



## EXCO MEDIA STATEMENT

**For Immediate Release**

**All Media Houses**

**Date: 23 May 2025**

### **EXCO ASSESS SEZ ESTABLISHMENT AS WELL AS DISPOSAL OF STATE PROPERTIES AND LOCAL GOVERNMENT SUPPORT**

The socio-economic challenges affecting communities in Mpumalanga has become a permanent item in the sittings of the Executive Council (EXCO). The Premier, Mr Mandla Ndlovu says expectations are always high for EXCO to address the challenges, as communities expect decisive decisions that will improve their lives.

On Wednesday, the discussions centred around the Special Economic Zone (SEZ) in the Nkomazi Local Municipality, the disposal of state properties and invoking of Section 106 (b) in one of the 17 local municipalities in the province, during the sitting at Ehlanzeni District Council Chamber.

#### **1. PROGRESS FOR THE FUNCTIONALITY OF THE SEZ**

Recently, EXCO approved the appointment of the Chief Executive Officer of the SEZ, a strategic position to advance the functionality of the Public Entity. The appointment of the CEO came after filling of the Chief Financial Officer's position and the appointment of the board.

The entity is classified as an industrial engine to increase agricultural produce throughout the agricultural value chain, increase cross-border trade and export to Africa and attract Direct Foreign and Domestic Investment.

EXCO noted that a Five-Year Strategic Plan and an Annual Performance Plan have been developed, while governance structure is already in place. The process to fill seven critical positions is already underway.

Plans are at an advanced stage for the entity to start participating in strategic investment events to attract investors into the economic development initiatives. EXCO approved the SEZ's progress report and directed the entity to implement all plans for operationalization.

#### **2. DISPOSAL OF STATE PROPERTIES**

1 493 houses are registered as properties of the state in Mpumalanga. The houses are located in seven municipalities across the Gert Sibande, Nkangala, and Ehlanzeni Districts, as well as the Bohlabela region.

EXCO noted that it is costly to maintain the properties. The Department of Public Works, Roads and Transport has developed a plan to sell them in phases.

In the first phase 171 of them will be sold, while the remaining batch will be sold in April 2026. Preference will be given to public servants who are currently occupying them legally. The houses will be auctioned as a second option, should the first attempt fail to yield the desired outcome.

EXCO approved the plan to dispose the houses, as a viable option.

### **3. OUTBOUND MISSION TO THE REPUBLIC OF CHINA**

A plan to establish trade relations with strategic cities in the People's Republic of China was tabled during the sitting. This as the province is planning to undertake an outbound mission to engage potential investors in the food chain and logistics industry, for the purpose of operationalizing the Mpumalanga International Fresh Produce Market (MIFPM). The visit will focus on three cities, namely: Tianshui, Longyan and Xiamen.

EXCO views the mission as a significant step towards laying a strong foundation for the operationalization of the market. The plan was approved to give effect to the aspiration of creating multiple job opportunities, through operationalization of the first large-scale market infrastructure in the province.

The Premier Ndlovu will lead an entourage of MECs and senior government officials for the mission, from the 14<sup>th</sup> to the 23<sup>rd</sup> of June 2025.

### **4. IMPLEMENTATION OF SECTION 106 INVESTIGATION IN THE NKOMAZI MUNICIPALITY**

A report which details allegations of maladministration at the Nkomazi Local Municipality was presented to EXCO. These allegations include, but not limited to the following:

- The perennial failure of the municipality to produce and submit bank statement(s) as evidence that grant funds are cash backed
- The embezzlement of R81.5m.
- The spending of allocated grants for other activities which were not allocated for.
- Continuous non-payment of third parties.
- Employment of staff without advertisement of posts and recruitment process.
- Rampant protests among staff members and allegations of mistreatment.

The Municipal Manager has since resigned and a senior official has been appointed to act in the position until it is filled.

EXCO viewed the allegations in a serious light and resolved to invoke Section 106 (b) of the Municipal Systems Act, for an in depth investigation.

EXCO approved the following recommendations:

- That an independent investigation team, with the requisite legal, financial and forensic expertise, be appointed.
- That the investigation process be concluded within a period of between 60 and 90 days.
- That a report back with findings, recommendations and actions be submitted to EXCO.
- That the Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) and the Provincial Treasury urgently send a Task Team to the municipality to help with financial recovery and turnaround, including the collection of debts owed to the municipality in order to assist with revenue collection.

## **5. APPOINTMENT**

### **4.1 Department of Health:**

EXCO approved the appointment of Ms Gladness Ndlovu as Chief Executive Officer of the Ermelo hospital. Ms Ndlovu has been working at the Evander hospital, and is credited as an experienced public servant, with a period spanning over ten years in the public service.

Ends...

### **Issued by the Mpumalanga Provincial Government**

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