PS – LA – GAUTENG

1996 – 1997

Jo'burg council to write off R6,8m unpaid debt

Mduduzi ka Harvey

THE Johannesburg council has resolved to write off more than R6,8m owed by the public, liquidated companies in contracts with the council and council officials who have left without settling their debts.

At a meeting yesterday, councillors resolved that R6,8m be written off as irrecoverable and that security in respect of employees' debts to the council be referred to the council's human resources department section 59 committee when it is established

The matter came to the fore following concerns raised by NP councillor Jakoob Makda that council officials were leaving without settling their debts

Councillors Eugene Robson of the ANC and the DP's Anchen Dreyer sought to allay public fears that the debts were solely owed by council officials. Money owed by council officials constituted a minimal fraction of the R6,8m, they said

A breakdown of amounts owed to the council indicates that internal debts incurred by former employees total R300 394 External debts, which include ambulance and fire services, building plan and rezoning fees, advertising, waste services, bus hire and rental due by debtors, amounted to R6,5m .

Council executive committee deputy chairman Kenny Fihla said the council would have to establish a human resources committee The establishment of this committee has been delayed by the lack of clarity on the powers and functions of the council and its substructures, which are expected to be announced soon by Gauteng premier Tokyo Sexwale

Fihla said the decision to write off the debts, some dating three years back, was reached after the relevant legal, financial and accounting processes had been followed (26) BD 19/1/96

Gauteng questions its budget allocation

Inaccurate population statistics based on figures for 1991 mean this province is shortchanged

Star 25/1/96 (26) (27)

By Karin Schimke
Gauteng Reporter

As the countdown to the presentation of South Africa's 1996/97 Budget continues, sources within the Gauteng government have again expressed concern about the formula used to allocate funds to the provinces

Although the sources said Gauteng was likely to get the short end of the national budget again this year because of inaccurate population statistics, they also pointed out that from next year a new formula – devised by the Fiscal and Finance Commission (FFC) – is likely to change the way funds are allocated to provinces.

Statistics being used by the national function committees (the committees which recommend allocations for health, education, welfare, roads and housing, for instance) are based on the 1991 Central Statistical Service (CSS) census This figure shows that there were 6 846 million people in the PWV area at the time

Five years on, this figure has not been adjusted despite reports from various sources that Gauteng is absorbing most of the country's illegal immigrants as well as South Africans from other provinces seeking work here

Last year's budget of R9,9-billion from national Government for the province meant that each person in Gauteng was given R1 446, based on 1991 statistics.

Using the same calculations for the Northern Cape, each person in that province was allocated R1 964 from the central Government budget last year.

The Development Bank of Southern Africa (DBSA), using growth indicators, has arrived at the current estimate of around 7,4 million people living in Gauteng

Population is not the only criterion for deciding allocation, but it does form the basis for it.

> **"There is no consistency of figures at the moment"**

Paddy Maharaj, chief director of planning, banking and administration at the Gauteng provincial government, said the province was "all for achieving equity between the provinces" but there was concern about the timeframe. It was felt that equitable allocation between provinces was something that should be phased in over five years.

"There is no consistency about population figures at the moment. Everyone has their own formula for working out how many people there are in the province and we have been given figures of between six and 10 million people in Gauteng

"Obviously allocation of resources cannot work within that scale and, until a new census is done, the committees have to use a statistic," he said.

His department had raised its concern at a national level and has worked towards finding consistency in the figures used, even if there was no accuracy. Each function committee at present works with independent figures from the line function departments of each province.

"We don't think the function committees are the ideal situation and we have been fighting to have the formula provided by the FFC used when it comes to allocating funds

"The current process of allocating is inadequate and does not fall within the provisions of the interim constitution"

However, Maharaj was positive that this would be the last budgetary year in which this system would be applied

Roland Hunter, deputy director-general of finance and economic affairs in the province, echoed these sentiments. "We are forced on to the last census because there is no other set of population statistics we can rely on. There simply is no escape from those figures"

Now eavesdropping devices discovered in ANC-dominated Springs council offices

Star 26/1/96

By Lee-Ann Alfreds

The discovery of bugging devices in the offices of executive members of the Springs council has once again turned the spotlight on spying activities in Gauteng local government structures.

The devices were discovered in most offices on the third floor of the council building during a search by a private Pretoria-based security company on Wednesday

The discovery comes in the wake of claims by a municipal worker that he had been paid to spy on NP members in the North-Eastern Metropolitan Council, and the discovery of a sophisticated long-range tracking device in the official vehicle of Land Affairs Minister Derek Hanekom.

These revelations spurred the ANC-dominated council to hire a security company to "sweep" its offices for bugs, a source who did not want to be named told The Star yesterday.

He said the move had also been motivated by the continued "leaking" of confidential information discussed in meetings

"Things would be discussed in confidence in the office of the chairman and someone would always know the details.

"At first nobody suspected anything. They just thought that someone was leaking the information," he said

But a search of the offices on the third floor – including that of

Someone always had confidential information

the chairman, his deputy, the chief executive officer, the town secretary and several heads of department – revealed the bugs

Devicess were also found in the mayor's office and parlour, which are on the first floor, the source said

While he did not know what kind of bugging devices had been found, the source said the security company had stated that the information was being relayed to a radio station. He said the council was still trying to locate where the station was based

The source said he believed the devices had been placed soon after the new council took office because information had been leaked from the beginning of last month.

He said the executive committee had been locked in a meeting all day yesterday to decide how to deal with the matter.

"They have not even reported it to the police yet," he said

Springs council chairman Tatish Phasha refused to "comment on anything at this stage", while NP councillor Meryck Levitas was in the meeting and could not be contacted for comment.

The ANC won 11 seats on the council in the local government elections in November The NP won five seats and the Springs Forum (former CP members) won four.

The CP was in control of the council before the election

Local govt department moves to city centre

(266)

Star 26/11/96

Move of Gauteng administration into Johannesburg will bring trade back to crime-ridden inner city, say businessmen

By Karin Schimke
Gauteng Reporter

The Gauteng housing and local government department yesterday started its long-awaited move into the Johannesburg city centre, where the entire department will be housed in the Bank of Lisbon building in Sauer Street

It is the first of many departments in the administration to move into its new home, and most government officials are being transferred from Pretoria The health department will be moving to the Bank of Lisbon building next month

Sources said the move was likely to take up to two months with different sections occupying the building according to a timetable

The move of the administration of Gauteng to Johannesburg has been applauded by local businessmen and entrepreneurs as it is thought it will breathe life into the crime-ridden city centre and bring business back to it.

The Star reported in September that the R30-million project would require 3 000 civil servants to move to the city Some of these have already started commuting.

Once the administration's entire move is complete, 10 provincial departments with their MECs will be housed in eight buildings surrounding the central precinct, which includes the Library Gardens and the legislature, which is situated at the old city hall The buildings are the NBS Building, the Bank of Lisbon, 111 Commissioner Street, Litorn House, Diamond Corner, Sage Life Towers, Corner House and Aegis Insurance House

The only department which will not be moving to the city centre this year is safety and security, which is housed in Braamfontein.

The premier's office and certain components of corporate services – such as personnel, labour relations and administration – and the office of the director-general will remain at 30 Simmonds Street, where they have been for almost two years

'More could join exodus from TMC of senior officials'

(26b)

By Lorna Zokufa
City Reporter

Star 29/1/96

Speculation over the reasons behind the exodus of more than 200 senior officials from the Greater Johannesburg Transitional Metropolitan Council continued to run rife yesterday, with the NP and DP saying the numbers could rise.

Figures released last week showed that 211 of some 1 000 senior officials, mainly from the former white municipalities, have left since December 1994.

Yakoob Makda, NP leader on the council, said most of them were frustrated by the length of time it took the council to make a decision.

DP leader Anchen Dreyer said although the DP was not sure of the reasons behind the resignations, it had received information that many officials were feeling insecure.

TMC executive committee and ANC member Patrick Flusk said "Those who cannot tolerate democracy are welcome to leave. We suspect that some of these people are just trying to make the council as ineffective as possible, and this will not work."

Flusk said the ANC was aware that many of the officials wanted to leave and then return to the council as consultants. This, however, would not be allowed.

IFP flexibility raises hopes of settlement

BD 30/1/96 (112) 254

Farouk Chothia

MARITZBURG — The IFP made far-reaching concessions in negotiations over a KwaZulu-Natal constitution yesterday, raising hopes that an all-inclusive settlement could be reached by the end of next month

Minority Front leader Amichand Rajbansi said parties agreed in yesterday's talks on the need for the provincial legislature's size to be confined to 100. The IFP initially demanded a 200-member legislature

Agreement had also been reached that in rural areas, property owners would be guaranteed 30% representation on primary local government councils. The NP had wanted this to be a permanent arrangement, but a compromise agreement stated it would apply only for the first term of councils

ANC negotiator Ina Cronje said the IFP had shown a willingness to negotiate, and there seemed to have been a change of attitude on its part

However, it was too early to say whether the ANC could strike a deal with the IFP as "tough negotiations" were scheduled for today.

IFP negotiator Mike Tarr said there was a "new spirit" among all the parties, particularly the ANC "I think everyone now realises that we've got to produce results," Tarr said.

An IFP source said the party was becoming desperate for a constitution. It feared that if there were continuous delays the provincial process would be overtaken by the national process. At this stage, the provincial constitution had to be compatible with only the interim constitution. If the national constitution was finalised first, the provincial constitution would have to be compatible with the national constitution for it to be certified by the Constitutional Court

Parties had agreed that a draft constitutional Bill would be published by the end of the week with the aim of adopting a constitution with a two-thirds majority in three weeks' time.

One of the main areas of dispute was the issue of the executive. The front and the ANC wanted the constitution to state that the government of provincial unity would continue until 1999, but the IFP was unwilling to give this commitment. Instead, the IFP believed that any coalition after the adoption of the constitution should be on a voluntary basis. For its part, the NP had proposed that a council of state, comprising two representatives each from the three major parties, replace the unity government. A single-party cabinet would have to refer decisions to the council for ratification.

Rajbansi said all parties were moving closer on the issue of the Bill of Rights The IFP had initially proposed a detailed Bill, but had now indicated a willingness to be flexible.

Comment: Page 4

Council plays down staff vacuum

Mduduzi ka Harvey (266)

JOHANNESBURG's council yesterday dismissed concerns that the 229 senior posts which became vacant last year had not yet been filled, leaving the council poorly administered

Acting deputy head of metropolitan human resources Rina Barfoot said the posts, most of which had become vacant through resignations, had all been filled. About 90 officials had been appointed, and the other posts were filled by deputies in an acting capacity

However, she warned that many more officials could resign unless there was clarity on the level of taxation on the lump sum pension payout. Many officials resigned because they feared their pension payout would be subjected to a 40% taxation Others left for higher-paying jobs

She said the 150 resignations last year had not caused waves in the council as these posts made up only a fraction of the council's 35 000 work force

Barfoot allayed fears that the council was not operating efficiently due to the fact that personnel could not be replaced because of a pre-existing moratorium on appointments. Council CEO Nicky Padayachee had been empowered to override the moratorium and approve the filling of these posts

Of the 150 resignations, 90 were from Johannesburg, 33 from Sandton, 10 from Randburg, nine from Roodepoort and four from Soweto. Diepmeadow, Alexandra and Dobsonville were unaffected

BD 30/1/96

Former TPA officials accused of fraud, mismanagement

(266) Star 30/1/96

By Karin Schimke
Gauteng Reporter

Fraud charges involving R64,2-million in warrant vouchers are among prosecutions that could follow the Auditor-General's reports on accounts for the former Transvaal Provincial Administration (TPA) for the years 1992/93 and 1993/94

The reports alleged mismanagement, theft, fraud and other irregularities, according to Mohamed Dangor, chairman of the Gauteng standing committee on public accounts.

He said yesterday his committee had proposed the prosecutions after studying the reports There was a fair chance the matter would be taken further

The reports were released yesterday, and Len Dekker, former director-general of the Transvaal, was questioned by the MPLs of Mpumalanga, Gauteng, North West and Northern Province Technically, however, responsibility for the accounts lies with the present four directors-general of the provinces

A report stated: "During the auditing of the accounts, various queries and observations were raised covering a broad spectrum of the provincial administration's activities, and which were indicative of weak internal control"

These included alleged fraud involving 340 warrant vouchers estimated at R64,2-million, irregular payments of bursaries at the University of Pretoria, an inadequate financial management system which resulted in expenditure being wrongly allocated, and duplicated payments.

