DA left the City of Johannesburg in a better stage than it had ever been

by Funzela Ngobeni Cllr – DA Caucus Leader, City of Johannesburg

Date: 26 February 2020

Release: Immediate

 Note to Editors: The following remarks were delivered by the DA Johannesburg Caucus Leader, Councillor Funzela Ngobeni at a press briefing at Nkululeko House in Bruma.

Residents of the City of Johannesburg

Ours is a fight for the respect of the rule of law, and the respect for Council procedures.

The last two to three months have proved to be a tumultuous period for many who reside in Johannesburg. As the Democratic Alliance (DA) in Johannesburg, we have undergone tremendous internal and external upheaval, which we are emerging from as a stronger and united force.

 The city’s administration has experienced a period of transition, which has seen the ANC assume the reins of power. These changes have an inevitable impact on the residents of Johannesburg, who are subjected to the return of a kleptomaniac regime.

 As we start this briefing, I would like to invite the media present here today, to look at the people occupying the seats around you and beside me.

 It gives me great pride to be serving the residents of this city alongside this amazing group of individuals. I feel it important to draw attention to these Councillors, as quite often their work and contribution goes unnoticed.

 Over the course of the last 3 years we achieved a great many successes, which brought about real transformation in the lives of millions of Johannesburg residents.

 Yet, like any journey or story, ours is one which has experienced many highs and lows.

 Certainly, we made mistakes whilst we were in government. These presented important lessons for us to learn from.

 We assure you that we will always strive to do better, and these lessons have only strengthened our resolve to continue to fight for our people.

 Hence we are gathered here today, united in our vision for a better Johannesburg and South Africa, to reflect on the milestones that have marked this journey, and to present to the people of Johannesburg an alternative that will ensure that we build on the foundation which we laid while we were in government.

 **Our Journey: Key service delivery highlights:**

Our journey began in 2016 when the residents of Johannesburg, tired of having suffered decades of ANC corruption, elected a new multiparty government led by the DA. It was a government that was committed to bringing about Diphethogo: real meaningful transformation in the lives of our residents.

 Over the course of three years, we achieved the following highlights which demonstrated the changes we effected in communities:

**In Housing:**

One of our priority programmes was to fast track the delivery of title deeds.

 In order to create sustainable housing opportunities we need to give our residents the ownership of the land they live on. During our time in government, we handed over 8 587 title deeds. This is double the number handed over by the ANC since the end of apartheid. We did more in three years than the ANC did in twenty years.

 We delivered over 7800 social housing units, secured over 150 inner city properties for development, and identified new land for housing opportunities.

 **In Health and Social Development:**

Under the leadership of Cllr. Mpho Phalatse, we delivered ten mobile clinics, extended the operating hours of twenty seven clinics and built five substance abuse centres.

 Last week, the current mayor of the City of Johannesburg, Geoff Makhubo, the Gauteng MEC for Health Bandile Masuku, and the Premier of Gauteng, David Makhura, launched the 24hour clinic in Ebony Park.

Yet they failed to acknowledge that the clinic is a project that the DA-led coalition government had conceptualized, budgeted for and then built from start to finish.

 **In Economic Development:**

Our objective was to grow a diverse and competitive economy that creates jobs.

 Under the leadership of Leah Knott, the Inner City Revitalization Plan was launched in 2017. One hundred and fifty four properties and thirty seven factories were identified for release to developers with an estimated R32 billion in investment unlocked.

These projects are expected to deliver 11 000 jobs in the construction sector.

Since 2017 we added 89 000 jobs to the Johannesburg economy.

DA Councillor Knott established the Opportunity Seekers Database, seven Opportunity Centres, a youth skills development centre and skills development programmes.

**In Group Corporate Shared Services:**

Under the leadership of DA Cllr. Ntombi Khumalo, we managed to create meaningful employment for thousands of workers who had been subjected to exploitation by the ANC’s tenderpreneur systems. Security guards and cleaners who had suffered long hours, with no pay, no job and no income security, were insourced and made permanent employees of the city.

