



Address by the Sedibeng District Municipality Executive Mayor, Cllr. Mahole Simon Mofokeng on the occasion of the IDP Business Consultative Breakfast Meeting held at the Vereeniging Banquet Hall on the 05th May 2010 at Vereeniging, in Sedibeng

Programme Director;

Members of the Mayoral Committee

Distinguished Members of the Business Fraternity

Executive Directors

Ladies and Gentlemen

Programme Director, I rise to greet the leadership of the Business Fraternity here present, who took their time from the busy schedules to grace us with their presence here today, to this important IDP Business Breakfast. This is indicative of their will and commitment to ensure that Sedibeng District Municipality, their home and habitat, is very close to their hearts.

Of course home is where love is; home is where heart is and home is where we belong, that's Sedibeng District Municipal area.

Your being here demonstrates that the continued survival and sustainability of Sedibeng District Municipality is as much your business as is the survival and sustainability of your own businesses. Both cannot survive independently – but interdependently.

Let me clarify it that when I talk of Sedibeng District Municipality, I mean both the institution and the municipal area. It is only when Sedibeng, the institution carries out and achieve its constitutional obligation of being a developmental local government whose objective is to build a better life for all our people that the Sedibeng District Municipal Area will be a home that we are proud of, and to live at.

Ladies and Gentlemen; in terms of Act. 103 of 1996, the Constitution of the Republic of South Africa, the developmental mandate of the local government is that it must structure and manage all its resources so that it give priority to the basic needs of the community, and to promote the social and the economic development of the community and that it must also participate in the National and the Provincial governments' development programmes.

In order to respond to its developmental mandate the developmental local government must carry out the planning that is developmentally orientated. The developmentally orientated planning can only be achieved by formulating the Integrated Development Plan in consultation with, as well as the involvement of all the stakeholders in the area of its

jurisdiction. Once adopted by a council of a Municipality the IDP becomes the principal strategic planning instrument, which guides and informs all planning, and development, and all decisions with regard to the planning, management and development. The budget of a municipality must be informed by the IDP and be aligned to it.

The Strategic Planning Instrument, IDP must clearly provide information in regard to the status-quo analysis which should include the levels of services as well as communities without basic services; socio-economic situation as well as the institutional inefficiencies including productivity levels.

The analysis must also indicate the status of the infrastructure as well as the maintenance level thereof. It must contain clearly worked out and the emerging vision-mission and the strategies to deal with the challenges as unearthed or revealed during the status-quo analysis, it must also indicate the necessary projects identified to implement the strategies as well as the systems put in place to monitor performance in the process of implementing these projects.

This monitoring mechanism is commonly referred to as SMART plan, which means the plan that is simple, measurable, achievable and realistic with clear timelines – and this is our Service Delivery Budget Implementation Plans commonly referred to as SDBIP.

According to its most common definition a developmental state or local government is the one that intervenes effectively to promote the social and economic development in its region, town, or country. The intervention as part of the strategic shift as informed by the status-quo analysis report must take place at two levels for it to be successful.

Firstly, it intervenes to ensure that the public sector or the local government is managed like a business. It must part ways with the traditional ways of doing things, both at political and administrative level.

Its organisational structure at both political and administrative level must be geared towards the achievement of this new mandate, of promoting the social and the economic as well as the material needs of the community; **“It can’t be business as usual”**. In responding to this requirements or challenges SDM like all municipalities in the country has been instructed by the Ministry for COGTA to develop a Turn Around Strategy.

Our IDP 2010/2011 Review Process include a Chapter on the TAS. The TAS we are developing amongst others indicate that we must embark on the process of restructuring some of our service delivery mechanisms. The restructuring process involves treating the assets and the activities of a council as a whole, and examining their impact on the economic and

social change in the council's home area, as well as to the institution itself. As it is being implemented the restructuring process involves undergoing structural adjustment to promote efficiency and the programme to enhance revenue, as well as investigation and the implementation of the alternative service delivery mechanisms guided by the relevant pieces of legislation, the municipal systems act.

The mechanism to be followed on service delivery is guided by the principle of provision of the quality services to all communities in a sustainable as well as cost effective manner.