Dangor said once the reports had been discussed at a meeting between the public accounts committees of the four provinces, which is due to end tomorrow, Gauteng's committee would meet again and discuss its next steps

Sources have indicated that recourse could be sought through the provincial Auditor-General, who could take the matter to the national Cabinet

Members of the Gauteng standing committee raised the

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TPA officials face fraud allegations

(266) Star 30/1/96

▼From Page 1

question of why the reports from 1992/93 were being made available only now.

Gauteng director-general Vincent Mntambo, responding to a question of whether steps were being taken to ensure that accounts would be submitted timeously in future, said no stone was being left unturned to rectify the matter

He added: "It should be mentioned that because of the magnitude and diversity of (the TPA), it has simply not been possible to put a full set of faultless annual statements on the table within the timespan."

Dangor told The Star yesterday that financial reports of 1994/95 for Gauteng were basically completed and would probably be submitted to the public accounts committee next month.

They could be made public as early as April.

These are the accounts handled by the current administration.

There was an increase of more than R29-million lost by the former TPA in the 1993/94 financial year over the previous year.

The Auditor-General's report on appropriation and miscellaneous accounts of the TPA showed that in 1992/93, losses, theft and irregularities amounted to R24,4-million.

Thus amount increased to R53,8-million in the following financial year

Mntambo said that none of the money could be recovered, and the administration was not aware of ... "collusion between the robbers and officers of the administration".

Dekker said that in cases of irregularities in the 1993/94 financial year, which amounted to losses of R912 091, the police had been notified.

Local govt forum agreed upon

(266) 20/2/96

Mduduzi ka Harvey

GAUTENG ministers and city council officials at a local government summit meeting in Vereeniging resolved yesterday to form a local government forum.

The aim of the forum is to unify service delivery efforts and strengthen links between provincial and local authorities, cutting duplication of development projects and provincial spending.

The forum, a non-statutory body, will also aim to encourage an integrated approach to services delivery by avoiding red-tape and duplication of resources, and promote a good working relationship between the three tiers of government.

Provincial housing minister Dan Mofokeng said the forum was expected to play a major role in developing bridging legislation, and a ... cal government White Paper.

Gauteng premier Tokyo Sexwale said government and local authority officials needed to formulate a vision for local government structures.

Call to investigate 8 000 Jo'burg council vacancies

(266) 6/2/96

By Anna Cox

Mass resignations and a moratorium on the filling of posts during the past year have resulted in Greater Johannesburg's council operating with 8 168 vacancies in the city's administration and its four substructures

The DP and NP have expressed "serious concern" about the issue and have called for a full investigation into the reasons behind the resignations and the vacancies.

DP Johannesburg leader Anchen Dreyer is adamant the city cannot operate effectively with so many vacant positions

"It is of extreme concern that the city is losing its expertise and experience The brain drain is bleeding the city dry of skills which are desperately needed, especially during this time of transition This is not a party-political issue – we don't intend using officials as political footballs – there is genuine concern about the losses," she said

Dreyer said the DP and the NP would be meeting chief executive officer Prof Nicky Padayachee next week to discuss their concerns and would be calling for a full investigation into the reasons behind the resignations and vacancies

"Although the reasons for the resignations are being cited as people taking their pensions before tax increases are announced, we believe this to be true of only a small number of employees.

"We feel the root causes of the resignations must be addressed If it is low morale or the inability of officials to work with politicians, these have to be addressed and solved," she said

But the Greater Johannesburg Transitional Metropolitan Council (GJTMC) says the vacancies have not caused problems because officials have been seconded to posts in substructures when necessary

Recruiting will begin as soon as chief executive officers for the area's substructures have been appointed, it says

NP leader Jakoob Makda said his party was also deeply concerned "This has never happened before in the history of local government We have a great challenge ahead of us in delivering core services to a large number of residents and we need the collective skills of officials who together have many years of experience and which we cannot afford to lose during this crucial time," he said

Hillow Maeko, GJTMC acting head of metropolitan administration, said the substructures were still "being capacitated"

The administrations served the metropolitan substructures within the GJTMC, and if a vacancy existed, it was generally possible to second someone from another administration within the council to the administration or department where the need existed, Maeko said

Public servants react to move

~~25e~~ (266) BD 8/2/96

Ingrid Salgado

THE relocation of Gauteng government departments from Pretoria to the province's new capital, Johannesburg, had led to resignations by public servants who did not wish to commute between the cities, Gauteng director-general Vincent Mntambo said yesterday

However, the resignations had not reached "alarming proportions" Many of those who resigned had transferred to other state departments still based in Pretoria.

The province expected more resignations during the next two years as employees who were unhappy about commuting found alternative work. This would provide departments with opportunities to create a more racially representative administration.

Mntambo said most of the relocation process would be complete by April at an estimated cost of R30m, although actual costs could be far lower

Departments would pay their own relocation costs. Since this was not budgeted for last year, many had used funds budgeted for appointments and programmes not yet in place

The newly created single education department was already based in Johannesburg and the local government and housing department's move was near completion Other departments' moves were in the pipeline.

The move involved an estimated 2 000 public servants into 10 new buildings scattered around the city centre All were within walking distance of the provincial legislature.

Mntambo said the province had hit snags with refurbishing and cabling of the new buildings Property owners had agreed not to charge rent until occupation was complete

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City bosses to spend R41-m to fill posts (266)

By Anna Cox Star 9/2/96

Greater Johannesburg's metropolitan council has allocated R41-million to fill critical posts, according to executive committee chairman Collin Matjila.

Reacting to the announcement earlier this week that 8 128 posts were vacant within the council and its four substructures, Matjila said the vacancies should be seen in the light of "a significant organisational transformation which was a natural follow-up to the first democratic elements"

Matjila said that despite the vacancies, the council was providing more services than ever before, considering that the additional services provided for informal settlements

"This can largely be attributed to the increased efficiency and effectiveness of service-delivery departments throughout Greater Johannesburg," he said

Gauteng legislature an extravagance, says DP

(266)

Jack Bloom criticises Tokyo Sexwale's administration, saying it does not achieve enough to justify its costly existence

Star 22/2/96

By Mondli Makhanya
Political Reporter

The Gauteng legislature must start justifying its existence and stop being just an "expensive debating chamber", says Democratic Party member Jack Bloom

Lamenting the lack of work for the legislature in the coming legislative year, Bloom said on Tuesday the provincial parliament was not doing enough to justify its R60-million annual running costs

The legislative year begins on Friday with a State of the Province address by Premier Tokyo Sexwale He is expected to deal with issues facing the province in the coming year and outline some of the tasks of the legislature.

There has been much criticism from opposition parties, particularly the DP, about the low volume of work done by the legislature in the past two years of its existence

Much of the shortage of serious work is said to be the result of the failure of the central Government to devolve powers to provinces

The first six months of this year are set to be largely taken up by debates on the provincial budget and a few pieces of non-controversial legislation

Bloom complained that the Greater Johannesburg Metropolitan Council had even more work than its provincial counterpart

"The public is paying for a useless institution. We have legislative sittings and committee meetings but there is no meat," said Bloom

Gauteng won't rush into debt when borrowing bill is passed

Star 27/2/96 (266)

By Mondli Makhanya
Political Reporter

The Gauteng government will not "jump" into the financial markets to borrow money when legislation enabling this is passed by the national Parliament later this year, Gauteng Department of Finance and Economic Affairs head Roland Hunter said yesterday

Addressing a media briefing ahead of today's budget appropriation speech by Finance and Economic Affairs MEC Jabu Moleketi, Hunter revealed that the provincial government's projected R1,2-billion shortfall had been cut back to R64-million

It had been expected that the government would overspend its R10,8-billion 1995-96 budget by R1,2-billion but belt-tightening and astute banking techniques had cut this back substantially.

In his speech today, Moleketi will outline how the government plans to deal with the R64-million deficit in the current budget He will also indicate the size and content of the1996-97 budget due to be unveiled next month

The Provincial Borrowing Powers Bill is due to come before Parliament within months and it is expected to be passed with ease

Provinces will then have more independence from central government to raise their own finances

Central government will exercise control only through the Loan Co-ordinating Committee that will ensure provincial borrowing does not have a negative impact on national finances

Hunter said the Gauteng government would embark on very careful planning before entering the markets

Chief director of planning and banking Paddy Maharaj said "Even if we got into the markets, there is no guarantee we will get money. The market will first have to assess the province's creditworthiness"

Responding to criticism from Auditor-General Henri Kluever that provinces were not balancing their books, Maharaj said the provinces' finances were monitored daily and all departments provided monthly accounts

POLITICS

Gauteng's books set to balance

Star 28/2/96 (266)

By Mondli Makhanya
Political Reporter

Gauteng will end its 1995/96 financial year with balanced books, provincial Finance and Economic Affairs MEC Jabu Moleketi said yesterday

Introducing the Adjustments Appropriation Bill in the provincial legislature, Moleketi said the expected R64-million deficit would probably not materialise. Finance officials even predicted that the province could end up with a small surplus on its accounts

When he presented his R10,8-billion budget last year, Moleketi had projected that the province would need an additional R1,2-billion to cover the cost of local government elections and devolution of dental schools to provinces This, however, had been chopped down to R64-million by last week

Moleketi said much of the balancing had been achieved on the back of expenditure cutbacks and reprioritisation of expenditure

"Donor" departments that generated their own income had diverted funds to underfunded departments such as health, welfare, education, sports and recreation, and arts and culture The government had also embarked on a campaign to curb waste, curtail expenditure and improve the expenditure of departments

The province also received some once-off funds from the national government to cover costs such as administering the local government elections and catering for rationalisation and retrenchments in the public service

In addition, the Gauteng authorities had raised their own revenue. Horseracing earned the government R28-million and vehicle licence fees reaped R35-million.

The government had also managed its cash flow very efficiently and placed temporary excess funds – such as salaries – at the best available rates in banks This had raised R113-million from interest

Chief director of planning and banking Paddy Maharaj said this had been aided by the installation of an on-line computer with a direct line to the banks, enabling it to choose the best rates on offer when it wanted to invest funds.

Moleketi complained about the process of allocating funds to provinces, saying this put too much power at the hands of the national Department of Expenditure's function committees This made the provincial legislative process redundant, limiting the scope of provincial authorities to determine how to structure their own budgets.

"The challenge is to put in place a budget process which allows integration between national and provincial budgets in a spirit of co-operative governance and also permit provincial discretion over the budget to take account of provincial circumstances," Moleketi said.

He also slammed Auditor-General Henri Kluever's assertion two weeks ago that Gauteng, among other provinces, was in the red. He said all the books were in order. "The auditor-general's comments were a most unfortunate piece of disinformation and they have done Gauteng undeserved harm," he said

Government should take over Jo'burg's CBD to stop rot, says DP

By Mondli Makhanya
Political Reporter

The Gauteng government should seriously consider taking over jurisdiction of Johannesburg's central business district in order to reverse the degeneration of the inner city, the Democratic Party said yesterday

Speaking during a debate on Premier Tokyo Sexwale's speech, when he opened the provincial legislature last week, DP Gauteng leader Peter Leon said this drastic step might be necessary to stem the exodus of major businesses from the inner city

"Business will simply not return to Johannesburg until it is safer, cleaner and habitable"

Leon added that Sexwale should consider this option if he could not inject some life into the Central Johannesburg Partnership, which is a joint initiative of government, the business and community organisations

Government control over the CBD would work in the same way as the US federal government's control over Washington, DC

Leon sharply criticised the Gauteng government for failing to devolve powers to city councils four months after the local government elections

He said the effectiveness of local governments was being hampered because no executive portfolios had been allocated at various city councils because no one knew what powers belonged where

He also called on the provincial government to become more involved in making the Masakhane campaign more successful in reducing municipal arrears – which stood at R580-million in Johannesburg alone The only beneficiaries of the Masakhane campaign were the advertising agency responsible for popularising it and the career of its former campaign director, Chris Ngcobo, he said

Leon warned that, when the final constitution was passed, provinces would lose what little power they now enjoyed. The removal of the provincial public protector, the provincial service commission and the provincial tender board was going to rob them of three very powerful institutions

"If provinces are to lose power to the centre while remaining entirely dependent on the national government for their sources of revenue, then what is the purpose of provincial government?" he asked

(266) Star 28/2/96

Gauteng budget swells to R12,1bn

BD 28/2/96 (266)

John Dludlu

GAUTENG finance and economic affairs MEC Jabu Moleketi yesterday tabled the Adjustments Appropriations Bill, showing a supplementary expenditure of R1,3bn, but assured the legislature that the province would be able to balance its books at the end of the 1995/96 fiscal year

The supplementary appropriation will raise Gauteng's total budget for the current fiscal year to R12,1bn, up from the initial R10,8bn announced last year

However, Moleketi — who has earned praise for running a tight fiscal ship — pointed out to his colleagues that the additional spending was not the result of "laxity on our part" The increase was caused by last year's municipal elections and the transfer of dental schools to the province

The adjustments appropriations were financed through a shortfall plan devised by the finance department This included additional revenues (horseracing and betting. R28m, vehicles licences: R35m), carry-over funds (R176m), reprioritisation and cutbacks as well as a waste reduction campaign

According to documents on the Bill, additional funds were received from central government for the costs of local government elections — R60,99m — and the meeting of local government debt estimated at R44,1m

"Provincial roll-over funds together with suspensions and functional shifts added a net R1,988m to this (local government) vote. A declared savings of R30m has been reallocated"

Moleketi told the legislature that a total of R136m was reprioritised from his department, corporate services, housing and local government, public transport and development planning.

