MetroMonitor report: August 2023





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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 PlanIPP Independent Power ProducerJPC Johannesburg Property CompanyJRA 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
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

Summary

Metro councils become even less accountable amid labour and service delivery concerns

Transparency and discipline break down across the metros

Metro councils became even more accountable over August. In Johannesburg, <u>opposition parties</u> <u>accused the Government of Local Unity</u> (GLU) coalition of changing council programmes and refusing to answer written questions. The <u>EFF disrupted another council meeting</u> in Tshwane calling for the reinstatement of dismissed workers.

In Ethekwini, <u>council meetings were not held</u> because the mayor and speaker were overseas on business. The metro was <u>under a Section 154 intervention</u> from Cogta. In Mangaung the acting mayor <u>appointed more MMCs</u> than he was allowed to do by law. The metro also <u>missed the deadline</u> for submitting its quarterly financials.

Governance and transparency has been on a steady decline since November 2021 but parties and coalitions have become even more brazen by flouting the law, missing deadlines, and treating accountability mechanisms with disdain.

Labour disputes increase as strike season heats up

The Tshwane council and Samwu could not agree on a salary increase which led to <u>violence</u> from protesting workers. The metro announced its <u>intention to dismiss</u> the striking workers. Meanwhile, <u>security workers protested</u> at the Ekurhuleni council offices over the metro's refusal to pay outstanding wages.

In Buffalo City, mayor Princess Faku warned managers that they would need to <u>finalise labour issues</u> with unions or face consequences. The metro incurred <u>over R114-million in overtime payments</u> in the 2022/23 financial year.

Service delivery failures stack up

Tshwane was <u>unable to fix a large water leak</u> as it lacked the materials. The leak had been a concern since February. Ekurhuleni had the <u>worst emergency response rate</u> of any Gauteng municipality, with just 46% of emergency calls answered within 30 minutes.

<u>Rubbish collection in Khayelitsha stalled</u> as the City of Cape Town failed to sign off on waste collection contracts. The Ethekwini council met with ratepayers to try and end the <u>rate boycott</u> that started after the 2022/24 tariff increases.

In Nelson Mandela Bay, angry residents complained about the metro's <u>inability to bill accurately</u> for water, while businesses struggled under a number of <u>unplanned power outages</u>. There had been 42 unplanned outages in the first eight months of 2023.

Main report

Johannesburg

Finance MMC Dada Morero said that the metro was on track to <u>collect 91% of its budget</u>. He claimed this even while GCR Ratings downgraded the metro's national scale long-term user rating from stable to negative. The metro's collection rate ranged from 66% to 76% between 2019 and 2022.

The DA <u>reacted to the downgrade</u> by saying that the city's finances would worsen as it struggled to raise debt. DA caucus leader Belinda Echeozonjoku said that unauthorised, irregular, fruitless and wasteful expenditure had risen by 44% and that the 2023/24 budget was unfunded.

Members of the GLU coalition alleged that they were being <u>spied on by the GFIS</u>. The council's Chair of Chairs Lloyd Phillips (GOOD) inspected the GFIS's offices with speaker, Colleen Makhubele (COPE), Finance MMC Dada Morero (ANC), and the council whip, Sithembiso Zungu (ANC). The media were <u>not allowed to see</u> the alleged 'spy equipment' that the four had found in a safe at the

The media were <u>not allowed to see</u> the alleged 'spy equipment' that the four had found in a safe at the GFIS's offices. However, a letter sent in July 2022 by Thembisile Majola, the director-general of the SSA, confirmed that the equipment could not be used for offensive surveillance.

The NPA confirmed it would <u>not prosecute anyone</u> from the GFIS for alleged corruption. In May 2022, then-Public Prosecutor Busisiwe Mkhwebane opened a criminal case against the GFIS.

ActionSA prepared to table the <u>motion of no confidence</u> that it filed in June against mayor Kabelo Gwamanda. Rumours swirled about the <u>PA possibly voting with the Multi-Party Coalition</u> to dislodge Gwamanda.

Days before the vote, the DA suggested that the motion be amended to <u>dissolve the Johannesburg council</u> and hold fresh elections. The DA and ActionSA ultimately <u>withdrew their motions of no confidence</u> against the mayor, speaker and chief whip - but ActionSA leader <u>Herman Mashaba attacked the DA</u> for its failure to support his party.

