CITY OF JOHANNESBURG

Councillor Belinda Echeozonjoku

Caucus Leader of the Democratic Alliance

TO : **Hon Minister of Finance – Hon Godongwana**

DATE : **17 November 2025**

SUBJECT : **Request for urgent Investigation into City of Johannesburg Unbudgeted R10billon SAMWU Commitment**

Dear Hon Minister Godongwana,

Dear Auditor General, Maluleka,

The above bears reference,

On behalf of the Democratic Alliance (DA) Caucus, the Official Opposition in Council and residents of the City of Johannesburg, I am hereby formal requesting for National Treasury and the Auditor General for urgent intervention from National Treasury following deeply troubling revelations made by Mayor Dada Morero regarding the City's written commitment of R10 billion to the South African Municipal Workers Union (SAMWU).

Recent correspondence exchanged between SAMWU and the City, including documents the Mayor himself has released, confirms that the City provided written undertakings to SAMWU. Yet, the Mayor has since publicly conceded that this alleged R10 billion agreement was never budgeted for.

This admission raises grave concerns of possible contraventions of the Municipal Finance Management Act (MFMA), including but not limited to:

- Section 15, which prohibits a municipality from incurring expenditure not included in an approved budget;
- Section 17, which prescribes the structure and content of municipal budgets, requiring transparency and credible planning;
- Section 19, which requires proper funding and approval of capital projects before commitments are made;
- Section 32, which deals with unauthorised, irregular, fruitless, and wasteful expenditure; and
- Section 60–62, which outline the responsibilities of the Accounting Officer to ensure sound financial management and prevent unauthorised commitments.

If the City entered into a R10 billion commitment without approved budgetary provision, this may amount to unauthorised expenditure, financial misconduct, and a serious breach of the City's fiduciary duties.

This situation is unfolding while residents are enduring severe service delivery failures:

Some communities have been without water for weeks;

Others have been without electricity for days;

City Power contractors have protested over non-payment.

Despite these crises, the Mayor and his Executive appear willing to make extraordinary, unfunded financial undertakings to appease SAMWU, an act that undermines financial stability at a time of escalating service delivery collapse.

Furthermore, we request clarity on whether the Mayor and his Executive misled SAMWU by committing to payment, despite acknowledging the absence of budgeted funds.
SAMWU has publicly threatened to disrupt the G20 Summit unless the PFA is finalised, and circulated messages indicate mounting pressure on the City to act before the event.

Additional allegations require urgent investigation, including:

- Whether any service delivery projects have been halted, depleted, or reprioritised to make room for this unbudgeted commitment;

- Whether funds from the sweeping Joburg Water account were redirected, as the Mayor has declined to deny these reports, even during formal oversight sessions.

Given the seriousness of these claims, the DA requests National Treasury to:

1. Initiate an immediate investigation into the legality and fiscal implications of the R10 billion SAMWU commitment;

2. Determine whether any MFMA violations have occurred, and what action must follow;

3. Assess the financial risks this places on the City of Johannesburg's budget, service delivery obligations, and overall fiscal sustainability;

4. Provide guidance and intervention, as empowered under Chapter 13 of the Constitution and sections 5, 6, and 139 of the MFMA, to ensure lawful, responsible, and transparent financial management within the municipality.

Accountability is not negotiable. The residents of Johannesburg deserve an administration that demonstrates transparency, honesty, and adherence to the law. At present, this is not the case.

We trust that Treasury will treat this matter with the urgency it requires.

Sincerely,

Cllr Belinda Kayser-Echeozonjoku

DA Johannesburg Caucus Leader

Cc: Hon Velenkosini Hlabisa – Minister of Cooperative Governance and Traditional Affairs (COGTA)

Cc: Hon Jacob Mamabolo – MEC of Cooperative Governance and Traditional Affairs (COGTA)

Cc: Cllr Dada Sello Morero – Executive Mayor of The City of Johannesburg

Cc: Adv Tsakane Maluleke – Auditor General of South Africa

Cc: Mr Floyd Brink – City Manager of the City of Johannesburg