Beneficiaries included the health, education, welfare and sports and recreation departments

The province, which started the current fiscal year with a potential shortfall of R1,2bn, would now earn an additional R58m in revenue The shortfall had been reduced to R64m.

By immediate placement of surplus cash funds on deposit at favourable rates the province also earned an additional R113m from interest.

Briefing the media ahead of his presentation, Moleketi criticised the current budget process based on the function committee system, saying it lacked predictability and consistency.

"The only time one gets to know about the allocations is towards the end of the year," he said.

The system of function committees, staffed by national and provincial government officials, would be abolished.

Moleketi said a new formula should reward provinces that maintained fiscal discipline and punish ones which went on spending sprees

Province plans investment fund

Ingrid Salgado

A PROVINCIAL development fund to raise money for investment in housing, health and education, among other areas, is on the cards for Gauteng

Gauteng housing director Monty Narsoo told the local government and housing standing committee yesterday the fund was being mooted as a mechanism to attract investment from the private sector and as a conduit through which national institutions could fund development in the province

The provincial cabinet has in principle accepted the notion of the fund, but has instructed planners to further investigate the matter A document would be presented to the cabinet at the end of April for its approval.

Planning is being jointly driven by the housing and finance and economic affairs departments.

Gauteng planning and banking chief director Pradeep Maharaj said the rationale behind the fund was that a need could exist for a provincial entity to co-ordinate funded projects National institutions had a responsibility to national priorities, not Gauteng's.

The fund was mooted last July following pressure for government to investigate establishing a provincial housing bank. It decided to steer clear of that option or to establish a development corporation, Maharaj said.

Narsoo said government would probably tender for further proposals on the fund if it was accepted by the cabinet. The provincial government would work in close co-operation with national government on the matter.

Planners had already discussed the issue with Deputy Finance Minister [illegible]'s office, which had expressed concern about risk management and that government could be forced to carry an entity that performed badly.

Planners would also discuss the matter with national development finance institutions to ensure the fund did not duplicate their work.

Planners were well aware that the fund needed to make decent returns for investors. "It has to be viable, judged not by the province only but by the people investing in projects," Narsoo said.

Gauteng government face tough opposition

(266)

Sowetan 1/3/96

The furore revolves around religious, language and cultural rights

By Mzimasi Ngudle

THE ANC-led Gauteng provincial government yesterday fought a Constitutional Court battle against the National Party, Democratic Party and the Inkatha Freedom Party who are opposing the Gauteng Education Act which became law in December last year.

The dispute revolves around three clauses of the Act over language, religious and cultural rights

Clause 19(1) provides that language competence testing should not be used as an admission requirement to a public school

The NP, DP and IFP - who are all petitioners represented by the same counsel - argued that the clause infringed the constitutional right to establish educational institutions based on a common culture, language or religion

Shape the policy

The petitioners also challenged the principles within which religious policy of a public school should be developed as required by clauses 21(1) and 21(3)

The clauses grant MEC for education Mrs Mary Metcalfe the right to shape the policy of a public school after consultation with the school's governing body under certain circumstances. The petitioners argue that the clauses infringe constitutional rights to freedom of religion and to equality

Counsel for the Gauteng government Advocate Wim Trengove urged the court to interpret the clauses with reference to the larger objects of the constitution The hearing continues

Inquiry ordered into R70-m Alexandra deficit

By Anna Cox

The Alexandra administration is running at an accumulated R70-million deficit and the auditor-general has expressed "extreme concern at the mismanagement" within the local authority

He has requested an urgent meeting with councillors, the acting chief executive officer and the acting town treasurer of the administration

He has also ordered that an inquiry be undertaken with regard to staff members implicated in financial irregularities

In a report for 1994, the auditor-general found inadequate control measures of debtors, fixed assets, title deeds, VAT returns, bank deposits and housing subsidies, non-compliance with statutory requirements, no fixed asset register; no individual records or accounts for housing debtors, no details on the number or occupancy of houses, flats or hostels, and no basis for the repayment of loans

It was found that records pertaining to sold flats were "in a shambles" When the flats were sold, no proper records were kept and no formal agreements entered into No rental was being collected in the two hostels

It was also found that the names of former employees still appeared on the payroll for a few months after their resignation or dismissal

The Alexandra administration is 96% financed by intergovernmental loans About half of Alexandra's residents are unemployed and a rent boycott is still in place The city council, with its limited funds, found it extremely difficult to collect arrears, the report said

Democratic Party councillor Frans Bicker Caarten described the situation as "disastrous".

"It is unbelievable that an administration can be allowed to operate in this manner and it is also shocking that no disciplinary action is being taken against people breaking the law," he said

(266) Star 5/3/96

Council accused of fraud coverup at produce market

Star 5/3/96 (266) (32) (58)

Investigator says auditor-general's report only showed tip of iceberg regarding wheeler-dealing and profiteering

By June Bearzi
Star Line

The Greater Johannesburg Transitional Metropolitan Council has been accused of covering up the vast extent of fraud and corruption at the Johannesburg Fresh Produce Market.

This new twist to the market scandal comes after last week's report by the auditor-general confirming the existence of widespread irregularities in cash sales He also slammed market master Daan Spengler and his staff for not performing their duties adequately

Market critics, including fraud investigator Bartholomew Henderson and Independent Vegetable Growers' Association chairman Johnny Gonsalves, say the report has scratched only the tip of the iceberg regarding wheeler-dealing and profiteering at the market.

Henderson said yesterday the failure of the council's internal audit department to pass on several documents had severely compromised the auditor-general's ability to carry out a proper investigation.

The only market agent fingered

in the report is W L Osche. Yet a report compiled by Henderson almost a year ago showed that many market agents were also involved in illicit cash deals. This information was apparently not passed on to the auditor-general. Henderson is adamant that much of his evidence vanished after it was left with the council's internal audit department, which is responsible for monitoring the market's finances.

According to Henderson, other documents brought to council officials' attention would have shown how agents manipulated the market's computerised financial system to cover stock shortfalls. These occurred because of the huge volume of under-the-table cash transactions.

As a result of this manipulation by agents, farmers and the council had been losing millions of rands.

He explained: "The council was first made aware of corruption and theft 22 months ago when a former market inspector spoke out. In April last year I brought the matter to the attention of the council, but officials neglected to act until Star Line focused on the market. Now several more millions have been lost by the continued activities of crooked agents, and the council has had to pay more than R70 000 to auditors Ernst & Young for information that it received from me free of charge several months ago."

Gonsalves said yesterday: "The farmers will not rest until all the corruption at the market has been uncovered. The auditor-general's report focused only on one aspect of the fraud, illegal cash sales. Farmers want to know which agents have skimmed off funds, how they did it and how much was stolen.

As recently as Saturday, Star Line received more evidence that illicit cash sales are still taking place. In a response, the council said further allegations would be probed properly.

Council in R10 million debt due to non-payment

Sowetan 11/3/96 (26)

By Lulama Lutl

THE City Council of Springs on the East Rand is R10 million in the red accumulated over the past five months due to non-payment of services in nearby Kwa-Thema township

And in a move lauded by Gauteng MEC for Local Government and Housing, Mr Dan Mofokeng, the council has decided to crackdown on defaulters by cutting off their services.

"The flat rate story must disappear The flat rate was used as a weapon because people could not vote," he said

"We need to put a question mark on those who come up with that argument today against a democratically elected council or provincial government," said Mofokeng when he was responding to a question on the R85 interim flat rate that some residents still insist on paying

The decision to cut off services to users who did not pay for them was taken after a two day workshop at the Springs Town Hall organised to encourage more payments.

The workshop culminated in a poorly attended rally held at the Kwa-Thema stadium yesterday

The weekend workshop in Springs was one of several which have been held since June last year by the provincial government to encourage more payment of services in mostly black residential areas.

In a similar workshop held in Kempton Park recently, incentives proposed included a possible five percent discount on early or timely payments and lucky monthly draws where tenants with up-to-date accounts could win prizes

Crime busters do it for charity ... Gauteng police, represented by Captain Crime Stop and Const Rash Children from Johannesburg Child Welfare met Captain Crime Stop at the Johannesburg Flyi opportunity of seeing how the squad operates. On Red Nose Day, police vehicles will sport "splonks"

Soweto corruption inquiry to start today

(266) Star 12/3/96

By Troye Lund

The Greater Johannesburg Transitional Metropolitan Council has promised to root out corruption from its four municipal substructures and has begun a full-scale investigation into allegations of fraudulent administration in Soweto's administration

The inquiry begins today and may end in criminal prosecutions, says the TMC, which is confident it has a prima facie case against some Soweto officials

A team of forensic experts, appointed from the private sector, will receive R200 000 for the first phase of the inquiry The team was briefed by the council yesterday

The probe was initiated by a report from the acting head of administration services, Hilow Maeko, which draws all previous allegations of irregularities in Soweto together and expands on them

Maeko would not disclose any details of reported irregularities, how many experts were on the team or what company they were from He said this would prejudice the investigation, but promised more details this week

TMC executive committee chairman Collin Matjila said the investigation was part of the council's commitment to uncover any corruption that may have occurred or may still be happening in local authorities He invited members of the public to come forward with information

The investigations should be concluded within a few months.

The Soweto Civic Association was not prepared to comment until the "exact facts and proof of corruption" had been revealed

Gauteng's allocation greeted with dismay

(266)

Parties' pleas that province's budget be proportionally increased fall on deaf ears

Star 14/3/96

By Karin Schimke
Gauteng Reporter

Calls from various parties in the Gauteng legislature in the past year to increase the province's budget proportionate to its contribution to gross domestic product and its population have not resulted in a marked increase in this year's allocation from the Government

A total of R1,2-billion extra has been given to Gauteng this year, bringing its total budget to R11,1-billion However, the province will not simply have to make do with this proportion of the provincial budget because an extra R70,2-million has been awarded from RDP funds Of this money, R58,2-million will be used for edcation, R2-million for health and the rest for discretionary spending

Commenting on the provincial budget allocation last night, National Party chief whip in the Gauteng legislature Derek Christophers said although the entire Budget was "the finest result" of the Government of National Unity so far, the party was very disappointed with the province's allocation

"We are very sad to see that a vertical distribution of funds between the central Government and the provinces remains heavily in favour of the former

"We are even more disappointed to see that just one national department, namely defence, is getting about as much as our entire province is for the year."

He said it was a pity Gauteng was receiving no budgetary acknowledgement of its fiscal prudence over the past year

Democratic Party legislator Ian Davidson said Gauteng had received a marginal increase in the total allocation and that it had been short-changed last year and was being short-changed again.

"A pattern is emerging that those provinces that are commercial and industrial centres are receiving proportionally less It is highly disconcerting that Gauteng has received an increase of 12,1% whereas the Eastern Cape, for instance, received an increase of 20,8% over it last allocation"

Andrew Feinstein, an ANC legislator who also advises the premier on finance and economics, said last night the party was not yet ready to comment on the provincial allocation.

Freedom Front legislator Danie Bisschoff said his party would meet this week to discuss the province's allocation, and would comment then

New billing system in the pipeline for substructures

BD 15/3/96 (266)

Bonile Ngqiyaza

IN A bid to encourage the payment of services and establish equity in credit control, the greater Johannesburg Metropolitan Council is to introduce a standardised billing system in its four substructures.

