small Enterprise Development Agency (SEDA), and where does it get its' money from?

CONCERNS

- The empowerment of SMME's is not followed up.
- MIDZ is still been funded by the department though they have not submitted audited financial statements for close to nine years.
- There are no Economists in the department.

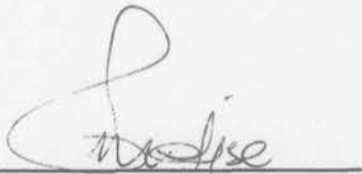
RECOMMENDATIONS

- The filling of vacant posts be done hastily.
- The Committee requires business plans on five of the public entities namely; Invest North West, North West Development Corporation, North West Parks & Tourism Board, North West Gambling Board and Liquor Board.
- More emphasis needs to be put into the Provincial Growth Development Strategy.
- The department should develop a strategy to counteract the economic meltdown that is affecting the world currently, so that economic stabilization is harnessed in the province.

- Small Micro & Medium Enterprises (SMME) be assisted by the department through a programme and follow ups be done on them, rating their success or non-success.
- The department should ensure that audited financial statements are in place for MIDZ before releasing the funds allocated for it.

The Committee recommends that the Provincial Legislature adopt the budget for the Department of Economic Development & Tourism of **R 288,021 000** for the financial year 2009/10.

SIGNED



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**CHAIRPERSON: FINANCE, ECONOMIC DEVELOPMENT &
TOURISM**

05 - 07 - 09

DATE