The DA complained about the 'disrespect' and apathy from the GLU coalition. DA caucus leader Belinda Kayser-Echeozonjoku proposed that the metro council be dissolved, and fresh by-elections held.

She referred to sudden changes to the council schedule and the refusal of Mayor Kabelo Gwamanda and Transport MMC Kenny Kunene to answer questions in council. <u>Problems in the council</u> also include absent councillors, unresponsive support staff and constant delays and changes to council programmes.

The ruling GLU coalition successfully passed motions of no confidence to <u>remove the last two DA MMCs in council</u>: the chairperson of the gender, youth and people with disabilities committee, Nakita Dellwaria, and the chairperson of the public safety committee, Solomon Maila. Maila had earlier <u>refused to sit with the GLU coalition</u> and instead sat with his DA colleagues on the opposition benches.

Service delivery

A fire in a hijacked building claimed the lives of over 70 people in the metro's inner city. Metro speaker Colleen Makhubele blamed NGOs for preventing the city from dealing with hijacked buildings. The council agreed to eliminate bucket toilets, months after the issue was proposed by ActionSA. At the time, in March, the GLU coalition acknowledged the presence of bucket toilets but voted against the motion.

Tshwane

The salary and wage increase <u>exemption</u> application was filed at the South African Local Government Bargaining Council (SALGBC) by the city of Tshwane. The application included the financial position, which was the main reason why there was no budget allocation for salary and wages.

The City of Tshwane did not agree to the South African Municipal Workers Union's (Samwu's) demand of a 5.5% increase. The mayor Cilliers Brink expressed that if the <u>proposed</u> increases were paid, the metro would be unable to pay over pension contributions and make payroll. The unprotected protest led by Samwu resulted in the unfortunate death of one of the employees who was on duty that day.

The meeting between the mayor and <u>Samwu</u> turned violent when Brink announced that the metro could not afford the R600-million salary increases. The metro took back the salaries of 451 <u>employees</u> who signed the register for work but did not work for the month.

The metro released 41 letters of <u>intention</u> to dismiss the striking municipal workers. They were barred from striking by the Labour Court after Brink approached the court to urgently intervene.

The EFF <u>disrupted</u> a council meeting and requested for the reinstatement of more that 100 Samwu members who were dismissed for taking part in the strike and the DA threatened to lay criminal charges against the members of the union who were actively participating in the <u>strike</u>.

Service Delivery

The provision of <u>service delivery</u> in the city collapsed due to the ongoing Samwu strike. The provincial secretary of the SA National Civic Organisation (SANCO) Abram Mashishi expressed concern that the services had not been available to the public.

The city had a 90 million kilolitre water leak in Sunnyside but lacked capacity or <u>materials</u> to fix the problem.

Ekurhuleni

Since March, 40 security guards have protested at the City of Ekurhuleni headquarters in Boksburg, demanding the pay of over <u>1 000 security guards</u>. According to the union, the issue has been going on for years.

Ramaphosa issued a proclamation authorising the SIU to examine tenders awarded to companies owned by ANC Ekurhuleni official Sello Sekhokho and his nephew Hangwani, Maumela, and other companies in the previous three years. The SIU discovered anomalies in tender awarding and recommended that Chief Financial Officer of Gauteng Health Lerato Madyo and CEO of Tembisa Hospital Ashley Mthuzi be suspended. The findings were made public following the murder of Babita Deokaran.

The <u>DA and Saftu</u> were happy with President Ramaphosa's announcement that the SIU investigation into the R1-billion Tembisa Hospital scandal would be extended.

Service Delivery

The Gauteng High Court ordered Ekurhuleni Metro to compensate Living Africa One for failing to evacuate 700 illegally occupied houses on its land. The compensation will be determined in accordance with the Expropriation Act. The judgement emphasised the difficulties of unauthorised occupation as well as the costs it imposes on developers and municipalities.

The suburbs villages of Primrose and Germiston complained of unexpected blackouts and increasing crime as a result of load shedding. They wanted to march to the <u>Ekurhuleni headquarters</u> next week and petition the High Court to compel the metro council to provide energy. Many residents have written affidavits outlining their situation.