Finance Department director Grant Easton told a Masakhane workshop yesterday that the system would be modelled on the one currently used in Johannesburg He said the payment of services in traditionally white suburbs was stable, while in Soweto and Alexandra service charges payments were on a downward curve in the past five months after a stable 30%-40% rate in the period around elections

Easton also suggested that nonexistent or limited sanctions for non-payment of services in less developed local authorities raised problems of equity in credit control The situation would remain difficult to control until metered systems were in place, he said.

He said the traditional method of disconnecting electricity could not be applied in Soweto as it would also affect those who paid, and placing water on a drip basis until creditors paid up was untenable because of the health problems it could bring

However, Easton said suspending the Masakhane campaign until metering was in place before imposing credit control procedures would, in his opinion, defeat the whole object of the exercise

The council would also upgrade and expand pay points in Soweto and Alexandra as part of the system change process, he said.

More jobs as capital budget doubles

Hope for more jobs as Gauteng capital budget doubles

Parties strongly endorse MEC's move to increase capital expenditure while decreasing spending on staff

By Karin Schimke
Gauteng Reporter

Gauteng has more than doubled its capital budget this year, bringing it to R1,076-billion – a move Finance and Economic Affairs MEC Jabu Moleketi believes will create many more jobs in the province this year

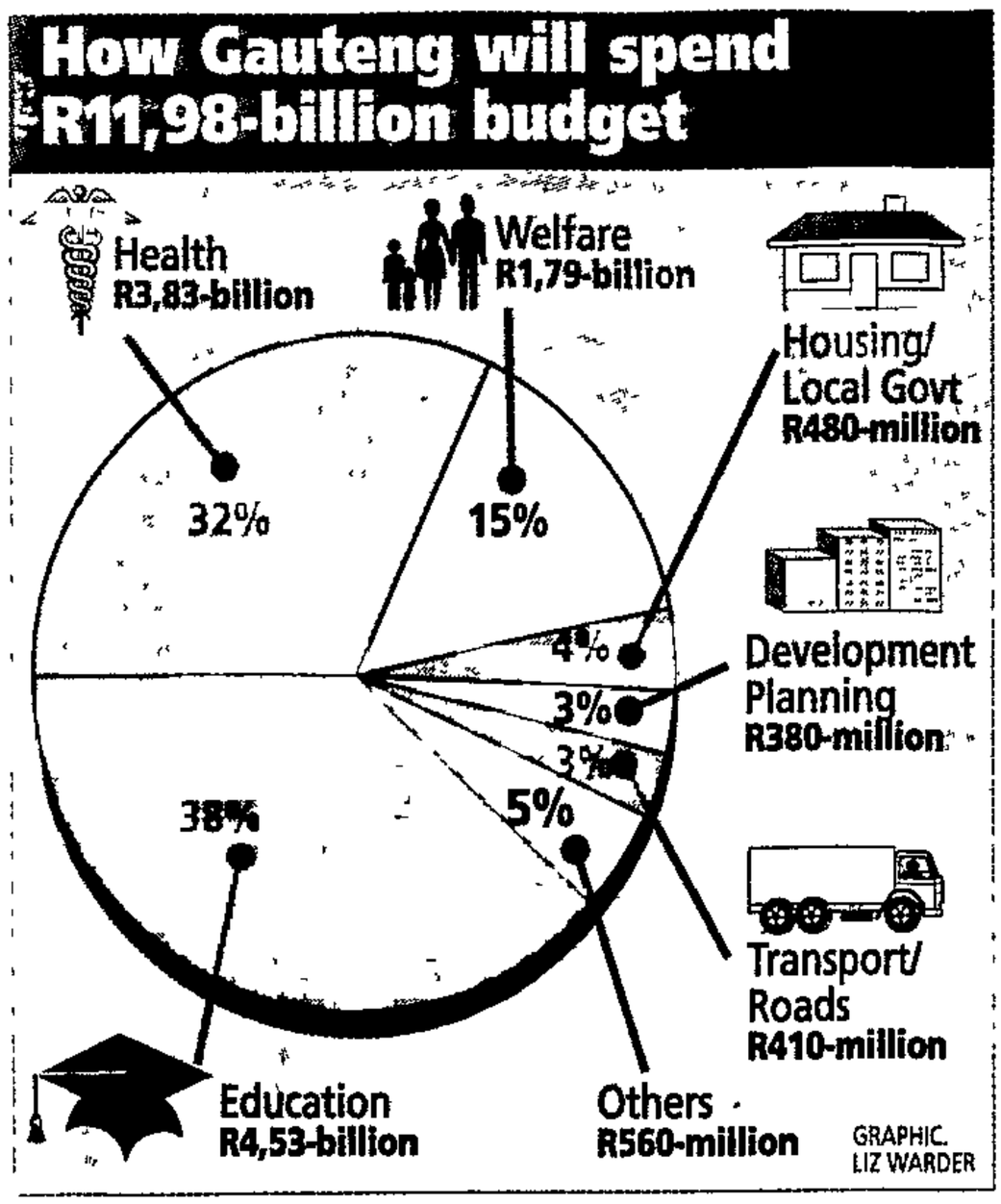
Moleketi yesterday delivered his 1996/97 provincial budget speech, which was predictable in its apportioning of the largest share of the total R11,98-billion to education (R4,53-billion), health (R3,83-billion) and welfare (R1,79-billion) Housing and local government were given R480-million, roads and transport R410-million and development planning R380-million.

Moleketi noted that the key difference in the new budget was the extra spending on capital projects, which he said would be undertaken in a manner that would create as many jobs as possible.

"A provincial government is primarily a provider of key social services, and our main contribution to growth and development has to do with providing more of those services and better services.

"Nevertheless, this budget also contributes towards growth and development by a much greater focus on capital spending, which is guided by the priorities of job creation, improved safety and security, rapid delivery of services, and administrative transformation," he said.

He added that the increase in capital spending was associated with a 4% decline in the budgeted spending on personnel from 56% in 1995-96 to 52% in 1996-97.



Parties in the legislature strongly endorsed and applauded the move to increase capital expenditure while decreasing spending on staff An ANC statement called the budget "both prudent and geared to the needs of the poorest of the people.

Ian Davidson of the Democratic Party said both moves were welcome but that it was imperative for this trend to continue.

Derek Christophers of the National Party said: "We applaud the MEC's budget, especially because of the extra allowances made for capital expenditure."

As far as capital expenditure goes, education again receives the largest share at 29%. Health receives 28%, roads and transport 15%, planning and works 7%, housing and local government 6%, safety and security 5% and welfare 3%. The remaining 7% will be used in other areas

Housing and local government will receive 4% of the total budget (R480-million), with roads and transport (R410-million) and development planning (R380-million) each receiving around 3%.

An itemised list of expenditure indicates that personnel expenditure alone takes more than half of the province's R11,98-billion, at 52%. Transfer payments, mostly pension payments, use up 20% of Gauteng's funds, while stores and livestock constitute 9%.

Prudent Gauteng returned R56-m to national exchequer

By Karin Schimke

The Gauteng government returned R56-million to the national exchequer towards the end of last year after it was realised that an expected shortfall to be covered by this amount never materialised.

This surprise announcement was made yesterday during Gauteng Finance and Economic Affairs MEC Jabu Moleketi's provincial budget speech, in which he stressed how important it was, in his opinion, that budgeting should be done with "integrity and honesty".

He said there was no justification for departments and governments to practise fraud upon each other and the national exchequer.

About the R56-million, Moleketi said although the needs in Gauteng had been great, "we could not in honesty claim that our revenue projections indicated that a shortfall of this magnitude was facing the province".

His announcement received general applause in the Gauteng legislature.

Concern raised over education's share
Page 6

Gauteng premier Tokyo Sexwale, right, welcomes Aboo Khan (NP) to the provincial cabinet as conservation and agriculture MEC Education MEC Mary Metcalfe, top left, is to assume responsibility for culture while housing MEC Dan Mofokeng, centre left, moves from local government to land affairs and former social welfare MEC Sakkie Blanche, bottom left, gets public works and media. Picture ROBERT BOTHA

Duarte keeps portfolio in Gauteng reshuffle

(26)
BD 4/4/96

Ingrid Salgado

GAUTENG premier Tokyo Sexwale announced a reshuffling of the provincial cabinet yesterday following the appointment of NP member Aboo Khan to the executive, but changes were minimal and quashed rumblings that safety and security MEC Jessie Duarte would be fired.

Sexwale announced that finance and economic affairs MEC Jabu Moleketi would assume additional responsibility for agriculture while Dan Mofokeng would head land affairs, retaining his previous portfolio of housing

However, Mofokeng has lost responsibility for local government which will fall under the jurisdiction of development planning MEC Sicelo Shiceka.

Sexwale said adjustments to Mofokeng's responsibilities would speed up housing delivery in the province since land allocation was intrinsically linked to housing delivery on land earmarked for development. Shiceka's new portfolio would result in better co-ordination of development planning with local authorities

NP member Sakkie Blanche, formerly in charge of social welfare, would become public works and public media MEC. Public media — a schedule 6 function in the constitution — was a new portfolio that had yet to be defined, Sexwale said.

Education MEC Mary Metcalfe assumed additional responsibility for culture, formerly in sport and recreation MEC Peter Skosana's hands Skosana, in addition, received welfare.

Khan, who was sworn in yesterday, would be responsible for conservation and environment Positions held by Duarte, health MEC Amos Masondo and public transport and roads MEC Olaus van Zyl were unchanged

Sexwale said ministerial work loads could be reduced significantly if constitution-makers accepted an ANC proposal to create posts for deputy MECs

Councils and unions in pact on deployment

(26b) · (250) BD 4/4/96

Mduduzi Ka Harvey

IN A bid to address historical human resource imbalances between former black local authorities and previously white controlled councils, an interim industrial agreement has been reached between Johannesburg's four councils and employee bodies to deploy staff equitably

The deployment strategy was endorsed by the Johannesburg council yesterday, with the council executive committee chairman Colin Matjila saying the deployment of staff would be geared at explicitly giving effect to equitable distribution of expertise and manpower to the four Greater Johannesburg councils The councils would also be empowered to function as fully fledged local authorities with full juristic capacity.

Central to the deployment would be the acceleration of delivery to communities, retaining employees under the council's employ, providing a safe workplace and a secure employment environment and to prevent or minimise claims to possible redundancies, Matjila said.

The underlying principles of the deployment of the council's 35 000 workforce include transparency, consultation with employees, considerations which might befall council workers due to restructuring, and a plan to protect the interests of the workforce.

In capacitating the councils, nominations will be made for persons responsible for auditing the full employee establishment, which would include the number of employees, their grades, designations and qualifications.

The councils' CEOs would have to determine the grouping of the line functions in respect of services to be delivered. In addition, second-level positions, where appointed personnel report directly to the CEO, would also be advertised and short lists of the candidates would be considered by the respective councils, which will conduct interviews and appoint candidates on a permanent or acting basis.

Other considerations in the integration of organisational structures within the Johannesburg council and the city's other councils will include minimising possible claims of redundancy, employing personnel where possible in equivalent posts to those previously held, geographic considerations, setting up of placement committees with members drawn from both employer and employee representatives, and the monitoring of the placement process.

Provincial executive 'realignment' takes portfolios away from the NP

(266) Star 4/4/96

By Karin Schimke
Gauteng Reporter

A provincial cabinet "realignment" yesterday has relieved the National Party of the agriculture and welfare portfolios, a move the party believes concentrates power in the hands of ANC members of the provincial executive council

Premier Tokyo Sexwale took the opportunity of the swearing-in of the new National Party MEC Aboo Kahn to announce changes in the executive structure.

None of the MECs has been removed from the cabinet, but substantial changes were made in the alignment of portfolios. Most notable was agriculture, which has been given to Jabu Moleketi, who also controls finance and economic affairs, and the placement of welfare together with Peter Skosana's sport and recreation

Welfare was formerly the domain of the NP in the hands of Sakkie Blanché, who has now been given the portfolio of public works and public media.

Education MEC Mary Metcalfe will continue administering her portfolio, while also handling culture, and the housing and local government portfolio has been changed to housing and land affairs, but Dan Mofokeng remains MEC in this area Sexwale said the reason for this change was to "fast-track housing delivery."

