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# MetroMonitor report: June 2023

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5 JULY 2023

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## THE THIRD REPUBLIC

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# Glossary

AGM	Annual General Meeting
CFO	Chief Financial Officer
COGTA	(Department of) Cooperative Governance and Traditional Affairs
DBSA	Development Bank of Southern Africa
DM	District Municipality
DAC	Department of Sports, Arts and Culture
DWS	Department of Water and Sanitation
GFIS	Group Forensic and Investigation Services (City of Johannesburg)
IDP	Integrated Development Plan
IPP	Independent Power Producer
JPC	Johannesburg Property Company
JRA	Johannesburg Roads Agency
Mayco	Mayoral Committee
ME	Municipal Entity
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MM / CM	Municipal Manager / City Manager
MMC	Member of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MPL	Member of the Provincial Legislature
MSA	Municipal Systems Act
MSDF	Mangaung Service Delivery Forum
NERSA	National Energy Regulator of South Africa
PR	Proportional Representation
PTT	Provincial Task Team
REC	Regional Executive Committee
RTT	Regional Task Team
SAMWU	South African Municipal Workers' Union
SANS	South African National Standards
SCA	Supreme Court of Appeal
SOCA	State of the City Address
SOE	State-owned Enterprise

## Parties and coalitions

AASD	Afrikan Alliance of Social Democrats
ABC	Abantu Batho Congress
ACC	Active Citizens Coalition
ACDP	African Christian Democratic Party

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AIC	African Independent Congress
AIM	Abantu Integrity Movement
ANC	African National Congress
APC	African People's Convention
ATM	African Transformation Movement
CMP	Cape Muslim Party
COPE	Congress of the People
DA	Democratic Alliance
DOP	Defenders of the People
EFF	Economic Freedom Fighters
FF+	Freedom Front Plus
GLU	Government of Local Unity (ANC, EFF, PA, others)
IFP	Inkatha Freedom Party
IRASA	Independent Ratepayers Association of South Africa
MPC	Multi-Party Coalition (DA, ActionSA, IFP, FF+, ACDP, others)
NA	Northern Alliance
PA	Patriotic Alliance
PAC	Pan Africanist Congress
RCT	Republican Conference of Tshwane
UDM	United Democratic Movement
UIM	United Independent Movement

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# Summary

## Bleak budget outlooks and worsening service delivery

### Most metros struggled to collect revenue

June is the deadline for municipalities to pass their budgets for the new financial year, beginning on July 1. Most of the metros met their deadline, although it is still unclear whether [Mangaung](#) passed its budget on time. [Opposition parties](#) in many municipalities [criticised](#) the budgets passed, although this was expected.

Most metros are struggling with revenue collection; Johannesburg reported that it had a cash-flow deficit of R4-billion, while Tshwane [owes Eskom](#) R1.9-billion.

### Service delivery failures stalk the metros

Service delivery has been suffering as a result of metros' poor financial health, with [ageing water infrastructure](#) in Johannesburg leading to multiple pumping failures. The cholera crisis in Tshwane is also partly due to underinvestment in infrastructure, which the DA-led coalition [committed to addressing](#) in the 2023/24 budget.

In Ekurhuleni, some residents did not have water or electricity for [20 days](#), while Cape Town battled to process [applications for home solar systems](#). Ethekwini also [struggled to provide water](#) to several suburbs due to problems with a pumping station. [Concerns were raised](#) in Nelson Mandela Bay over the levels of bromodichloromethane in the water.

### Poor governance concerns mount, particularly in Johannesburg

The metros continued to raise concerns about day-to-day governance. Opposition councillors were still without working offices in [Ethekwini](#), a year and a half since the election. The spectre of more no-confidence votes surfaced in [Nelson Mandela Bay](#), [Tshwane](#) and [Johannesburg](#) while the DA caucus leader in Ethekwini was [sacked](#) by the party. City of Cape Town staff were [accused of corruption](#) by an opposition party

Political risk increased again in Johannesburg as the ANC-led government of local unity (GLU) pushed a number of controversial votes through in the June. The city's Group Forensics and Investigation Service (GFIS), an anti-corruption unit established in 2016, had its work [suspended](#) and all officials implicated in corruption saw their cases abandoned. There are serious concerns about transparency and oversight in Johannesburg.