An Ekurhuleni mother went through a traumatic labour experience in January 2022. She was left alone in a maternity unit at <u>Tambo Memorial Hospital</u>, where carers ridiculed her. Her baby died after being in the intensive care unit for eight days.

<u>Far East</u> Rand Hospital in Springs was accused of mishandling bodies and delivering decaying remains to families and funeral directors. For the second time in three years, the hospital has received complaints about an unpleasant odour in the corridors.

In response to the <u>DA's Shadow MEC</u> for Health, Gauteng Health and Wellness MEC Nomantu Nkomo-Ralehoko disclosed abysmal data, with Ekurhuleni having the poorest response rate, with just 46% of life-threatening <u>emergency calls</u> answering within 30 minutes.

Cape Town

The Potsdam Wastewater Treatment Works (PWWTW) began construction with the goal of restoring the environmental health of the <u>Milnerton Lagoon</u>. The R5.2-billion project is expected to be completed in 2027, with operational trials beginning in 2026.

Siphokazi Ndudane, the former deputy director-general of agriculture, forestry, and fisheries, may face prison time for failing to <u>report fraud</u> detected during her tenure. Ndudane was arrested and granted R100 000 bail after being charged with two counts of violating Section 34 of the Prevention and Combating of Corrupt Activities Act 12 of 2004.

Residents of Cape Town were likely to protest the 17.6% hike in power tariffs that went into effect in July. Lobby organisations STOP COCT and <u>Electricity Tariffs Must Fall</u> said that the raise, which is 2.5% higher than the previous budget year's maximum, breaches the rule of law.

Following the dismissal of Malusi Booi, the mayor nominated <u>Carl Pophaim</u> as the next mayoral committee member for human settlements. According to the mayor, Pophaim is a youthful and bright councillor and will contribute vital experience in assisting micro-developers and releasing City-owned land for affordable housing. Booi was barred from engaging in DA activities while an investigation was conducted.

Gunmen <u>killed three EFF members</u> in the Shukushukuma informal settlement in Mfuleni, Cape Town according to Western Cape police. Two people were found with gunshot wounds, and a third man died as a result of his injuries. According to the EFF, the members were community activists who served and protected their community.

The <u>Standing Committee on Public Accounts of Parliament</u> directed the City of Cape Town, human settlements and transport departments to work together to evacuate hundreds of families who occupied <u>Prasa's Central Line</u>. The line has been out of service since 2019 and cannot be repaired. Chairperson Hlengwa warned that silos would not fix the problem because it would cost taxpayers money.

CT Mayor Geordin Hill-Lewis approved <u>President Cyril Ramaphosa's</u> call to form a rail devolution joint working committee by the end of August. The recent taxi strike, which left thousands stranded and limited bus services, aggravated the lack of a functional passenger rail system.

Cape Town safety and security director JP Smith promised to enforce new <u>by-laws</u> on minibus taxis. During an impounding operation, <u>taxi drivers</u> blocked streets, resulting in a <u>violent confrontation</u>. <u>Political parties</u> condemned the city's conduct, demanding police investigate. The ANC opposed the DA's devolution of policing powers in order to improve service delivery in the Western Cape.

The Western Cape <u>High Court</u> was due to rule on a case brought by the Golden Arrow Bus Service on Tuesday. The corporation believed Santaco was in violation of an interim order issued following

the bus fires. As a gesture of good faith, the metro was ordered to postpone impoundments and refund seized taxis.

Mayor Hill-Lewis stated that the <u>city's taxi strike</u> would end only if municipal officials, the South African National Taxi Council, and other parties commit to peace. He emphasised that the "taxi mafia" and criminals were still wreaking havoc.

Service Delivery

<u>Dam levels</u> in Cape Town rose to 100.8%. Councillor Zahid Badroodien, Mayco Member for Water and Sanitation, warned against a false sense of future water security.

Due to postponed waste collection contracts, rubbish accumulated throughout Cape Town's townships and informal settlements. Residents in Khayelitsha took charge by cleaning the streets, collecting donations, and providing garbage bags.

Students from numerous <u>high schools marched</u> to the Langa Police Station over the weekend to demand safety. They requested police visibility and a struggle against drugs, guns, and gangsterism in schools.