Local government has now been handed to Sicelo Shiceka, who will administer it together with development planning

The province's newest MEC, Aboo Kahn, will be in charge of conservation and environment Sexwale said about this portfolio "We have to ensure the management of hazardous waste and effluent and ensure the preservation of our environment."

He said it was a critical portfolio in the province

MECs Jessie Duarte (safety and security), Olaus van Zyl (public transport and roads) and Amos Masondo (health) are unaffected by the changes

Denying allegations that the reshuffle took certain power away from the National Party, Sexwale said "We have no NP ministries, or ANC ministries The heads of portfolios are not chosen on the (strength of) party membership cards they carry in their back

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pockets

"If I had thought any of the MECs were incompetent, I would have asked them to leave the cabinet"

He said public works and conservation, which have been given to NP executive members to handle, were "portfolios of the future", the first because it was the most important area for job creation and the second because industry around the world was developing in line with sound conservation and environmental principles.

"The changes were made following the demands of situations in departments, not because of non-performance I consider the NP's new portfolios a vote of confidence."

The NP, however, did not agree and issued a strong statement about the reshuffle

"It is clear that there is a concentration of power under ANC MECs

"This is a disturbing move to redraw the political lines in the government of provincial unity

"We do not agree with the premier who chose to execute his right, in terms of the interim constitution, to vary the determination of specific portfolios," said the NP.

New proclamation gives councils freedom to make more decisions

Star 9/6/96 (266)

By Hopewell Radebe
City Reporter

The devolution of powers to Johannesburg's four metropolitan sub-structures (MSS) has given the North East Rand Transitional Metropolitan Council (NERTMC) something to crow about – it believes it took this step long ago

A recent proclamation issued by housing and local government MEC Dan Mofokeng empowered councils to employ their own staff, do all day-to-day town planning locally, and be responsible for their own water supply and reticulation.

The Greater Johannesburg Metropolitan Council had all these powers concentrated in the Transitional Metropolitan Council (TMC), resulting in local councils pleading that they were powerless when challenged to resolve ratepayers' problems

NERTMC chief executive officer Hans Muller said staff matters relating to substructures have always been maintained as functions of its substructures at Kempton Park/Tembisa, Edenvale/Modderfontein and Greater Midrand.

"Our substructures were also responsible for levying their own rates and taxes and only in respect of regional planning was the NERTMC the responsible authority," he said.

Although substructures were in charge of their tax base structures, he said the NERTMC had undertaken to devise uniform tariffs for services in all its substructures.

Midrand executive committee chairman Allan Dawson said Midrand had benefited from the Greater Johannesburg mistake of concentrating power in the TMC because frustrated developers had turned to Midrand.

Five councils to hire 10 000 more staff

(266) Star 16/4/96

Sources say the move will ensure that former employees of 13 old councils are incorporated into new structures

By Troye Lund

Greater Johannesburg's Transitional Metropolitan Council (GJTMC) and the other four local councils will be employing about 10 000 more staff

Sources in the new councils say this is part of a major staff restructuring process and will bring the total staff count up to about 40 000

It is one of the final steps in the local government transition and will ensure that staff, previously employed in the 13 old councils of greater Johannesburg, are incorporated into the five new structures It will also ensure that areas like the former townships, which previously had no expert staff to run them, get the officials they require

This news has allayed fears of present council officials that the dissolution and incorporation of the old councils would mean big job cuts

"Over the past months of transition people in the administrations just did not know what their future was. Now everything will be certain and fixed It has been a transparent process involving every stakeholder," said the Western council official

He said more staff would be needed because administrations in townships areas had never had an adequate staff count as a result of too "few experts being willing to work" in these areas in the past.

He said this was the reason previous black administrations had been unable to function properly.

Human resources officials in the Western and Southern councils said that all places for chief executive officers (CEO) had already been filled and that vacancies, currently being advertised in press, were first level/strategic executive posts.

GJTMC spokesman Richard Spalding said that staff from the old councils, who previously held similar positions to those needed in the five new councils, would be deployed to the same jobs.

Officials would have to apply for any new positions that have been created. Spalding refused to confirm how many new staff would be recruited or what new posts had been created because the restructuring was not complete

According to human resources officials, once the strategic executives have been appointed they, the CEOs and unions will finalise the exact hierarchical staff structure each council is to have. Once this is complete lower reporting levels will be filled and fixed

Gauteng warned to budget for reshuffle

(266) Star 16/4/96

BY KARIN SCHIMKE
Gauteng Reporter

The cost implications of the recent Gauteng provincial executive committee reshuffle had to be determined, the legislature's standing committee on finance was told yesterday

Private consultant Giles Mulholland of Europe Energy Environment, told members at the first day of budget analysis that there were costs which may not have been budgeted for

These included the cost of redrafting the budget and associated documentation, the cost of reorganising and moving departments to different buildings and offices, the loss of efficiency caused by initiating a second reorganisation before the first major one was complete, the loss of staff morale and motivation and the costs relating to changing public information like signs and letterheads.

Mulholland was referring to Premier Tokyo Sexwale's recent announcement that some MECs would have added responsibility or be given new portfolios

In a report to the finance committee, Mulholland cited two problems created by the reshuffle – determining which MECs had to report to the committee and secondly, determining which portfolio committees now had to deal with

"The only logical answer (to the first problem) is to invite every MEC who had or now has a responsibility, to a particular vote," he said.

Mulholland also asked how provincial competencies outlined in the Constitution – which did not, for the 1996/97 budget, form part of any particular vote – would be budgeted for should they become significant during the financial year

These included abattoirs, airports, language policy, markets and pounds, indigenous and customary law and traditional authorities

The provincial public media, a newly-created portfolio given to Sakkie Blanché of the National Party, was of special concern

Mulholland recommended that the committee ask finance MEC Jabu Moleketi whether money had been budgeted for these competencies

The finance committee will spend most of this week considering the budget and evaluating the past performances of various departments

Moleketi is expected to appear before the committee on Friday to answer some of the questions around the budget

Numbers down in Mangope job loss

Star 16/4/96

By Jovial Rantao
Political Reporter

Former Bophuthatswana ruler Lucas Mangope's son Eddie took home R107 000 from the R1-million – not R5-million – retrenchment package from the North West Development Corporation, North West spokesman Willie Modise told The Star yesterday.

Modise said R650 000 which Mangope owed on a mortgage bond was deducted from the R1-million settlement. He was left with R327 925. After the taxman took R220 925, Mangope, who was chief executive of the corporation, was left with R107 000.

Mangope, however, has earned more than R400 000 in salaries. He was paid R25 000 every month since May 1994 when he was banished from work by workers after his father's government was deposed.

"The North West provincial government was bound by a labour relations statute to keep paying Mangope for the duration of the inquiry, which was completed recently," Modise said.

The corporation was cleared of any irregularities by a commission which was instituted to investigate its management and finances.

Modise said Mangope's sister-in-law Rosemary also received R400 000 for doing no work.

Councillors thousands of rands in arrears on rates

DP accuses executive committee members of North East

Rand council of lacking transparency and accountability

By Hopewell Radebe
City Reporter

About 23 councillors in the North East Rand metropolitan area are at a risk of losing their jobs for not paying their rates and for owing the council R42 000 in arrears

The transitional metropolitan council (TMC) was shocked to hear that 12 of the councillors were about four or more months in arrears The information was disclosed at the TMC meeting last week following a question asked by Democratic Party councillor Mike Waters

He said if the undisclosed councillors failed to settle their accounts within 30 days, they would have to terminate their public representative status according to the ordinance on local government

"It is completely unacceptable to find community leaders who have a fixed income refusing to pay for their rates," Waters said

Challenging the council to divulge the names of the "guilty councillors", he accused the North East Rand TMC's executive committee members of lacking transparency and accountability

Executive committee member Hans Eybers said revealing the names of the guilty parties would have serious legal consequences and that their advice was that an account was a private matter between two parties – a debtor and a supplier.

Waters then challenged councillors who he said knew themselves to be guilty of non-payment to stand up and reveal themselves, but no one responded.

According to council records, arrears of three councillors in the Greater Midrand Substructure totalled R14 282, three in the Edenvale/Modderfontein Substructure owed R1 583, eight owed the Kempton Park/Tembisa Substructure R2 442, and the TMC itself was owed R23 703 by nine councillors.

Star 30/4/96

Gauteng civil service about-face

(266) (258) Star 24/5/96

By Karin Schimke
Gauteng Reporter

Gauteng's public service has undergone a radical change of face in the past year with 64% of the higher echelon drawn from previously disadvantaged groups and 35% being women, a debate in the legislature yesterday around the Gauteng Provincial Service Commission annual report revealed

The chairman of the economic affairs standing committee, Andrew Feinstein, said this compared favourably with the structure of the old Transvaal Provincial Administration, which was 100% white and 98% male. Feinstein called this achievement "quite remarkable".

He added it was important to note that two criteria had been used in the selection of people to higher civil service posts merit and representativity

"To suggest that we will achieve the moment when all in South Africa have equal opportunities without consciously promoting those who have suffered deprivation and come through this trauma (apartheid) with remarkable qualities is fallacious and illogical"

Feinstein added, however, that the reorientation of the civil service should not be seen as an attack on any one group

"Today in Gauteng the upper echelon has over 46% whites of various political persuasions and backgrounds. As a proud white Jew in the ANC, I say to all people of this province whatever your past, whatever your background, if you are prepared to work hard, to reflect the broad, diverse interests of our society, your time is now"

He said it was the legislature's duty to ensure that the civil service lived up to the credo of the provincial service commission report "Efficient, developmental, representative and service-oriented."

"We must play our role to ensure that this vision is achieved," Feinstein said

Confusion over right to write off debts

(266) Star 28/5/96

By Mondli Makhanya
Political Reporter

Provincial Affairs Minister Chris Fismer is to meet provincial MECs and local authorities to address confusion surrounding writing off municipal debts.

According to a statement issued by Fismer's deputy, Mohammed Valli Moosa, the Government had been "consistently receiving enquiries to find out whether writing off municipal debts as arrears is a policy which is applicable only to the African population".

Moosa's statement follows concerns in coloured communities that only Africans benefited from the write-offs, and the National Party's campaigning in Western Cape coloured townships to this effect.

Moosa said the Agreement on Finance, Services and Service Rendering adopted in 1994 had mandated transitional councils to write off debts up to January 20 of that year.

He said that it was the responsibility of transitional councils – and not central Government – to write off arrears, and he urged these councils to do this "on a basis of fairness and equality".

DP walks out of meeting

(266) Star 29/5/96

By Anna Cox

The Democratic Party walked out of the Eastern Metropolitan Substructure monthly meeting last night in protest against the appointment of six strategic executives

Strategic executives are the second most senior administrative positions after chief executive officers, and head the departments of budget and finance, urban planning and development, community services, corporate services, technical services and organisational development

DP leader Anchen Dreyer said the appointments had not been made according to procedure, and that the ANC was forcing its decisions on the rest of the council and ratepayers through sheer weight of numerical strength The DP disagreed with four of the six appointments

The appointments were confirmed by other councillors and parties after the walkout but the DP said it would now challenge the legality of the appointments.

Dreyer said the appointments had been confirmed in contravention of a previous council resolution which had not been rescinded, which stated that the executive committee had to go through selection procedures

"Most councillors tonight approved appointment of senior staff without even seeing their CVs or hearing their interviews. Their decision has been based on hearsay and is a travesty of justice," she said

Acting chairman of the executive committee, Sol Cowan, said the appointments were fair and balanced

"They are a reflection of society and are people who can communicate and represent the council and the community The DP is deliberately obstructing the process," he said.

The new appointments are Irvine Florence to budget and finance; Francois van Aswegan to technical services, Sidney Mbagula to corporate services, Wendy Ovens to community services, Pekane Ramaruma to urban planning, Linda Grootboom to organisational development

DP challenges R13-m rent paid for unoccupied buildings

(266) Star 29/5/96

By Karin Schimke
Gauteng Reporter

The Gauteng government was wasting around R13-million this year on unoccupied government buildings in Pretoria, Democratic Party member of the legislature Peter Leon has said.

