

Media Statement

17 June 2024

SEDIBENG DISTRICT MUNICIPALITY IS OPEN FOR BUSINESS, JOB CREATION AND SKILL DEVELOPMENT

The Executive Mayor, Cllr Lerato Maloka emphasized that “Sedibeng District Municipality is finalizing partnership with Public Private Growth Initiative (PPGI) within the District Development Model (DDM) to accelerate socio-economic interventions, projects, services delivery and infrastructure development to uplift the livelihood of our residents and stakeholders in our three local municipalities” during her State of District Address (SoDA) on Friday, 15 June 2022 at Vaal Teknorama.

This year’s address was delivered under the theme **“30 years of freedom: democracy and partnership for economic growth”** which coincides with the 48th anniversary of the fateful 16th of June 1976, when the youth took to the streets protesting the use of Afrikaans as the medium of instruction in schools during the apartheid government. The event was attended by Emfuleni and Midvaal Local Municipality, Executive Mayors Cllr Siphon Radebe and Cllr Peter Texiera respectively, Members of the Mayoral Committees, Municipal Managers and various stakeholders.

2023-2024 IDP PROGRAMMES AND PROJECTS PROGRESS

In 2021/22 financial year, the SDM received an unqualified audit outcome with 116 findings from the Auditor General and currently stand at 5 audit findings to be addressed before the end of the financial year 2023/24.

In the next 2 months, the appointment of CFO and Executive Directors for Community Services, and Transport, Infrastructure and Environment is to be finalized. Executive Mayor provided the progress on 2022/23 projects interventions to strengthen private sector involvement through partnerships or (Private Public Partnerships), to re-industrialise, modernise and transform our socio-economic landscape.

Sedibeng District has appointed a panel of investors, consultants and developers to provide capital funding and implement a turnaround solution on the identified projects on risk basis for a period of thirty-six (36) months, and intended beyond. Seven (7) companies have been appointed for our various precinct projects namely; Vereeniging Fresh Produce Market, Government Precinct, Doornkuil Precinct, Vaal Teknorama, Green Energy, Solar Plant Development, and Billboard/Signage for revenue enhancement.

Sedibeng District Municipality (SDM) procured goods and services from over 350 suppliers amounting to R19 million. And this can be broken down as follows: 80% from Black-owned suppliers, of which 32% was from Emerging enterprises.

The district municipality purchased 24% goods from the Township based suppliers, another 24% goods purchased were from women owned businesses, meanwhile 85% goods purchased were from men-owned suppliers, and the lowest 9% goods purchased were from youth owned suppliers and less than 1% goods purchased were from people living with disabilities. In the coming financial year, the district encourages more youth owned businesses to participate in procurement opportunities and the Mayoral Committee will be playing the oversight role to ensure for their participation in these economic opportunities.

The Executive Mayor, Cllr L Maloka emphasized the moral responsibility and obligation of the district on youth economic development via business, learnerships and internships namely: EmpowaWorx partnership for the next three (3) years to host the Vaal EmpowaYouth Week, Food and Beverage SETA International Digital Skills Programme which benefited 100 learners, Food Handling and Food Packaging learnership, Sedibeng College TVET and Services SETA partnership to benefit 40 individuals skilled in various aspect of business management, administration and operations.

In line with the District Development Model (DDM), the Executive Mayor applauded DMS Powders in Midvaal, Ceramics and CBI in Emfuleni for their participation and assistance during the Greening and Cleaning Programme in providing Personal Protective Equipment (PPEs) and the cleaning material.

A partnership with ArcelorMittal to establishment an Environmental Health Operation Centre, and renovations are in progress at a cost of R1.5 million to house the environmental officials at the end of July 2024, and establishment of a Landfill site in Emfuleni to the value of R40 million and is currently on tender by Arcelor Mittal. Upon completion, the Landfill site will be handed over to Emfuleni Local Municipality.