A total of 4 185 security guards were insourced.

Furthermore, 1 879 cleaners were also insourced.

**Under the multi-party government:**

The DA-led administration also provided over 5 500 EPWP work opportunities between 2016/2017 to 2018/2019 Financial Year.

**In Environment, Infrastructure and Services:**

 DA Cllr. Nico De Jager, as the former MMC, ensured that poor communities in informal settlements, who had been denied access to the most basic of services such as electricity, water and sanitation by the ANC, would enjoy the benefits of a DA government.

Basic services should not be a luxury. We ended the previous practice of delivering bicycle lanes before the delivery of toilets in informal settlements. Our focus on developing informal settlement and giving people in those communities dignity, saw us electrifying 9978 households and upgrading 88km of gravel roads to surfaced roads. We also delivered 11 000 ablution facilities.

Mashaba’s Resignation and the Election of Geoff Makhubo:

However, in November 2019, our journey took a difficult turn when then mayor, Herman Mashaba resigned. His resignation led to the collapse of the coalition government, and triggered a mayoral election.

This change was the catalyst which led to the loss of over 150 jobs, as the ANC immediately embarked on a city-wide jobs bloodbath by firing innocent professionals so that they could be replaced by local cadres who had been waiting in the wings for years to have a chance at looting the city’s coffers.

 Despite our disappointment at having three of our own Councillors betraying us, and also the disappointment at former coalition partners willingly handing the city back to a regime which is known for corruption, we gracefully conceded defeat to Geoff Makhubo.

 It goes without saying that Makhubo is one of the most compromised individuals in Council. Serious allegations of fraud and corruption hang over his head. He has yet to answer to the people of Johannesburg on how his company made millions from the city by working with a Gupta-linked firm.

The compromised nature of Makhubo is a recurrent feature of the ANCs new executive, as other compromised individuals like Mally Mokoena have been appointed into critical positions.

 **ANC Disregard for Rule of Law & the Illegitimate Speaker:**

 Yet when it came to the election of the Speaker, South Africa witnessed first-hand, the ANC’s flagrant disregard for democratic processes. Ironically, these were the very same processes and rules of Council which had led to the election of their mayoral candidate the day before.

Below we set out our account of the election of Councillor Molwele as the Speaker and why we continue to regard her as an illegitimate Speaker. This you read later at own leisure.

- A motion of no confidence (MONC) was tabled against the sitting speaker Councillor Vasco da Gama.

- On 4 December 2019, this motion was debated at council. Cllr Alex Christians, then Chair of Chairs, presided over this motion.

 - The motion went to a vote, and failed to garner the 136 votes required for a majority decision. It was therefore deemed to have failed.

- Indeed the minutes reflect that the Acting Speaker, Cllr Alex Christians, initially ruled the motion against Cllr Da Gama had passed. The minutes also reflect that after objections were raised from the DA and the EFF, and following legal consultation, the Acting Speaker resolved that the motion against Cllr Da Gama had failed. By extension, this meant that Cllr Da Gama remained the Speaker.

 - That Council has approved the minutes is a clear indication that Council accepts the sequence and veracity of events that unfolded in that meeting which resulted in the MONC failing and Cllr Da Gama retaining his Speakership.

 - It was incumbent on the ANC then, if they felt aggrieved by the final ruling of the Acting Speaker, to dispute this ruling using internal council processes. Instead they set about engaging in thuggish and undemocratic tactics by deliberately ignoring the Acting Speaker’s final ruling which reinstated Cllr Da Gama as Speaker and forcing their way into the legislature.

 However what is grossly unfortunate is that, these tactics were supported by Gauteng MEC for Cooperative Governance and Traditional Affairs, Lebogang Maile who once again unlawfully interfered in our city’s Council by instructing the City Manager to convene an illegal Council Meeting.

As was made abundantly clear with his bundled attempt to have Cllr Da Gama and most recently, Speaker of Tshwane, Cllr Katlego Mathebe dismissed, Maile has demonstrated on numerous occasions that his decisions are informed more by his partisan loyalty to the ANC than the constitutional rule of law.