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# Main report

## Johannesburg

ActionSA's Nkuli Mbundu, a former MMC of economic development, [resigned as councillor](#). He served in the council from November 2021.

New mayor Kabelo Gwamanda (Al Jama-ah) had a torrid month. ActionSA [questioned his leadership](#) ahead of Gwamanda's SOCA presentation, which was [delayed](#) by political instability in the metro. Gwamanda left straight after his address, [avoiding](#) a planned media briefing. He cited ill health - also the reason given for not attending several IDP sessions. The debate on the SOCA was also postponed after Gwamanda [suddenly fell ill](#).

ActionSA had had enough and [filed a motion of no confidence](#) against Gwamanda, saying he had avoided addressing allegations of fraud. Other members of the MPC were willing to support the motion but [the DA demurred](#), saying the motion had no chance of a majority.

The DA did question Gwamanda's fitness for office given his [constant ill health](#). The party wrote to the speaker and chief whip, asking them to confirm whether Gwamanda could fulfil his duties.

The delays from Gwamanda's ill health threatened the timely passing of the 2023/24 budget, with the [threat](#) that the metro would be placed under administration if the budget were not passed by 30 June. Gwamanda [resumed his duties](#) a week later, participating in the SOCA debate. This came just a day before the [2023/24 budget was passed](#) by 166 votes to 68. The vote was cast late into the night after a lengthy debate and a late start. The City has a cash-flow shortage of R4-billion.

The closed-doors June council meeting included several disturbing items that the ANC-led GNU passed. The GNU dismantled the work of the Group Forensics and Investigation Services (GFIS), weakening an important oversight mechanism. It also transferred funds across departments and strengthened the powers of a controversial municipal manager.

The Metropolitan Trading Company (MTC) was [moved](#) from the Department of Economic Development (DED) to the transport department, under PA councillor Kenny Kunene. The MTC was allocated a budget of about R600-million for 2023/24. Opposition councillors believed that [the PA wanted access](#) to the MTC's budget when it was still with the DED, an MMC position that PA leader Gayton McKenzie had earlier requested.

The GFIS was created in 2016 by the DA-led coalition as an anti-fraud and corruption investigative unit. It has been opposed by the ANC and its seven years of work were declared [null and void](#) in a confidential report compiled in March. The GNU adopted the report in the closed council meeting.

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The powers of the [GFIS](#) were transferred to the city manager, Floyd Brink. Brink himself was found to be [complicit](#) in the awarding of a R320-million public safety tender in 2022. Brink was hired as city manager in February when the GNU took control of Johannesburg. The DA went to the [Gauteng High Court](#) to remove him.

The decisions made in the council meeting ended all GFIS investigations unlawful. Speaker Colleen Makhubele subsequently authorised an [investigation of MPC councillors](#) who had sanctioned GFIS investigations. The findings of the report will be delivered to the [July council meeting](#).

The PA won a ward seat from the ANC in a [by-election](#). ActionSA increased its share of the vote in the by-election. The result does not change the overall makeup of the GNU coalition, but it does increase the PA's control and bargaining power.

### ***Service delivery***

In the last 15 years, the DBE has [not built one new school](#) in inner-city Johannesburg. This is according to the Johannesburg Property Owners and Managers Association (JPOMA), whose members provide affordable housing in the metro.

The JPOMA objected to the property rates increase in the draft 2023/24 budget. The budget would recategorise private schools from "schools" to "business and commercial", increasing rates by 900%.

A large area of western Johannesburg was [without water](#) for days at a time. Rand Water's Commando pump system was badly affected by a power outage at the Orlando power station. The Commando system suffers from ageing infrastructure, and it has been prioritised in the 2023/24 budget.

## **Tshwane**

[The proposed Bill by the EFF to relocate](#) Parliament to Tshwane was dismissed by the ANC, DA, IFP and FF plus. This private member's Bill was introduced in the mini plenary of the National Assembly on 15 June 2023 by the leader of the party, Julius Malema. The purpose of the Bill was to have a central place for both administrative and legislative functions of the government.