Secondly, it intervenes to ensure that the private sector is reinvesting its profit back in the town to facilitate economic growth and development and to create employment by discouraging speculative investment. In order to achieve this amongst others the council must ensure that its policy regime is geared in such a way that it facilitates growth and development. Its attitude towards business and the way it inter-acts with business is also a major contributing factor.

At the level of SDSM a number of meetings were and are held with the existing business to win their confidence, so as to make them feel at home. I will expand a bit more on the matter latter on my input. Serious

attention is being given to the needs of the local business including the improvement in the manner the council is servicing them. Most importantly the improvement to the timeframes or response time in regard to the processing of the development applications by our local municipalities in particular, forms part of interventions.

Other form of intervention is to foster partnerships and collaborations amongst the local business as well as their partnership and collaboration with a council of a municipality.

As guided by the Strategic Planning Instrument one of the most striking policy aspects of the new developmental within South African local government in the current phase is the effort to co-ordinate the activities of the local council as a whole and to focus on the priority developmental objectives and for us this are expressed in our GDS.

The functioning of the local government has been re-orientated from being inward looking to being outward looking, from being only just services orientated to being developmentally orientated. In addition to the provision of the engineering and social services the council must develop the communities in all aspects of life.

I would love to engage in lighthearted banter to ease the mood and tone, but our IDP is serious business to the Municipality and our people from all walks of life – social and economic orientation and formations.

Interaction with business is a important exercise to our Municipality. To that end, I would without much further ado, lead the charge into the real business of the day. Programme Director, I hope you will allow me to discharge this prerogative.

Programme Director, our IDP for the financial year 2010/11, like the four IDPs before, is based on our first generation Sedibeng Growth and Development Strategy, the GDS. The GDS provides a broad framework for the District for the years to come, to be achieved regardless of changes to political leadership. In the light of the planning commission, which was given life by the appointment of commissioners by the State President, Honorable Jacob Zuma last week, our GDS implementation progress is placed into the spotlight.

Let me inform the business community that we have recently concluded a number of projects aimed at enhancing our ongoing scanning of the area we live in. These have seen Sedibeng adopting the Informal Traders Strategy to harness good business practices between big retail businesses and Small and Medium Enterprises.

The project around Sedibeng Territorial Review aimed at understanding behavior of our economy so that appropriate intervention mechanisms and strategies can be deployed was completed with the help from the Presidency Office.

This project was precisely embarked on to ensure that there is effective planning, coordination and implementation between spheres of government and stakeholders in a manner similar to the gathering of today. We are also proud to mention that we have completed the Sedibeng Steel Sector Strategy to consolidate and expand our metal industry.

In our endeavor to mobilize and organize business by sector by size we are making strides in many areas of economic development opportunities like the establishment of the steel sector strategy alluded to, in line with our GDS – IDPs .

The 2010/2011 IDP process will see the SDM and locals moving in accelerated pace through stakeholders and sector forums engagements. This is made so, in view of the fact that it would be tested against National Priority areas. If it falls short, we would as a District be falling short of

National Priorities. Let me quickly allay your fears, a lot of effort has gone into the GDS, it has and will stand the test of time.

Our GDS has five key pillars, which I hope and call on the business fraternity to engage and adopt as their own. For the continued survival and development of Sedibeng District is bound to the continued survival and development of Business. These pillars are:

- **Reinventing our Economy**

There are six strategies identified to guide the implementation of key deliverables to reinvent our economy in the Sedibeng region through consolidating the existing sectors and exploring new sectors of growth and these strategies are:

- 1.Support the consolidation and expansion of the Metal, Energy and Construction Sector
- 2.Promote and Develop Tourism and Leisure Sectors
- 3.Promote and Develop Agriculture Sector
- 4.Promote opportunities for Increased Inclusivity in the Economy
- 5.Ensure integrated Economic Development and Investment through the Vaal 21 Initiative

6. Consolidate, Review and Monitor the Sedibeng Growth and Development Strategy.

In the light of these strategies progress has been made in areas of steel, construction and more is still outstanding in the energy sector. Our economic development initiatives are easily understood through our programmes and projects of precincts projects, CBD Regeneration, private developments like Heineken, Eye of Africa, and tourism offerings.

The inaugural Sedibeng Tourism Awards which were held on 20 April 2010 at the Riverside Hotel & Conference Centre in Vanderbijlpark. The awards, aimed at local tourism and hospitality businesses in the Sedibeng region, recognised service excellence and gave due appreciation to these businesses for achieving high standards in the tourism industry.