Leon said the DP was considering calling for an ad hoc committee to investigate whether Premier Tokyo Sexwale had attempted to mislead the legislature yesterday by denying this

Leon produced a letter from the province's Development Planning, Environment and Works Department, which states that several buildings had become vacant following the "political decision" to move the provincial government to Johannesburg

The buildings mentioned in the letter are the Van Der Stel building and the Opera Plaza in Pretorius Street, Poyntons in Church Street, Hatfield Plaza in Arcadia Street and the Merino building in Bosman Street

The rent for the buildings amounts to more than R1-million a month According to the document, the leases expire between the end of August this year and the end of July next year.

Leon said it was a "scandalous waste of taxpayers' money"

Gauteng govt structures probe financial conduct

(266) BD 30/5/96

Ingrid Salgado

A MASS exodus of staff with expertise from local government structures had created fertile ground for mismanagement, Gauteng auditor-general Shauket Fakie said yesterday

Proper financial controls were not being implemented in some local authorities, leading to a breakdown of accountability processes

This could be ascribed to the lack of staff, structure and experience within local government, he said

Several allegations of mismanagement and bad management practices within Gauteng local government structures were being investigated by the local authorities concerned

It was normally the responsibility of local government accounting officers or chief executive officers to get to the bottom of malpractice and the auditor-general's office encouraged this

However, the office was investigating alleged irregular payments and unauthorised excess expenditure by greater Johannesburg's former western metropolitan substructure — previously in charge of Soweto's affairs — along with the Gauteng legislature's public accounts standing committee

According to an auditor-general's report, the substructure last year allegedly paid more than R800 000 to six close corporations

Of those corporations, four had a sole member — Niven Hugh Little

Fakie said he would soon complete an investigation of Little's personal financial accounts and salary records, which Little claimed had contributed substantially to his expenses

Little has handed over his financial records to assist the investigation

The public accounts committee hoped to recommend corrective measures to avoid further alleged irregularities, he said

The committee also had the option of referring the matter to the attorney-general for prosecution, recommending that implicated officials be suspended, and also proposing that individuals be sued to recover the substructure's money

Fakie said that local government officials had to be aware that financial accountability must be upheld, regardless of the amount of money involved

(266) (1522 1588)

Protesters trigger city chaos in rush hour

Star 7/16/96

Municipal workers, 'tired of intimidation by other unions', block main arteries into Johannesburg in three-hour action

By Staff Reporters

Protesting municipal workers blocked main arteries into the city centre this morning as they gathered outside the Metropolitan Centre in Braamfontein.

Their three-hour protest was organised by the Independent Municipal and Allied Workers Union (Imawu) against intimidation by other unions

It caused traffic snarl-ups and delayed thousands of people going to work.

Traffic around the Metropolitan Centre in Braamfontein came to a standstill at about 7 30 as hundreds of green and white municipal vehicles drove up Rissik Street, having earlier blocked Caroline Street in Brixton by driving several vehicles abreast They later moved to the Smit Street offramp, causing a major traffic jam on the M1

Cars, vans and trucks blocked several intersections until traffic officers arrived to clear them. While traffic officers tried to get the traffic flowing by weaving cars through the blockade, angry municipal workers argued with them and confused the issue by trying to direct traffic themselves.

Motorists joined in with a cacophany of hooting

By about 8 30am the workers had gathered in a large group at the Metropolitan Centre, allowing city centre traffic to normalise

Dave Fox, of Imawu, said the protest was to highlight the Johannesburg council executive committee's reluctance to halt other unions intimidating it.

"We have been responsible and patient, but we are tired of being abused and victimised in the workplace. The Johannesburg executive committee has in the past said it will resolve this situation, but nothing has been done."

Fox said today's protest was triggered by the recent ambushing of one colleague, Hendrik Olivier, the manager at the Olifantsfontein municipal farm While Olivier was not injured, his work vehicle was extensively damaged

"An injury to one is an injury to all. This union is committed to transformation and doing our work but not if anarchy reigns supreme," Fox said, adding he hoped to see Johannesburg's chief executive officer Prof Nicky Padayachee

Johannesburg traffic spokesman Denise Henderson said that the majority of traffic officers had reported for duty this morning "The strike action started at 7am and I believe those traffic officers presently on duty will not participate in the strike," said Henderson

Johannesburg police spokesman Insp Andy Pieke said police would be assisting traffic officers in maintaining law and order "We will back them up, but at this stage we don't know what action will be necessary," said Pieke

The protest was scheduled to end at 10am

14 councillors haven't paid city accounts

(266) Star 7/6/96

BY TROVE LUND

Fourteen Greater Johannesburg councillors have not paid their municipal accounts and owe amounts which vary from R36 to R3 600.

This was revealed at yesterday's council meeting as a result of questions tabled by DP councillor Anchen Dreyer The DP is demanding that the names of the culprits be made public

"This is absolutely shocking especially in view of the Masakhane campaign which is trying to break the culture of non-payment," said Dreyer

She pointed out that many of the unpaid bills dated back to the first month councillors were elected

Councillors were finalising the 1996/97 budget which was likely to see an increase in municipal charges, and she could not see why ratepayers should accept increases when their elected leaders were not paying

"This is totally indefensible Last year, when the council confirmed that numerous councillors also had not paid, I was given the names but sworn to secrecy

"This time the public has a right to know who these councillors are," said Dreyer

MAIL & GUARDIAN
June 7 to 13 1996

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Two hats: Colin Wright at the International Resource Centre PHOTO: RUTH MOTAU

Lavish centre of dispute

(26) M+G 7-13/6/96

Mungo Soggot

THE Johannesburg Metropolitan Council pays a privately owned firm, run by one of its own executives, for the use of a lavish conference centre in the city centre.

The city's director of commerce and industry, Colin Wright, insists there is no conflict of interest between his municipal job and his position as head of the International Resource Centre.

Wright has opulent quarters in the conference building, while also maintaining an office at the Civic Centre.

The council directs businessmen looking for conference facilities to the Resource Centre — at a time when some of the commercial capital's major ratepayers, like the Carlton Hotel, are having to introduce major cuts because of a flight from the city centre.

Wright is apparently able to wear two hats because he is under contract to the council — the only senior executive who enjoys that privilege.

Danie Malan, the council's executive director of sports, arts, culture and economic development, said Wright chose to go on contract when he started working at the council five years ago, freeing him for other work.

Malan said he could not comment on any conflict of interests because he was "not *au fait* with the facts". There was nobody else in the council who would be able to comment on the situation — everyone else would refer the matter back to him, he said.

Wright told the *Mail & Guardian* the centre was aimed mainly at foreign businessmen looking at possible deals in South Africa. He argued there was a symbiotic relationship between the work of the centre and his job as director of commerce and industry.

The council and private sector users subsidise the use of the facilities by foreign visitors whose deals with local companies bolster the economy, and therefore Johannesburg, he said.

The centre boasts state-of-the-art facilities, including a 150-seat auditorium and a sophisticated database on the South African economy and business scene.

Wright would not disclose how much it all cost — he single-handedly raised the start-up money from local big business — but he said most of the equipment "is the best money can buy". The council contributed nothing to the start-up costs. He is still negotiating the precise relationship between the council and the IRC

The centre, which opened in January, was at one stage host to the Truth and Reconciliation Commission.

Councillors lead the way in paying bills

Community leaders find that setting an example is starting to work in Katorus wards

By Hopewell Radebe
City Reporter

Councillors in the Greater Boksburg Local Council, embarrassed by the culture of non-payment in Vosloorus on the East Rand, have started leading residents to local administration offices to pay for their services

The Katlehong, Tokoza and Vosloorus area (Katorus) has been plagued by a culture of non-payment and Vosloorus alone has a record of only 18% payment in April – double January's figure of 9%

Councillors involved in the Vosloorus campaign are hoping for dramatic increase in the payments and are aiming for a 60% level by the end of July.

Executive committee chairman Vusi Sikhakhane and his ANC colleagues have started holding block meetings during the week before organising marches to municipal offices at the weekend

It is there where community leaders pay for their services under the watchful eye of residents, who are then urged to follow suit

Sikhakhane became the first councillor in the area to lead about 200 residents – most of whom were his immediate neighbours living in the ward which elected him to office – to pay for their services.

After paying his own bill, Sikhakhane urged other residents to join him – and some did.

"It's the only way to get people paying We have to lead by example," he said, adding that his fellow councillors had also pledged to organise their respective wards next month and take people to the administration offices and get them to line up to pay their bills

Residents are urged to follow suit

"We (councillors) are going to send notices every month to our electorate and go to all sections of the township holding meetings to give people an opportunity to question our role in the council while we also activate their support for service payment

"People should not expect us to go out there and do miracles without the financial muscle," he said, adding that residents had to realise that non-payment for services would bankrupt local government administration structures and lead to the collapse of local government.

Cosatu's Zwelinzima Vavi right and the SACP's Jeremy Cronin speak at a news con organisations opposing banks' recent interest rate increases met yesterday.

R300m is earmarked for development in Gauteng

DD 11/6/96 (266)

Mduduzi ka Harvey

MORE than R300m from government, the public works ministry, the rapid land release programme and the private sector had been earmarked for development and economic growth in Gauteng in the next five years, provincial development planning and local government MEC Sicelo Shiceka said.

A breakdown of the funding indicated that R229m had been approved for the release of land on which 30 000 sites would be developed. The private sector would contribute R15m and the RDP R13,5m for multipurpose community centres incorporating schools, clinics, police stations and welfare under the same roof.

Shiceka said his department had established a task team this year to investigate how previously black townships could be rehabilitated, and service delivery upgraded. The investigation was also aimed at encouraging a culture of payment for services, with additional paypoints and an efficient billing system being introduced

After visiting local authorities in the province this month, Shiceka would hold a meeting of the provincial cabinet, mayors and the different local authority CEOs to implement an economic growth plan.

Shiceka identified Soweto and the Vaal as being problem areas for the implementation of Masakhane. Another task team would to look into the creation of an efficient database, provincial demographics, and to evaluate what government infrastructure was already available in the province.

By August he expected to have all the information from central, provincial and local authorities about their budget priorities, which would help to expedite service delivery.

In March next year he would facilitate a meeting with all local government authorities in the province, aimed at formulating a five-year development plan for the province.

Chaos as legislature is labelled a 'comedy act'

Cries of acrimony as MPLs clash and almost bring the Gauteng House to a standstill while substitute Speaker fails to control what she calls a 'kindergarten'

(266)

By Karin Schimke
Gauteng Reporter

Star 14/6/96

Gauteng's provincial legislature was called a kindergarten, a circus and a comedy act yesterday afternoon when expletives were heard in the chamber while a substitute Speaker held her tongue

What was supposed to be a routine debate erupted into chaos sparked by countless points of order and demands for rulings on members' behaviour in "the Reichstag, 50 years ago" according to one participant

The substitute Speaker, Lindiwe Zulu, remained silent for almost two minutes while all around her, MPLs shouted "shut up" and "thula wena" at each other

Zulu had replaced the regular Speaker, Trevor Fowler, when he had to leave the chamber to make a ruling on a complaint lodged by the NP against the ANC last week over another emotive issue

On that occasion, ANC member Pule Malefane called NP members rapists and thieves in Sesotho - and yesterday NP chief whip Derek Christophers also called Malefane a rapist and thief

The ANC also complained to the Speaker, and the parties demanded an immediate ruling, at which point Fowler left the chamber to deliberate on the matter

Soon afterwards, during an unrelated speech by Malefane, in which he attacked the NP for being racist, Christophers loudly shouted "heil Hitler"

A ruling on whether this was allowed was demanded by the ANC, and Zulu ruled that the expression was unacceptable

Members then erupted into another round of shouting and a confusion of points-of-order, while Zulu remained silent

When asked by the NP to control the House, she said "I was merely waiting for you to behave yourselves

"This is a house of policymakers It is not a kindergarten"

The DP's Brian Goodall and the ANC's Steward Ngwenya chastised fellow MPLs before continuing with their speeches

"If we are going to turn this house into a comedy act, we must not be surprised if people out there treat us like clowns," said Goodall, while Ngwenya asked "What is the difference between this house and a circus?"