The executive [mayor for Tshwane, Cilliers Brink, denied claims](#) that the coalition government in the metro did not prioritise townships as Hammanskraal continued to be the epicentre of the cholera outbreak. Brink mentioned that there was over R100-million allocated to transforming and improving the livelihood of people living in townships.

The minister of water and sanitation, Senzo Mchunu commended Brink for resolving the water crisis in Hammanskraal. [Brink was one of the mayors in the capital city who agreed to work](#) with the national government to alleviate the water crisis in the metro.

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The metro passed its [2023/24 budget](#), with the ANC voting to support the MPC coalition and the EFF voting against it. Opposition parties criticised the MPC for neglecting flood victims in Mamelodi and cholera victims in Hammanskraal. The budget does allocate [more funding](#) for these disasters.

The metro was publicly threatened with a court order by Eskom for the [R1.9-billion-debt](#) owed by the municipality. The spokesperson of the mayoral committee, Siphso Stuurman confirmed the debt owed to Eskom and Brink mentioned that the city was working on increasing its revenue collections from residents and businesses who need to pay.

The city of Tshwane held a recruitment drive for the Expanded Public Works Programme (EPWP) to provide job opportunities to the residents. [There were allegations last year that employment opportunities were given to those who were politically connected with the ANC.](#) Councillors from the EFF and ActionSA ensured that the recruitment process was open and fair.

A motion of no confidence to remove the African Transformation Movement [council speaker, Mncedi Ndzwana](#) was filed by ActionSA. The motion was supported by the DA. The council speaker was elected with the assistance of the ANC and EFF in March 2023.

[Ward 83 was contested](#) in a by-election by seven parties (ANC, DA, EFF, FF+, UIM, RCOT, and OHM). The DA safely defended the ward while the FF+ increased its share of the vote to 24%.

## ***Service Delivery***

The City of Tshwane [established an efficient](#) revenue collection monitoring system. The mayor, Cilliers Brink added that this was another way of encouraging residents to pay their rates and taxes to the municipality.

The Department of Water and Sanitation and the City of Tshwane made a commitment to work together to solve the water crisis in Hammanskraal. [The estimated cost of the project is around R4-billion and is expected to be completed by 2026.](#) Residents begged the ANC for answers to the cholera outbreak and some residents warned the party that they would not vote for it in the 2024 [national election](#).

The metro recorded a decline in the number of Cholera cases in [Hammanskraal](#). Brink confirmed that work was done behind the scenes to improve the water quality and to upgrade the Rooiwal wastewater treatment plan.

The mayor warned that the burden of proving wrongdoing in Hammanskraal would be on the affected parties such as the ANC and DA, as advocate Moafrika wa Maila mobilised the residents that were affected [by the cholera outbreak](#). Brink explained that the city was facing financial constraints which affect the [delivery of services](#) in Hammanskraal.



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## Ekurhuleni

The [Auditor-General](#) announced the results of the nationwide audit of municipalities. Only 38 cities had a clean audit, and Ekurhuleni and Midvaal were the only two Gauteng municipalities with a clean audit.

The EFF welcomed the [audit](#) of the Ekurhuleni metro. The EFF argued that this was an excellent opportunity to improve service delivery and make good use of government funds.

[Andrew Baloyi](#), the ANC Gauteng branch chairperson, posted comments on social media warning party officials against forming an alliance with the EFF to seize local authority.

[Baloyi](#) was ordered to issue an unequivocal public apology for causing the ANC harm by posting the statement. This comes after he made allegations of a coup planned against President Ramaphosa. The fines are conditional on Baloyi not being found guilty of violating the ANC constitution within the next two years.

### ***Service Delivery***

Ekurhuleni municipality workers feared returning to work after a violent strike broke out at the [Ekurhuleni municipality office](#). The protest resulted in damage to the office building and two torched cars. Residents from the local community attacked the office because of power shortages.

The EMPD [confiscated another car](#) from a municipality official. The police department found the car at a local school, Leondale Primary. The confiscation of the car was part of an investigation started by EMPD to target government officials who misuse state resources such as vehicles.