The district has partnered with Commission for Gender Equality (CGE) and other stakeholders for women empowerment in all three local municipalities. During 2023/2024 financial year it has hosted the following initiatives; Gender Based Violence and Femicide (GBVF) and Women in Business Empowerment in Emfuleni; Gender Equality and mental Health in Lesedi and in Midvaal, Gender Equality, Mental Health

INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET 2024-2025

The Executive Mayor, Cllr Lerato Maloka shared the District Budget for 2024/25 financial year is as follows; total revenue budgeted amount is R420,672 million and the biggest contributors are grants namely; equitable share, Local government financial management grant, EPWP Grant, HIV/AIDS Grant, Rural Roads Management System Grant, and the Energy saving grant. Whereas Agency fees from the licensing service on behalf of the Department of Transport amounts to R74,446 million.

The total expenditure budgeted amounts to R437,388 million and employee costs remain the biggest cost driver, which constitutes 77% of the operating expenditure. The 2024/25 Operational budget has resulted in a deficit of R16, 716 million due to the 4,5% salary increment as compared to the 2023/24 deficit of R14 283, 620.

2024 – 2025 INTEGRATED DEVELOPMENT PLAN (IDP) AND BUDGET ENVIRONMENT

The 2024/25 Budget is negatively affected by numerous factors, and chief amongst them are; the district is grant dependent municipality and we have less revenue generation functions, equitable share growth was an average of 2,72% per annum in the past 12 years, whereas our employee costs increased by between 5-6% annually.

The district performs underfunded mandates through the (Disaster Management Services, Health and Social Development Services, Sports, Recreation, Arts and Culture, and Municipal Health Services (MHS) and these negatively affect our financial position. The impact of Loadshedding causes loss on revenue from the operations of particularly the Vereeniging Fresh Produce Market and the Licensing Centres; the Loss of revenue from the municipal buildings such as the Theatre and Halls due to lack of capital to maintain them.

ECONOMIC DEVELOPMENT IN SEDIBENG REGION

Sedibeng District Municipality's plan to regenerate our district's economy, and support new economic activities depends on the success of the Vaal Special Economic Zone (VSEZ). To date an investment commitment of a total of R40 billion was secured to be spread across the 3000 hectares within the three municipalities land parcels. R8 billion will be immediately spent in the first quarter of 2025 in Lesedi Local Municipality by two investors for the construction of Chloralkaline plant creating 100 jobs. Meanwhile, the second investment will be for the manufacturing of composite gas cylinders to create 550 jobs. Site clearing and fencing has already started.

The development of a stationary fuel cell in Emfuleni will break ground in the 3rd Quarter of 2025. The SEZ is giving the necessary attention on the plan to implement renewable energy projects to counter act loadshedding. Hence, collaboration with ArcelorMittal. The interprovincial SEZ agreement provides for 1050 hectares to be added from the neighbouring municipalities in the Free State. Each project situated in three municipalities is at a different project stage. And each has a different starting or ending date to be noted.

THE VAAL AEROTROPOLIS

The Aerotropolis will be managed through a special economic zone (SEZ) to ensure that effective and efficient management is achieved and financial benefits associated with SEZ are accessed. The area of the SEZ will be around 12000ha providing large tracts of land for agricultural purposes and solar farming besides the airport.

The estimated cost of the project is approximately R22 600 000 000 excluding VAT and is made of the following components; bulk infrastructure amounting to R3 300 000 000, Airport amounting to R12 200 000 000, trade zones amounting to R760 000 000, agri and support zone amounting to R 330 000 000 and other costs amounting to R2 621 000 000.

The number of direct jobs that will be created during construction will be around 12000 and thereafter 6000 permanent jobs will remain for the functioning of Aerotropolis. All these investments are aimed to improving the lives of our people through the economic infrastructural development and training and skills development.

Executive Mayor, Cllr Lerato Maloka emphasized that “Sedibeng District Municipality is indeed open for business in agro-processing, tourism, blue economy and heritage to reclaim the Vaal’s economy to deepen democracy, partnership and growth” during her State of the District Address.

Ends

Issued by Sedibeng District Municipality

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