

**SPEAKING NOTES FOR THE HONOURABLE KWAZULU NATAL PREMIER, MR. SE MCHUNU DURING  
SAICA DEVELOPMENT CAMP: GALA DINNER AND AWARDS**

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Distinguished Guests

Ladies and Gentlemen

It is my greatest pleasure to be part of this very important initiative undertaken by the South African Institute of Chartered accountants. I would like to extend my warmest appreciation for being invited in such an auspicious occasion where our youth are being assisted and encouraged to pursue such a noble scarce skills of accounting. It is very important to note that a dramatic rise of unemployment that is causing so much headache for government's world over, is due to unavailability of scarce skills which sometimes can be attributed to our ugly past.

I must first start by acknowledging the good work that has been done by SAICA and its partners of investing in the future of our children. It is a very positive coincidence that this function take place during the month of July where we are celebrating the philanthropic work of our founding

democratic President Nelson Mandela. He spent 67 years making a world a better place, and his birthday is on the 18<sup>th</sup> of July. A call is out for people everywhere to celebrate his birthday by acting on the idea that each person has the power to change the world. I must thank SAICA and partners for making such a significant impact in the lives of our children.

Manpower Group has noted a series of demographic and economic shifts in the global economy which has transformed the latter into what has been termed the “Human Age”. Yet too many young people are left behind. The major ingredient for economic success in the Human Age are appropriate skills which the current education being offered to young people and skills mismatch have ensured their exclusion from this great economic transformation, have rendered many formerly scarce resources abundant, while the key constraints on economic and business development have become skills, knowledge, and talent embodied in individual workers. In the Human Age, economic success and failure will increasingly be determined by strategic acquisition and management by business and individuals of economically relevant skills. There is now a general consensus that the major cause of this phenomenon is the lack of relevant skills and information. It is in this context that we applaud this initiative by SAICA of giving the possibility of a better future to our children.

The Provincial Government of KwaZulu Natal is doing a vast amount of work through its Youth Chief Directorate in order to ensure that youth issues are always in the Provincial agenda. Through its innovative ways of trying to respond to today’s challenges, the Youth Directorate has identified the following programmes to challenges faced by our youth.

- Work integrated Learning

- KZN Youth Technical Short Skills Training
- Learner and Teacher School Support for Grade 12
- Project Sukuma
- Youth Infrastructure Development
- Support the Creation of New Venture
- SMME's and Cooperatives by youth in Economic Sector
- Youth Procurement and Enterprise Development System and Support, and many other programmes which are specifically designed to address scarce skills.

As a profession South African accounting is a pioneer. It enjoys high international recognition for the strength of the profession's financial auditing and reporting standards. South Africa's persistent emphasis on high standards of accounting education and practical training led to the formulation of South Africa's Generally Accepted Accounting Principles (GAAP), which is now called GRAP (Generally Recognized Accounting Practice), of a sufficiently compliant standard. This has resulted in a smooth implementation of international reporting standards. This competence is a comforting thought for South African businesses and financial institutions, as well as investors.

The number of CAs in South Africa has since doubled if we count from 1990. But we are also very much aware of the accounting skills shortage in our Province and country. Some labour experts pose it as a challenge, as well as an opportunity for growth. Accounting can really be a catalyst for change, not only on the public sector but also in the SMME sector. However, growth of such a critical profession, without concomitant growth in the number of Black Chartered Accountants, undermines this progress. We note that, regardless of the extensive efforts of government and

other organizations, the CA profession continues to be grossly untransformed. Based on recent statistics, in 34,600 registered Chartered Accountants in South Africa, only 20% (6,929) are African, Coloured, Indian, with Black women comprising only 8, 7%. There are only 2,484 African Black Chartered Accountants which constitutes only 7, 2% of all registered CA's.

We have come a long way since the first Mesopotamian and Egyptian “accountants” wrote transactions with a wooden rod on moist clay tablets or papyrus sheets. The Egyptian bookkeepers associated with each storehouse kept meticulous records, which were checked by an elaborate internal verification system. These early accountants had good reason to be honest and accurate. Irregularities disclosed by royal audits were punishable by fine, mutilation or even death.

Accounting has since developed into an integral component of modern organizational and social management. It plays an influential role in all institutional layers of society and at the same time accounting information has become part of the global knowledge explosion. This has sparked off a growing demand for financial information, disclosure of financial information and transparency of transactions.

Accounting today also helps the government in developing a basis for taxation and facilitates more general economic management of policies to help economic growth and social well-being.

It is important that we pull out all stops in our Province and our Country if we were to address the triple challenges of poverty, unemployment and inequality. The tone in KwaZulu-Natal is upbeat. Like the entrepreneur Fred Adler said “happiness is a positive cash flow.”

I wish all learners who participated in this camp a successful journey to your career of choice. This is but the beginning. You can even jump higher.

We can take our cue from fleas. A flea, yes, that little bloodsucking insect, has an amazing ability to jump. A flea can jump 200 times the length of its own body, (about 1.5 mm to 3 mm). If grown humans could jump the length of their bodies they would have jumped over 300 metres! Imagine if humans had this boundless ability in moving to our goals.

A flea trainer will tell you that once you have put fleas in a closed jar, they will try to jump out but will hit the lid of the jar with tremendous force. After about 30 minutes you can take the lid off and the fleas will not jump out, even though they now have the opportunity to jump much higher and further.

Let us not restrict ourselves, not at work, not in our personal lives, not in our Province and not in our country. We can jump higher and further, if we refuse to be influenced by the negativity of circumstances and others.

I thank you