The Department of Education reported an investigation into a youngster named Mokhele who died at [Little Ashford Preschool](#). The toddler was taken to another classroom before paramedics arrived, as it was feared they had suffered head injuries. Four staff members, including the principal, were said to be there with the students.

Residents of Primrose and Elandsfontein are facing food shortages as a result of [power and water outages](#) in Ekurhuleni. Many residents claimed to have gone without water or electricity for 20 days. The mayor of Ekurhuleni said the city was listening and engaging with the people.

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## Cape Town

Housing group Ndifuna Ukwazi criticized the City's plans to auction off [32 prime non-core properties](#). The group argued that selling public land to the highest bidder is a harmful and unfortunate way of using the land.

Cape Town approved a [R43-billion medium-term](#) infrastructure investment budget, employing a hybrid finance model of income, grant funding, and loans. Agence Française de Développement (AFD), a French development bank, offered a loan of €100-million to assist projects aimed at resolving socio-spatial inequalities and strengthening the city's resilience to climate change events.

The [Cape Coloured Congress](#) (CCC) filed charges against City officials at the Cape Town Central police station. The party stated that they uncovered corruption in the fleet management department. The City issued a comment, saying the City is looking into the particulars of this inquiry and will respond in due course.

### *Service Delivery*

At the launch of the Humanity Hub, the mayor spoke about balancing the issues of [homelessness](#) and the maintenance of public spaces. He argued that non-profit organizations are still doing a far better job at addressing issues of homelessness than the government. The city has raised R95-million for the 2023/24 financial year for programs aimed at homelessness.

The metro faced difficulties in dealing with increasing [solar power](#) applications from families, businesses, and government-backed repayments. The application process has slowed: homeowners and businesses now wait two to five months for grid installations.

The Western Cape High Court heard another application relating to the [R4.6-billion River Club development](#) in Cape Town. The Observatory Civic Association (OCA) is opposed to the development of a site that is extremely important to First Nations people.

Activists and community leaders criticized the metro's budget plan for [water and sanitation](#). The city dedicated R4.3-billion to invest in water and sanitation infrastructure. Activists argue that the city should pay closer attention to improving the quality of water.

Due to [severe rains](#), homeless people were restricted to one location to stay warm. They asked for more blankets and winter clothing donations. [Homelessness](#) is a systemic problem across the Western Cape, with an estimated 14 000 individuals living on the streets in the greater Cape Town area, when there are only 3 500 shelter beds available.

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## Ethekwini

Mayor Mxolisi Kaunda's [R65.5-billion budget](#) was not well received as several parties raised concerns that the budget failed to highlight time frames for important projects. The budget was finally approved with a vote of 112 in favour and 74 against

A senior eThekweni manager faced an investigation into her qualifications. Opposition parties supported the call for investigation into [deputy senior manager Kim Makhathini](#) who is also the head of HR. A [council meeting](#) was held and it was decided that Makhathini would remain in her job while her qualifications were being probed.

The eThekweni-ANC criticised mayor Mxolisi Kaunda and his team for their slow pace in [service delivery](#).

The metro had a [shortage of office spaces](#) for its councillors. According to the DA approximately 150 councillors are without offices which is different to the metro's estimate. The DA also added that the shortage of office spaces has had an impact on service delivery.

The DA in the metro fired caucus leader [Thabani Mthethwa and his deputy Mzamo Billy](#) for allegedly failing to hold the municipality into account.

### ***Service Delivery***

A concerning [report by the Audit Committee](#) revealed that more than 50% of municipal employees were hired without their qualifications being verified.

The Metro faced [challenges with supplying water](#) to the Northdene 3 water pump station which saw several areas being affected. An intervention was taken to resolve water challenges.

## Nelson Mandela Bay

Despite doubts over the longevity of the [newly elected mayor](#), coalition parties claimed things were looking up. Reports showed that there was already tension among the parties in the coalition.

The [GOOD party](#) criticised the newly elected mayor, [Van Niekerk](#). The party argued that the mayor would not last long in office, claiming that the mayor's party does not believe in him as a leader. van Niekerk denied the claims made by GOOD.