Fighter for city centre's revival

The personable and enthusiastic Moss Leoka was appointed president of the Johannesburg Chamber of Commerce last week. Helen Grange spoke to him about his plans for the ailing CBD

Moss Leoka's black glass-topped desk is spotless Even the winter sun streaming through his 19th floor Carlton Centre office window can reveal not a fingerprint or smudge

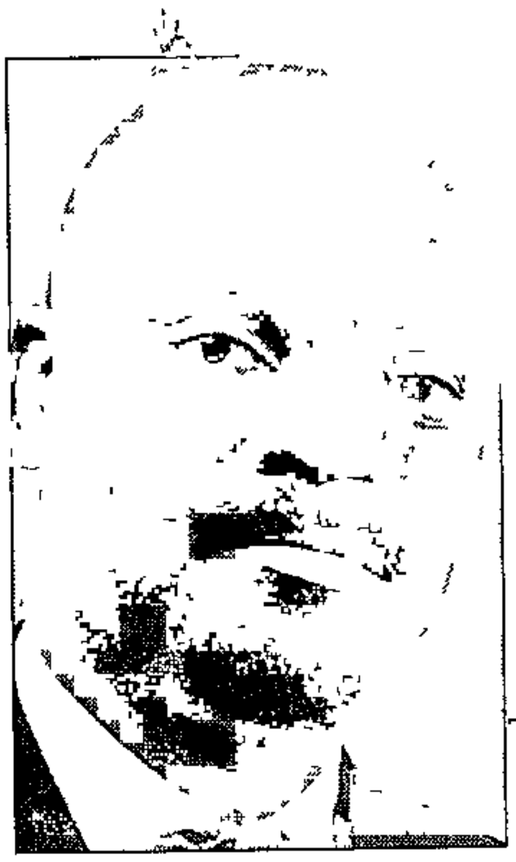
He sits behind the desk, a tall, very affable fellow – spruce in his trademark bowtie and crisp blue shirt He waves his hands about passionately as he speaks and regularly looks out of his window at the bird's eye view of the sprawling Johannesburg metropolis below

It's a classic picture – one that would fit comfortably in a big-budget movie about the modern corporate world in South Africa . with, say, Louis Gossett Jnr playing Leoka (or vice versa).

In the real world, it's Leoka, the newly appointed president of the Johannesburg Chamber of Commerce and Industry, saying he doesn't feel he's arrived yet – but by the articulate sounds of it, he plans to

"My biggest challenge is the revitalisation of the Johannesburg city centre I'm going to spend a lot of time on that," he says

"I want to start with consultations with Tokyo Sexwale (Gauteng premier) and then the city council In the past there have been meetings upon meetings , like a little Codesa, but what's been happening? Building after building is emptying The city is diseased with crime, filth and taxi violence We need action!"



Livewire ... the city centre is diseased, says Moss Leoka

Leoka is the executive director of KPMG Aiken & Peat accounting and auditing firm. He was the founder member of the Black Management Forum and was a member of the Soweto Chamber of Commerce and Industry for 20 years

He has held directorships of Absa Bank (Gauteng West), CNA-Gallo Ltd, Cadbury, the Airports Company Ltd, and the Southern Africa Fund in New York Last year, he was elected vice-president of JCCI, as well as of the SA Chamber of Business

Leoka has travelled extensively in Africa, Europe, North America and the Far East. In 1987, he held discussions in Washington with members of the Black Congressional Caucus and the US Congress' Foreign Relations Sub-Committee on sanctions, disinvestment and black business development And in 1988, he toured the Soviet Union as guest of the Soviet government and while there, participated in an international seminar on "Prejudice and conflict resolution in multicultural societies"

At 46, he's a livewire, with a warehouse of opinions and ideas on subjects ranging from affirmative action policy in corporations to how informal traders could help combat crime

Leoka has had a long-standing relationship with the city's hawkers, and he sees their co-operation as vital to the restoration of the CBD to an environment which will again attract businessmen – black and white – and the international tourist trade

"I often have meetings with the hawkers' associations here in my office I've been talking to them for months and they are willing to help with strategies like regulating the numbers of traders, introducing trading regulations and turning hawkers into informal law-enforcers by, say, giving corner stall owners a whistle to blow when they witness a crime

"If permits are enforced, there'll be casualties, because there are too many hawkers on the streets A third of them are not South Africans Ours are those selling perishables Those selling things like belts, bags and sunglasses are mostly West Africans I'm not advocating against them, but we need to focus on our people first".

Travels in Turkey have inspired in Leoka a vision of a large open-air market for Johannesburg's informal traders It involves unifying them under a huge corrugated iron structure, where fresh produce can be stored and sold competitively "without being damaged by the sun and city dust"

Then there's the business of the unwieldy taxi industry "Taxis are proliferating. Too many licences are being issued And instead of having so many allocated routes, we need them to be cruising around more like they do in New York, so you can come out of a building and hail a taxi," he says

Leoka also wants to get more members of the black business community and the various immigrant business sectors on board the JCCI "A lot of people see the JCCI as very English or Jewish oriented There are divisions in the business sector – particularly between black and white – and that needs to be addressed" The Soweto-born Leoka is "straddling that divide".

"If we get things right, Johannesburg will be a better place for those who choose to stay But we need to stop the rot," he says

Budget row poses threat to Pretoria

(266) ARG 18/6/96

The Argus Correspondent

PRETORIA. – Pretoria could grind to a halt as city council finances dry up if the ANC goes through with a threat not to support the budget at a special city council meeting on Thursday.

The ANC's Pretoria Region yesterday slammed the Pretoria City Council's proposed budget for the 1996-97 financial year as racist and said it did not address the question of integrating services in Atteridgeville, Mamelodi and Eersterus with Pretoria

A hard-hitting statement, issued by ANC Pretoria Region secretary Mike Seloane and ANC chief whip in the Greater Pretoria Metropolitan Council Donsie Khumalo, accused the city council of trying to undermine the Metropolitan Council.

The statement also demanded executive committee chairman Ernie Jacobson's resignation, saying he has proved to be incompetent to hold such an important post

The ANC will be instructing its councillors not to vote in favour of the budget, the statement read.

This would mean a stalemate in Thursday's council meeting, as the city's budget has to be approved by a two-thirds majority of the council's 70 members.

The 31 National Party councillors could expect the votes of the Freedom Front (five councillors) and the DP, CP, ACDP and RRASA which have one councillor each.

But these 40 votes will still be short of the 47 required to approve the R2,9 billion budget.

The unknown factor is whether all the ANC councillors will follow the directive not to support the budget – which three of their own members, in the executive committee – helped to compile

A year ago executive committee member Pasty Malefo (ANC councillor and Sanco Greater Pretoria chairman) slammed Mr Khumalo for a similar attack on the city council's budget and said it implied "comrades" on the substructures were not capable of dealing with the budgets

Mr Malefo could not be reached for comment. Yesterday's ANC statement said the budget reflected rates increases which were not necessary, given the fact that the city council was no longer performing certain functions relating to bulk services

It had no power to suggest that tariffs for bulk services would increase because that was now a metropolitan function and the Metropolitan Council had indicated that it would not be increasing rates, it stated.

This was a clear attempt to undermine the Metropolitan Council's jurisdiction and its role to redistribute wealth and equalise services

The statement said the city council was continuing racist practices in wanting to spend its budget only in the formerly white areas.

The ANC said the city council had included bulk services costs in its budget in spite of an agreement between all political parties that bulk services were the Metropolitan Council's responsibility In terms of financial regulations this was illegal

The statement accused the city council of misleading the public by creating an impression its projected deficit was caused by the Metropolitan Council.

The projected deficit was caused by the Pretoria City Council's own mismanagement – through overstaffing, duplication through lack of integration and the spending of money on non-essentials such as banquets, the statement said

DP protests against council appointments

Mduduzi ka Harvey

THE greater Johannesburg council approved the appointment of 66 executive officers yesterday amid DP protests that the move would create an even more "bloated bureaucracy" at local government level

In a heated debate, DP councillor Mike Moriarty said the appointments would mean duplication of functions and were a waste of ratepayers' money

The appointments would result in half the council's proposed R5,6bn budget going to the council itself, leaving the substructures to suffer, he said

DP councillor Frances Kendall echoed Moriarty's views and called for other functions to be given to the four substructures to handle

Council executive committee chairman Colin Matjila said the appointees would not be directors but executive officers, who would work in conjunction with the substructures to ensure efficient service delivery He said the council was leaner than the old Johannesburg city council, which had 84 directors

Supporting the appointments, NP councillor Jakoob Makda said the executive officers would be able to assist in areas to which the appointed strategic officers could not give their attention

Council deputy executive committee chairman Kenny Fihla said the posts were part of a strategy to combine the council and the substructures, and to develop staff structures integrating formerly independent administrations and the council

The council had initially identified broad categories of functions which became the responsibility of strategic executives The council had then broken these functions down into "subclusters", hence the need for the new posts

He said bridging legislation would be put in place to give some functions to the council and others to substructures, and to ensure the two worked in harmony

(266) BD 21/6/96

Governi...

It said the ANC now held paid positions in the legislature, bar those of whips and the chairman of public accounts – a position the NP would use to fulfil its role as public watchdog

government ... in which 3,5 million people are ex... pected to vote.

The raid, the second of its kind in four days, also unearthed an as-

Sandton business rates upped by 300%

Star 25/6/96 (266)

By Anna Cox

Sandton ratepayers face rates and services hikes of up to 108% for home owners and up to 200% for flat owners, with businesses being hardest hit by an increase of 300% in rates.

The increases were approved yesterday with the passing of the Eastern Metropolitan Substructure's budget Sandton home owners will pay up to 108% more.

Property owners in the Johannesburg suburbs which now fall under the substructure fare increases of between 35% and 70%

Examples of increases facing home owners, dependent on property values, are: R431 to R643 for a property in Parkmore; R267 to R441 for a property in Wendywood; R711 to R1 066 for one in Riverclub; R740 to R865 for one in Sandringham; and R976 to R1 136 for one in Rosebank.

Randburg rates up Page 3

The substructure's budget was passed after a last-minute agreement yesterday got the DP on board. The party had claimed that the budget contravened legislation requiring the substructure to

▶ To Page 2

Rates hike (127)

▶ From Page 1

Star 26/6/96

pay only an "equitable" portion of its R438,3-million budget surplus to the metropolitan council. It claimed that Sandton home owners were paying almost twice their required amount to the council Eventually, there was agreement to allow the executive committees of the substructure and metropolitan council to negotiate the amount payable of the substructure's surplus

There would also be a concerted effort to reduce the operating expenditure of both bodies, passing any savings on to the consumer through additional rebates.

Executive committee chairman Nkele Ntingane said: "In this process of redistribution, a particularly heavy burden in relation to the past devolves upon the ratepayers of Sandton."

Alexandra is set to receive R70-million, almost half the R149,8-million capital budget. The main expenditures are R20-million on a new community centre, R9-million on a new clinic, R4,5-million on upgrading housing, R7-million for recreational facilities and R11,6-million for maintenance work.

Soweto to get lion's

share of city budget

Star 26/6/96 (266)

PHILIP LITTLETON / AFP

KwaZulu Natal on the eve of the province's local government elections. olice and military personnel.

Apartheid legacy to be redressed, but township residents must now pay rates:

Sandton facing increase, raid on surplus

By Jameel Chand and Anna Cox

The Soweto administration has been allocated the largest chunk of municipal budgets to upgrade services and funds in Greater Johannesburg's first true post-apartheid budgets

And, for the first time, the 1996-7 budgets for the Western and Southern metropolitan substructures feature the charging of rates for township residents.

The budgets released yesterday – along with the Northern and Eastern budgets released on Monday – have also reduced rates and services charges in some former "white" areas in south and west Johannesburg.

Northern areas, such as Sandton, are facing increases of up to 300% as uniform assessment rates are introduced across the metropole.

The capital budget for the Western Metropolitan Substructure (WMSS) announced yesterday by executive committee chairman Strike Kalegoma stands at R200,7-million, a large portion of which will be used to upgrade services and facilities in Soweto.

Soweto ratepayers falling under the WMSS are to be charged up to 60% more a month as rates charges are introduced.

The largest slice of the Southern Metropolitan Substructure's R337-million budget for 1996-7 would also go to Soweto, said executive committee chairman Prema Naidoo in his budget speech yesterday.

"The apartheid era in this area left us with a legacy of abject poverty, landlessness, collapsed infrastructure and lack of services in the townships on the one hand, and lavish wealth in the white suburbs on the other hand," said Naidoo in his budget speech.

"We should therefore be committed to refocus our capital budget heavily in favour of those disadvantaged areas."

The Eastern MSS's budget on Monday revealed that central city bosses wanted Sandton and other wealthy EMSS areas to hand over its R438,3-million budget surplus for reallocation.

The EMSS budget was passed only after the ANC had agreed with the DP to renegotiate the size

▶ Sandton reaction
Page 6

of the budget surplus handover. The DP wants only R218,3-million to be handed over.

