

Remarks by Julie Suddaby, Member of the Mayoral Committee (MMC) for Finance

Members of the Media
Residents of Joburg

On 28 September 2022 the media reported ANC Regional Secretary, Mr Sasabona Manganye, as stating that the City of Joburg underspent by R2.3-billion at the end of May 2022. The media must have gotten it wrong because the ANC's statement released on 27 September 2022, states that underspend on capital expenditure (Capex) is at R5.1-billion.

However, the as yet unaudited figures show the Multi-Party Government achieved 88% spend on CapEx as at the end of the year, R900m under budget amount.

The underspend notwithstanding, the overall performance shows an increase of 6% on the previous year's Capex spend.

Moreover, the ANC 27 September statement states the City was driven to bankruptcy in 11 months.

Yet, in the last six months of the ANC's administration, the City's cash bank balance went from R6.6-billion to R3.9-billion. Meaning the City haemorrhaged R2.7-billion in just 6 months.

That is a whopping R450-million lost, out of the bank account, every month, for 6 months, from July to December 2021.

The Multi Party Government was formed on 14 December 2021. Not a moment too soon.

I have no doubt that money will now disappear again at an astonishing rate under the new ANC arrangement in the City.

The closing bank balance on 30 June 2022 was R3.8-billion. That is a further sad loss of R100-million or R16.67-million per month, every month, for 6 months, from January to June 2022.

After 336 months (28 years) of mostly ANC maladministration, it will take more than 9 months to find and fix all the shortfalls, which we were doing, hence the R77,3-billion budget that came into effect on 1 July 2022 was dubbed a "golden repair" budget.

Members of the media, we reduced the number of employees able to credit customer accounts from 500 to a select 24 managers and all data that can change a customer's bill must now be supported by relevant documentation.

The walk-in centres are more responsive than they have ever been. The internet linkages to these centres have been monitored and improved where possible.

We introduced Phase 3 of the Debt Rehabilitation programme, and improved the access to this programme by increasing the property value threshold, and allowed, for example, deceased estates and old age homes to access the benefits.

Under the Multi-Party Government Eskom has never been short paid. We pay Eskom within 15 days of receiving their invoice, and we have never defaulted. The amount in the winter months, as the whole of winter was in our administration, is between R2.2-billion – R2.4-billion, and in the summer, it drops to around R1.6-billion per month.

The same applies to Rand Water – no invoice has been late or not paid. That amounts to more or less R600-million per month.

We purchase water and electricity in bulk and pay for it even before our customers are billed for their usage. This means, barring faults and rolling blackouts, there has always been power and water available for our residents.

There has been no 'Day Zero' with respect to cash in the bank, and with the R2-billion short term loan secured from DBSA, there won't be one. This will be coming to the October Council sitting for approval. The Finance S79 Committee, must keep a sharp eye on the City's finances to ensure this loan is not squandered, but that it is utilized for the right purpose – to deliver services to the 6-million residents of Johannesburg.

Colleagues, the supply chain policy was being looked at. National Treasury was coming in October, and it was very likely the new policy, that would allow oversight, would have been approved in Council before December. There is no guarantee that this will happen for as long as the ANC is in office.

It is nothing short of a travesty that this coup took place now, but in the eyes of the ANC and their corrupt cabal, we were too close to closing too many taps – if we had been left to complete this calendar year, never mind the political term, access to billions would have been terminated.

The first financial event overseen by the illegal and newly-sworn in MMC for Finance, Councillor Arnolds contravenes National Treasury cost containment regulations on no less than three counts:

- The venue for sleepover is closer than 500km away
- The venue is graded higher than three stars
- The venue is not within the environs of Johannesburg

I can only encourage the residents that we in the DA, and myself, will not give up. I will continue to fight for what is right and conduct the oversight that is necessary to ensure the residents receive the services for which they pay.