 As the DA we have always maintained that the motion of no confidence against Cllr Da Gama failed and we have steadfastly rejected the manner in which the ANC violated all council processes to steal the Legislature.

For reasons outlined in this speech, we once again reiterate our stance that we do not recognize ANC Cllr Nonceba Molwele as Council Speaker.

 Our dispute has nothing to do with holding onto power.

 This is why I reiterate that we conceded defeat to the ANC when Council elected Cllr Makhubo as Mayor. We did not dispute the outcome of that result and immediately acknowledged Cllr Makhubo as being democratically elected.

We did so because we respect democratic processes and seek to maintain the integrity of Council.

 Ours is a fight for the respect of the rule of law, and respect for Council procedures. If the ANC is allowed to flout Council rules and bully its way into power, it will effectively render our Council Rules and the law null and void.

**Approach to Council: Holding them Accountable:**

Rather than engage in a prolonged legal battle with the city, which will result in millions of taxpayer’s money wasted in fruitless expenditure, we as the DA Caucus have opted to use other avenues to hold the ANC accountable.

 To this end, we have written to MEC Maile to register our displeasure with his constant unlawful interference in matters of Council.

In addition to this, we taking steps to ensure that Geoff Makhubo is referred to the Ethics Committee of Council for violating the boundaries of his powers by instructing the City Manager to convene a special council for election of the Speaker.

In the meantime, we continue with the work of Council, and the work which our residents have elected us to do.

 Alternative Government - Motion of No Confidence (MONC) – Chairpersons:

Tomorrow, ANC Cllr Molwele will preside over several motions of no confidence, which are aimed at unseating the remaining DA Chairpersons of Oversight Committtees. These are Chairpersons who have served with distinction and we are proud of the work they have done.

With the support of our former coalition partners, it is highly likely that these motions will succeed, and this will effectively remove all remnants of the DA’s remaining influence over governance processes in the city.

 Yet it will also signal our opportunity to enter into opposition armed with more information and experience having been in government.

 It is a position which we fully embrace, and one for which we are fully prepared.

It presents us with an opportunity not to criticize or point fingers, but instead to monitor and conduct vigilant oversight over the capital projects which had been approved under our tenure, and to ensure that the budget which we had devoted to servicing the residents of Johannesburg is being used for that very purpose, and not to finance the ANC’s upcoming election campaign and fill comrade’s pockets.

Our direct response to Mayor Makhubo’s Media Statement last week.

Makhubo and his new MMC will be the downfall of Joburg’s Public Safety department

The City of Johannesburg’s new ANC Mayor, Geoff Makhubo, as well as his cabinet, have done nothing but try to turn around the progress made, especially within JMPD and EMS, in the last 3 years by the DA-led coalition government.

This has become clear after the Mayor’s media briefing on 19 February 2020, where he made utterly baseless and false allegations about the Johannesburg Metropolitan Police Department (JMPD) and Emergency Management Services (EMS) having been run to the ground.

It is essential that Mayor Makhubo’s fallacies are dispelled so the residents of Johannesburg, who are now at the hands of the ANC, who have been at the root of the true downfall of the City for over two decades can know what is the truth.

The statement that Mayor Makhubo made about the City only having five (5) operations fire engines has come as a shock. When the DA-led coalition government stepped down in November 2019, EMS had the 27 operational fire appliances including 12 fire engines

Whilst in government, we were able to procure 10 new fire engines/ appliances, 2 newly refurbished fire engines, 15 Rapid Response Vehicles and 42 new ambulances for EMS. All the vehicles were ordered in accordance with the specifications set by the City, if any of the vehicles were not in compliance with the specifications, the supplier would be required to rectify any problems without cost to the City.

How Mayor Makhubo was able to reverse these progress to five fire engines in less than three months in government and now wants to spend more money are beyond belief. He needs to be held to account, and so does his MMC for Public Safety.