In short we continue to appreciate developments around 2010 as we will be the host for 3 countries namely Switzerland, Mexico and Ivory Coast. This session will provide us with an opportunity to reflect on areas of shortcomings and challenges facing our business community.

Working together with our people and our local municipalities we have achieved more in fulfilling our constitutional obligation of giving priority to the basic needs of the community and to promote their social and

economic needs by accelerating the process of basic services delivery infrastructural developments including supporting, consolidation and expansion of the economic sectors in our region.

As part of the consolidation and the expansion of the metal, energy and construction sectors, working in partnership with GEDA we have established a Steel Forum. In addition a Service provider was appointed to develop the sector strategy.

Dear Business Community, this will see the growth of the steel/metal, energy, construction and related industries in the region which is aligned to Asgisa and the Apex priority related to industrial policy to create employment opportunities in our region.

We have provided strong and visionary local political leadership to the business community by launching a factory-to-factory visit whose aim is to consolidate and enhance the confidence of the business community in our area to the leadership of the government therefore encouraging the retention and growth of the existing enterprises. This is starting to bear positive results as it can be seen by expansion of some of the existing businesses.

The retail sector is realising growth in that there is an investment to the tune of about R400million to our area developing Makro Warehouse and Builders' Warehouse in Bedworth-park including further expansion of the Evaton Plaza.

There is an interest shown in investing further in the retail industry in our region though the ERP's Eastern Precinct, which includes the commercial housing project.

The Coca-cola South Africa has also finalised signing of all necessary legal documentation with Lesedi Local Municipality to invest another R400million in the process for the drawing of the spring water from underground.

The Karan Beef is also investing hundreds of million rand in the process to convert the gas coming out the animal excretion into a clean renewable energy.

Moreover, ladies and gentlemen, an incentive policy to further attract and retain industries in the region as a mechanism to fight poverty through creating and retaining employment opportunities was developed and is in the process of implementation with the Locals.

Ladies and Gentlemen, I have no doubt in my mind that we are going to deliver on these strategies.

Our ability to deliver will in main hinge on your active involvement and participation. I call on your to take up this challenge to push us to the limit to make sure that we deliver on all of the above. Our inability to deliver, heaven forbid, will be a serious indictment on all our part.

Programme Director; let me quickly say that we only have twelve months to deliver on these strategies. We have to be seen to be providing speedy service delivery to our communities. I believe that working as partners, in unison with our Business Fraternity, these strategies will go a long way in putting Sedibeng District Municipality on the pedestal, which is where we belong.

Finally, let me make a few comments about external pressures that every municipality must deal with. The funding model for the district is not strong and we lack the ability to deal with infrastructure renewal and other services costs through our own revenue initiatives.

Sedibeng District Municipality accorded title of 'Ambassador of Operation Clean Audit' by Minister of Co-operative Governance & Traditional Affairs. At the launch, Minister Shiceka had bestowed Sedibeng District Municipality with the title of “Ambassador of Operation Clean Audit” and

awarded the municipality a certificate in recognition of their unqualified audit opinion in 2007/2008.

I want to end this morning by making a point I have made many times before. While I believe we can run the municipality in a business-like fashion, the district is not a business. It is an extension of our homes and a reflection of who we are and who we want to be, so not all decisions are just about money.

To that end, the Sedibeng District Municipality, has adopted Mittah Molete, a victim of the Boipatong Massacre, who was crippled at a very young age, to provide her with all her educational needs.

She is currently doing well at tertiary level. Her family house in Boipatong however, does not offer her much mobility as it is not compliant to her needs as a person living with a disability. The Municipality has set aside an amount of R 200 000.00 to build the family house. I take this opportunity to challenge the Business Fraternity here present to give of themselves, in order to build a fitting house by the end of July 2010.

In conclusion, I call on all of us here present, to take active part in the implementation of these strategies and execution of these key deliverables of our IDP.

I challenge you to find space in the entire IDP, to identify areas in which you and the Municipality can innovate for the common good of all the people of Sedibeng District in particular and the country in general. I call on the Business Fraternity to take up this challenge in earnest, for the continued growth of business in Sedibeng is in our interest.

I Thank You.