New [NA](#) leaders who were elected at a national conference over the weekend planned to file a fraud complaint against Mayor Gary van Niekerk, who maintained that he was still the leader of the party.

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The [IEC](#) had not produced documentation of the Northern Alliance's name change process in NMB. The IEC remained silent on the alleged fraud against Nelson Mandela Bay Mayor van Niekerk, made by GOOD councillor Lawrence Troon.

Defenders of the People (DOP) distanced itself from a [no-confidence motion](#) against the mayor submitted by Councillor Zumani to remove the mayor. Zumani submitted the motion, stating that [van Niekerk](#) misled the council by omitting the Independent Electoral Commission's approval of his party's name change in two council meetings. van Niekerk was adamant that he did not deceive the council.

## **Service Delivery**

The metro installed 11 new [solar-powered high tower lights](#), decreasing vandalism and inconsistent power supplies. The project is the first of its kind in the metro.

The mayor received a [warm welcome](#) when he went on a walkabout. The people of the Cyril Ramaphosa Village informal settlement spoke to the mayor about water problems and unlawful dumping. [Two communal taps](#) were provided for the residents' settlements.

The metro insisted that its [water was safe](#) to drink, but admitted that high quantities of bromodichloromethane were found in some tests. The metro recently invested R2-million to upgrade a water plant. Residents were frustrated by the [water crisis](#), which they claimed was caused by the municipality's mismanagement.

## **Buffalo City**

The EFF announced that it had no faith in the future of service delivery in the metro under the administration of the newly appointed [mayor](#), Princess Faku from the ANC. The chairperson Mziyanda Hlekiso expressed concerns with the billing system that was misleading as households were billed on estimations.

[The executive mayor and the mayoral committee, including Cllr Yomelela Tyali led the roadworks program](#) to fix potholes on the roads in Gompo (Ward 7), Stoney drift (Ward 9) and other Duncan Village areas.

The mayor partnered with the National Youth Development Agency (NYDA) to create jobs for young people and youth development, as part of advancing the metro's vision to be a [well-governed, responsive and innovative municipality](#).

[Princess Faku](#) pledged to bring change to communities. The residents expressed dissatisfaction with the mayor and the promises that had not been kept since her appointment in March 2023.

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There were allegations that the [mayor did not have a matric](#) qualification, following the Fort-Hare qualification saga, it was discovered that the claims are not true.

The [former mayor](#) Zukisa Faku, who was convicted of fraud, made a return in local politics as a member of the [Development Agency Board](#). The DA submitted the Promotion of Access to Information Act (PAIA) application at the council meeting, on 29 June 2023 for the irregular [appointment of the former ANC-led mayor](#).

## Mangaung

[Mangaung metro](#) was expected to pay R54-million for political staff, including R20 000 for domestic workers. Councillors said that the salaries were too high for a struggling metro. [Some employees from the Free-State municipalities have not received their salaries in over a month](#).

The metro released its revised Service Delivery and Budget Implementation Plan (SDBIP), following the approval of the adjustment budget for the remainder of the financial year. The proposed plan [aimed at holding the](#) municipality accountable for ensuring better provision of service delivery to the residents.

[The municipality's acting mayor Gregory Nthatsi](#) tabled the budget in response to the increasing concerns about the state of the metro since it was placed under administration in 2019.

Former city manager Mzingisi Nkungwana, who was removed from his position last year, threatened legal action against the municipality over its [recruitment](#) process after not being shortlisted for the city manager post.

Acting mayor Nthatsi supported the statements made by the ANC secretary-general Fikile Mbalula about his predecessor Ace [Magashule](#), that he tried to divide the organisation in the province for his reported new party.

The Free State Department of Sports, Arts and Culture was accused of tender irregularities. [Khula Anathi Capital, run by Lefu Mngomezulu](#), was awarded a R6-million tender for a Youth Day event in the metro. Mngomezulu is associated with several high-profile politicians in the Free-State.

[The metro failed to pass a R9.4-billion budget](#). Officials in the metro were concerned that if the metro failed to pass its budget by the end of June, it might be dissolved.