The current mayor and his MMC were very much aware of the very Budget that include the cost of the operational items he speaks of that was passed in council. He conveniently overlooks the procurement process and the rigid legal framework in place.

This exposes both him and his MMC’s lack of understanding of good governance and how the Department of Public Safety, including JMPD and EMS, functions.

The mayor and MMC need to learn the ropes of Public Safety as a matter of urgency as it will ultimately be for the good of the residents.

Makhubo’s further statements about the newly trained 1 083 JMPD officers, who were recruited under the DA-led coalition government, discrediting their hard work.

This historic recruitment was to fight rising crime in Johannesburg and help keep residents safe. They had undergone training through a curriculum set by the Road Traffic Management Corporation and SAPS which required them to pass the exams also set by these external bodies.

It is astonishing that Mayor Makhubo now “require” the new JMPD officers to go back for training. This decision was made surely not based on fact or by following any due process.

As for the MMC being caught red-handed attempting to use her political position to oust the JMPD Chief of Police, David Tembe, we are shocked at the way the City is now been managed, not by due process or good governance but by political intimidation and interference.

The MMC has allegedly broken several laws merely months into office. The Municipal Systems Act 32 of 2000 states as follows:

Municipal Systems Act, Schedule 1 at sections;

“2 General Conduct of Councillors

 A councillor must –

(a) perform the function of office in good faith, honestly and a transparent manner; and

(b) at all times act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised”.

“11 Intervention in Administration

 A councillor may not, except as provided by law -

(a) interfere in the management or administration of any department of the municipal council unless mandated by council;

(b) give or purport to give any instruction to any employees of the council except when authorized to do so;

(d) encourage or participate in any conduct which would cause or contribute to maladministration in the council”.

It is a serious misconduct to breach these provisions, especially for any high-ranking member of the executive. The mayor should not cover up this misconduct at the expense of hard-working men and women of EMS and JMPD but instead should take the residents into confidence.

I have now received complaints that the ANC led government will push ahead with the suspension of JMPD Chief of Police despite no formal investigation initiated or concluded.

I have also received complaints that political instructions have been given to JMPD that any project that was initiated and associated with the DA must be canned regardless of how effective these projects were.

These are clear indications that the new Joburg government will put political party first and residents last.

I advise Mayor Makhubo and his cabinet to focus on the solid foundation laid by the DA-led coalition government’s administration during the past 3 years during and forge ahead in the best interest of the residents of Johannesburg.

DA Cllr. Michael Sun was widely lauded for turning around the Johannesburg Metro Police Department (JMPD), strengthening its core functions as well as that of the Emergency Management Services (EMS) and the fight against corruption.

He capacitated the JMPD by recruiting 1 500 new officers.

In November 2019, one thousand new recruits were welcomed into the JMPD ranks. Cllr Sun also oversaw the establishment of a dedicated K9 Narcotics Unit at the end of 2016.

 The launch of operation Buya Mthetho was another major victory. Since its inception, over R1.3 billion in lost revenue has been recovered. Since the anti-corruption unit’s launch, 6 000 cases have been under investigation totalling more than R35 billion in transactions.

The Hijacked Buildings Unit has identified 643 hijacked properties in the city, and 44 properties have been returned to their rightful owners.

**In Finance, the Department I led as MMC:**

Mayor Makhubo’s assertion that he inherited from the DA a Metro in financial distress brings to mind the dictum that “you never let the facts get in the way of a good story” He has been peddling this falsehood since October 2016.

However, as one Scientist once remarked “All truths are easy to understand once they are discovered; the point is to discover them.”

If one compares certain key financial figures and ratios from FY 2016 with FY 2019 a strikingly different picture emerges. This you can read for yourself in the AG Reports of 2016 and the 2019 AG Report that was tabled in Council last month.

Between the 2016 and 2019 financial years’ operating revenue has increased by 28.5% whereas operating expenses have increased by only 21.5%. This is despite the fact that maintenance expense as a % of PPE has increased from 2% to 4%.

Due mainly to insourcing remuneration as a % of operating expenditure has increased from 23.9 to 27.8% of operating costs offset by decreases in contract costs.