Montague Drive in Milnerton was still closed due to a <u>sinkhole that emerged</u>. A City of Cape Town waste truck was swallowed by a <u>sinkhole</u> in Lavender Hill.

Ethekwini

Opposition parties in eThekwini raised concerns about the council meeting not taking place due to the mayor and speaker not being available. Vivien Reddy who is a councillor of the ADeC raised concerns about the current state of the municipality with threats of a rate boycott and service delivery issues. The KZN Tripartite alliance resolved to meet with the president regarding the state of the metro. The metro went under Section 154 intervention in May, reports were made that some councillors were in opposition to the intervention leading to the decision that other means of intervention needed to take place.

<u>Mayor Mxolisi Kaunda</u> applauded the successful conviction of Mxolisi Gcabashe who was found guilty of killing late councillor, Minenhle Mkhize. Kaunda added that he had hoped that cases which were unresolved would finally be resolved.

Opposition parties requested a <u>forensic auditor</u> after claims were made that councillors from the DA were involved in taking bribes from contractors for a multimillion rand water project. A request was made that an investigation be made on a meeting that took place in 2022 where claims were made that DA member of the legislature, Mergan Chetty instructed councillors that the money be cleaned through party coffers.

<u>The ANC-EFF coalition</u> gave the municipality a go-ahead to host an event which cost R1.7-million despite the city being in a state of despair.

Municipal deputy manager <u>Kim Makhatini</u> was accused of faking her qualifications. An investigation was made into the claims leaving Makhatini facing a disciplinary hearing.

Service Delivery

City officials partnered with mayor Mxolisi Kaunda and speaker Thabani Nyawose to meet with <u>ratepayers led by the Westville Ratepayers' Associations</u> to resolve the dispute between the municipality and ratepayers over the tariff hike. The meeting came to an abrupt closure before a resolution was presented which led to a continuation of the strike by all eThekwini Ratepayers' Movement members.

Nelson Mandela Bay

NMB ratepayers spent R54 400 on <u>mayor van Niekerk's</u> luxury Volvo rental after his official vehicle was involved in a collision. Following the scandal, the mayor's official vehicle was returned.

The MEC for Cooperative Governance and Traditional Affairs in the Eastern Cape, Zolile Williams, called for <u>Anele Qaba's</u> appointment as CEO of the Mandela Bay Development Agency (MBDA) to be revoked immediately. Williams stepped in after the National Treasury withheld R700-million in grant funding from the metro.

Finance Minister Godongwana demanded that the metro return a R3-million golden handshake in order to settle a suspension dispute with <u>Anele Qaba</u>, the CEO of the MBDA. The municipality had been unable to fund projects because the National Treasury withheld more than R700-million as a result of Qaba's appointment.

Mayor van Niekerk survived a motion of no confidence brought by DOP councillor Tukela Zumani. The motion alleged van Niekerk breached Section 2 of the Code of Conduct for Councillors. Following a vote of the 119 councillors present, 57 voted to remove the mayor, and 62 voted against it.

Due to the contentious nomination of <u>Qaba</u>, the metro accepted legal recommendations to dissolve the MBDA board.

Following the city manager's direction to dissolve the board of the MBDA, the <u>MBDA</u> wanted to dissolve the board of NMB Municipality in retailation. Since the hiring of CEO Anele Qaba, who earned an R3-million settlement in February 2023, the agency and municipality have been at odds.

The metro accepted legal advice to <u>dissolve the board of the MBDA</u>. Following the instruction to dissolve the board, the MBDA requested the <u>resignation of city manager Noxolo Nqwazi</u>.

Service Delivery

Following an increase in violent crimes, the MBDA attempted to "reclaim" <u>Gqeberha CBD</u>, which is notorious for its drug supply. Qaba urged other stakeholders, such as the Central Special Rating Area, Discover Nelson Mandela Bay, and the Historical Society of Port Elizabeth, to unite and work together to eliminate crime.

The Eastern and Southern Cape Pelagic Association (ESPA) warned that a <u>10-year fishing ban</u> on Nelson Mandela Bay's Bird and St. Croix islands would ruin the local industry. The ban would be in effect for at least ten years and will apply to sardine and anchovy fishing. The group is collaborating with environmental organisations to reach an agreement on fishing restrictions.