Consumer debt impairment has shown an 84% increase from R2.5 billion in 2016 to R4.6 billion in 2019 due to increased financial pressure on our residents.

Significant savings in marketing, debt collection, fleet costs, travel and communication costs resulted in these costs in 2019 still being R555 million below 2016 levels.

Other operating costs (excluding remuneration, debt impairment and depreciation) have increased in 3 years by a minimal 8.1% (2016 R23.6 billion 2019 R25.5 billion) which demonstrates how effective the DA administration has been in eliminating wastage and fraud.

As a result the operating surplus (excluding net finance costs & capital grants) has doubled from 5% of operating revenue in 2016 to 11.2% of operating revenue in 2019. This increase from R2.0 billion to R5.8 billion demonstrates that the City of Johannesburg (CoJ) was sustainable and fully funded at an operational level at the end of FY 2019.

The net surplus has increased from R3.8 billion in 2016 to R6.9 billion in 2019 which provides additional capacity to fund capital expenditure from internal resources which is becoming increasingly necessary due to reduced capital grants from provincial & national government (2016 R3.0 billion vs R2.7 billion in 2019).

Cash resources have increased from R4.4 billion in 2016 to R5.3 billion in 2019 in spite of SARS removing R500 million from City Power’s bank account in the 2017 financial year to settle tax liabilities which should never had arisen if the ANC government had considered the tax consequences of placing all its major departments in separate legal entities.

Net current assets has moved from a negative R600 million in 2016 to a positive R1.1 billion in 2019 resulting in the current ratio improving from 0.96 to 1.08 which has significantly improved liquidity and the capacity to settle trade creditors within 30 days.

The revenue collection rate of 89.2% is below the 2016 collection rate of 94.7% but this is understandable given the pressure on household budgets from increasing levels of unemployment. Debt owed by provincial and national government departments to CoJ for service charges increased by R405 million to R1.1 billion during FY 2019 which also negatively impacted the collection rate. We believe that the Revenue Collection Strategy that was conceptualised and approved last year by our Administration is already starting to bear fruits.

Cumulative impairment of consumer debtors at June 2019 was R20.4 billion of which R11.4 billion (56%) related to residential customers indicating their level of financial distress.

It is worth noting that if Soweto had been supplied with electricity by CoJ the current payment rate to Eskom of below 25% (which has created outstanding consumer debt of R17 billion) would have bankrupted the CoJ.

Interest bearing debt has declined from 44.5 to 40.0% of total revenue with a related decrease in net finance costs from 3% in 2016 to 2.9% in 2019. This is in spite of the fact that interest rates on borrowings have increased due to negative national factors beyond CoJ control. The City has also managed to maintain a Moody’s investment grade rating of Baa3.

What these statistics is that we were able to bring a City that was in debt and on the brink of financial collapse to a point of financial stability.

Contrary to what the ANC want to claim, the DA led Administration left the city in the healthiest financial position it has ever been in. Of course we are extremely concerned that the progress that was made under our administration, will again be squandered on vanity projects and party activities disguised as Imbizos etc.

**Conclusion:**

Ladies and gentlemen, we concede that no government can be perfect. It is not perfection that we expect from the current ANC administration, but rather honesty.

The intent with which one governs is revealed not only in the state of the city’s financial accounts, but also, and most importantly in the lives of the poor and most vulnerable.

Our intention was to bring about Diphethogo; real meaningful transformation in the lives of our residents.

At no point did the DA-led government deceive our residents.

At no point did we steal our residents’ tax money.

At no point did we lie and cheat to remain in government.

To the residents of Johannesburg, do not lose hope. We assure you that we will hold this corrupt ANC-led administration to account. We will not let them destroy what has been built. As previously, we are dedicated to improving the lives of every resident of Johannesburg.

I thank you.

Media Enquiries

Funzela Ngobeni Cllr

DA Caucus Leader, City of Johannesburg

072 366 8404

Charity McCord

Acting DA Gauteng Communications Manager

078 126 2765