<u>Impofu Dam</u>, the largest dam in the metro, may be reopened to increase water supplies. The dam, which had hit its <u>lowest water level</u> in 40 years, was at about 17% capacity. Despite recent rain, the combined dam levels had risen to just 46%.

The metro's <u>billing system</u> has been the focus of criticism with homeowners disputing its accuracy and residents trying to resolve monthly disputes.

Since the beginning of the year, firms in the metro have had 42 <u>unplanned power disruptions</u>, affecting hundreds of businesses in six industrial zones. These interruptions have left businesses without power for several hours, jeopardising production targets and leading customers to miss out on purchases.

Following continued pressure from the EFF and Finance Minister Enoch Godongwana for grant cash, NMB coalition partners will consider whether to remove municipal manager <u>Noxolo Ngwazi</u> from her position. Ngwazi is charged with fraud, corruption, and violations for allegedly bribing three former councillors to oppose their party, which resulted in the ouster of former mayor Athol Trollip.

Buffalo City

<u>Former Mayoral Committee</u> member for finance Sakhumzi Caga was against the metro's decision to write off over R100-million in debt owed by big businesses to the metro. The former mayor, Xolo Pakati was held liable as Caga told the full council meeting that the deal was against his advice. The former Member of Parliament and president of Black First Land First, Andile Mngxitama, approached the <u>Hawks</u> and requested that they investigate the metro's deal to write off the debt.

A report tabled at a council meeting showed that between April and June, the city incurred more than R26-million in overtime. Council speaker Humphrey Maxegwana met with unions regarding delays in

finalising the metro's labour issues. <u>Executive mayor Princess Faku vowed to take action against managers who failed to finalise labour issues</u> with the city's unionised workers.

Princess Faku announced a partnership with the <u>National Youth Development Agency</u> (NYDA) to provide jobs for recovering addicts and 100 ex-convicts aged between 18-35. The initiative was aimed at giving opportunities to those with criminal records who are struggling to secure employment. The city's 50 wards were each given two guards and each person received a stipend of R3 000.

The Eastern Cape <u>ANC Women's League</u> (ANCWL) held their seventh Provincial Conference at the East London ICC and announced their new leadership. ANCWL President, Sisisi Tolashe, expressed how the new structure would be used to enhance women's lives in the province. Municipality speaker, Ntandokazi Capa was elected unopposed as Provincial Chair.

Service Delivery

<u>Former Minister of Human Settlements</u>, Lindiwe Sisulu, relocated the Mtsotso residents from densely populated areas during Covid-19 to prevent the spread of the virus. City councillors were confronted by about 100 residents for the delayed relocation of RDP houses that were invaded by strangers.

Mangaung

The acting Executive Mayor, Greg Nthatisi, was accused of factionalism and preferential treatment by the recently dismissed ANC councillors named the <u>Mangaung 7</u>. Nthatisi appointed ten Members of the Mayor Committee Members (MMCs) as opposed to the ratified number of nine committee members by law.

The DA Member of Parliament, Jahno Engelbrecht, made allegations against the Ministry of Justice and Correctional Services. Engelbrecht claimed that the Minister Ronald Lamola, terminated the Department of Correctional Services (DCS) contract with Bloemfontein Correctional Contracts (BCC). The Portfolio Committee on Justice and Correctional Services released a statement that the accusations were untrue and that there was no intention to undermine the relevant procedures.

The <u>metro</u> overlooked the legal requirements and its mandate of good governance by missing legislated reporting deadlines. Section 52(d) of the Municipal Financial Management Act (MFMA) states: "The Mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality".

The DA stated their displeasure with the National Intervention Administration (NIA) team's recurring failure to implement a mandatory <u>Financial Recovery Plan (FRP)</u> for the metro. The Acting Head of Corporate Services, Adv Mpangane, convened a meeting to consult with all the Section 80 service delivery Committees regarding the FRP. The prolonged and bitter quarrel between the administration

and the National Credit Regulator (NCR), attributed to the factions within the ANC, hindered the progress.

The <u>municipality</u> launched an investigation after a company was awarded a R2-million tender to assess applications from poverty-stricken people who applied for relief from the government from paying for services such as water and electricity.

Service Delivery

The metro failed to appoint a service provider for the monthly water metre readings which left the residents with estimated accounts without a <u>clear indication</u> of when the problem would be resolved.