An analysis of yesterday's SMSS budget on the basis of the old administration showed the Soweto administration had been allocated R205-million – a 65% increase on its previous budget

Naidoo said assessment rates would for the first time be levied on property in Greater Soweto.

Examples of the new WMSS rates, depending on land values, are: a property owner in Flora Cliff previously charged R573 would now be charged R531, while a Dobsonville Gardens

▶ . To Page 2

Olaus's aids for taxi men

Mbonen i Mulaudzi

BD 2-7/6/96

GAUTENG MEC for public transport and roads Olaus van Zyl launched this week "innovative management aids" for the taxi industry which were the brainchild of the Gauteng Taxi Initiative.

The taxi initiative was formed last year and mandated to come up with recommendations to deal with the problems in the taxi industry in the province.

Van Zyl said the aids — a taxi cost indicator and a booklet of tables for revenues and fares — were developed to assist taxi operators in running their businesses, and in establishing per-kilometre costs.

Van Zyl said that the main objective of the aids was to assist operators to determine their real costs and revenues.

The aids will be freely distributed to the taxi operators in the province through the metropolitan taxi forums.

Van Zyl stressed that most taxis were run at a loss because in many instances fares did not cover costs.

Benefits of Jo'burg budget 'unlimited'

BD 27/6/96 (266)

Ingrid Salgado

THE greater Johannesburg metropolitan council's first post-apartheid budget reflected a commitment to improving service delivery, particularly to areas that were neglected under the apartheid order, council executive committee chairman Collin Matjila said yesterday at the debate on the council's 1996/97 R7,2bn budget.

This would be achieved through shifting capital expenditure and creating a uniform rating system across the metro, Matjila said. Although a uniform tariff system and assessment rate policy would be a "bitter pill to swallow" for some, long-term benefits were "immeasurable" and would remove remnants of the apartheid era.

The provision of basic services through the extension, upgrading and maintenance of municipal infrastructure and fiscal discipline would underpin the budget.

The budget was opposed by the DP, which failed to pass a motion rejecting a R438m levy that the eastern metropolitan substructure would pay to the council and R4m payable by the northern substructure.

DP councillor Mike Moriarty said he accepted the need for a uniform valuation role for greater Johannesburg's area, but rejected the size of the levies payable by the eastern substructure.

Areas such as Sandton and Randburg, and the regional services councils, would pay sizeable levies to the council, which would subsidise areas such as Soweto, Diepmeadow, Alexandra, Johannesburg and Orange Farm

Sandton would pass on more than R320m of income totalling R659m to the council, effectively subsidising Soweto's R348m deficit Soweto's R512m expenditure could be fed only in part from its income of R163m

Matjila said the budget would shift its resources from operational to capital expenditure. The council would borrow between R600m and R700m to finance capital expenditure of R1,6bn

The salary bill was reduced to 31,2% of operating costs from 33,1% last year. The cut was based on 7% salary increases while, workers were demanding 17% raises Council CEO Nicky Padayachee said expenditure cuts were on the cards should the salary bill rise

Moriarty said the budget was the product of a power struggle between the council and the Gauteng government. Local government had the power to draw income from citizens, but the provincial government had to rely on "handouts" from national government.

ANC councillor Eugene Robson said there was nothing more equitable than sharing greater Johannesburg's total revenue base among residents The NP said the budget was a balanced one

SA 2000

THE ROAD AHEAD

Richer provinces can fight poverty

Social and economic prospects look good for Gauteng, Western Cape and KwaZulu Natal, writes Mike Nicol

Despite what may seem to be daunting economic and social problems facing the country as a whole, the three major provinces – Gauteng, KwaZulu Natal and Western Cape – display potential for meaningful growth At least, that is the verdict of three independent analysts

These provinces also contain the largest cities which, like cities throughout the world, are beset by inner city decay, unserviced squatter communities mushrooming on their suburban outskirts, and crime

In the cases of Gauteng and KwaZulu Natal, the levels of crime and violence are among the highest in South Africa.

If foreign observers are going to choose indicators of the country's stability and prosperity, then it is most likely they will look first to Gauteng and KwaZulu Natal

Political scientist Associate Professor Tom Lodge believes the national Government's success hinges on success or failure in Gauteng, the largest and richest of the provinces with its seven million inhabitants and average household income of R3 442

Here 20% of the population live in shacks, but nine out of 10 people have access to electricity, clean water and flush toilets Most are poor, but not as wretchedly so as elsewhere A third are unemployed Those who work produce 37% of South Africa's GNP In this province virtually everybody lives in a town

Johannesburg's CBD has become a square mile of rotting tenement buildings "Meanwhile," Lodge points out, "pretentious office parks and shopping malls gobble up the green spaces of the suburbs and demand huge investments in highway redevelopment

"The fastest growing city in South Africa, Midrand, is essentially a product of rating policies which discriminate against poor communities and developed city centres, it effectively transfers taxable income away from where revenues are needed"

On the other hand, Lodge considers Gauteng's ANC government the most effective regional administration in the country This year, financial discipline meant it returned R56-million to the national exchequer With the Western Cape it has built the most low-cost houses It is also, in his words, "fairly free from corruption".

The way forward for Gauteng, as Lodge sees it, is equally applicable throughout the country and involves a measure of social responsibility which is currently in short supply

"Rich suburbanites may have to pay more for services they won't use," he says, "but tenants must pay rents, schoolteachers must work 40-hour weeks, trade unionists must obey the new industrial relations legislation (instead of flouting it), policemen must stop taking bribes, taxi drivers must stop killing people, and students must learn to behave All that requires a state which punishes as well as rewards"

If the situation in Gauteng seems somewhat paradoxical, then that in KwaZulu Natal is almost inexplicable

Here, as historian Dr Iain Edwards points out, there seems to be no "fundamental incompatibility" between growth and development on the one hand, and extraordinary instability and violence on the other The irony cannot be ignored

"Why," he asks, "is Durban, a crime centre of South Africa, also the international convention centre of South Africa? Why are KwaZulu Natal's high school results, admittedly in an appallingly desperate national context, better than those in more politically stable and better funded provinces?

"Or, if violence turns foreign investors away, why is this province receiving such an enormous amount of foreign investment?"

The answer, he postulates, can be found in two recent developments The first is the emergence of a political elite in the province, the second the formation of a new development initiative from and for the region

Edwards ascribes the formation of a political elite to rapprochement between the ANC and the IFP at two levels There are indications of growing accord between President Nelson Mandela and Chief Mangosuthu Buthelezi, more significantly, there are signs of an emergent cross-party black elite within the provincial parliament Without that elite the political process, as history has shown, is impossible

Concomitant with this, local business leaders and international funders are shaping a macro development policy which spans the province and extends into Mozambique Comments Edwards "If we are now seeing the creation of a new KwaZulu Natal-based and largely black-led political and economic elite taking control of the destiny of this region, astride a regional economy spanning the old colonial divides from the Umzimkulu river to Maputo, who will stand in their way? Especially now that the port of Durban, Africa's largest and busiest, is, effectively, a free port

"Will this not create a new industrial heartland? How will this change the face of politics in this province?"

It is well to ask the questions As yet they have no answers but they do indicate a possible shape of things to come

In the Western Cape the shape of things to come is equally unpredictable The province and its major city, Cape Town, face unknown levels of in-migration which will alter radically its political, social and economic life

The region has one of the best living standards in the country, according to Wilmot James, executive director of Idasa

Death due to natural causes and infant mortality are among the lowest in the country Life expectancy is the longest. Per capita income is among the highest.

Yet the majority of the province's citizens live under appalling, unacceptable conditions. Tuberculosis, exacerbated by poor housing and environmental conditions, is on the increase

For James one of the greatest opportunities facing the province is the national Government's decision to underwrite the Olympic bid This is a focal point around which "to drive the economy of the Western Cape into a genuine tourist-based growth industry"

While the Olympics alone will not solve the unemployment problem – currently 20% – he believes it could become "the single most important avenue for growth and job creation"

Unlike Gauteng and KwaZulu Natal, in the Western Cape violence and crime have not reached pandemic proportions Gangsterism is rife in the poorer urban areas, but the chances of being hijacked in Cape Town are less than in Johannesburg

Yet, in many respects, urban crime in South Africa has become a replacement for the civil war that never happened

Police probe claim that R600 000 'disappeared' from Soweto civic's coffers

(266) Star 8/7/96

By Abbey Makoe

Police are investigating the alleged disappearance of more than R600 000 from the coffers of the now-defunct Soweto Civic Association.

A former SCA member, Weston Shabangu, has laid a charge of theft with false pretences About R689 000 is said to be involved.

The SCA was a powerful citizens' watchdog group representing the township's 3 million people on issues such as refuse removal, rents and rates.

In late 1994 and early 1995 the association allegedly collected about R689 000 during a series of fundraising events for the association's 10th anniversary

Shabangu claims members of the SCA were never shown receipts or any other proof of how funds were spent

"Despite repeated requests during the past year from some 45 Soweto branches, an audited report on the money has not been provided. We fought over and over again to get audited statements, but our pleas were ignored," Shabangu said

Former treasurer Angie Phaliso said: "I know nothing about that account An attempt was made to drag me alongside its signatories when thousands of rands

► To Page 2

Scam probe

(266)

► From Page 1

Star 8/7/96

had already been withdrawn, but I refused."

The books are currently in the possession of an auditing firm, which has asked for a R5 000 downpayment to do an audit – a fee the SCA has yet to pay

According to Shabangu, members working with the account successfully disbanded the SCA during an annual meeting in Braamfontein last November At that meeting the association was renamed the Sanco-Soweto Association.

The newly elected president of Sanco-Soweto, Maynard Menu, said: "By the time I got the books in November there was only R18 000 in the account."

Gauteng the measure by which Govt will be judged

Star 12/7/96 (266)

By Tom Lodge

For the national government the extent to which it can claim in 1999 to have kept its promises will mainly hinge on success or failure in Gauteng, the largest and richest of the provinces, with its seven million inhabitants and average household income of R3 442

Twenty percent of its people live in shacks, but nine out of ten have access to electricity, clean water and flush toilets Most people are poor, but not as wretchedly so as elsewhere, and over a third are unemployed In this province virtually everybody lives in a town Those who work produce 17% of SA's GNP, a considerably smaller proportion than 10 years ago

Gauteng's ANC government is probably the most effective re-

Tom Lodge ... a new responsibility is needed.

stability they are usually making judgment about events in Gauteng

What, then, should be the key concerns for the province's governors and citizens?

The first is acknowledged in the economic blueprint produced by Finance MEC Jabu Moleketi

The province accommodates the largest urban conurbation in the country Two decades of poor planning by shortsighted municipal governments have made large parts of it almost uninhabitable Johannesburg central business district has become a square mile of rotting tenement buildings

Meanwhile, pretentious office parks and shopping malls gobble up the green spaces of the suburbs and demand huge investments in highway redevelopment The fastest growing city in SA, Midrand, is essentially a production of rating policies which discriminate against poor communities and developed city centres; it effectively transfers taxable income away from where revenues are most needed

The result is a dying urban centre

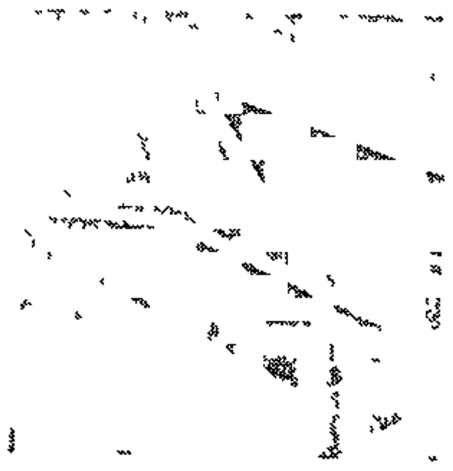
Praised for its financial discipline

of the social and economic obligations of local government, as well as considerable increases in revenue These are not fashionable proposals but they are the only ones which will create a habitable environment. The alternative is increasingly wasteful suburban sprawl, a pattern and development ill suited to the needs of poor communities, more and more costly to service and govern, and accentuating social inequalities

Restoring the inner life of Gauteng's cities – for Johannesburg is not the only business district in decline – will need more freestanding freehold houses designed on the traditional township model Surely the accumulated experience of mass housing from around the world's welfare states can offer better prescriptions for constructing affordable urban neighbourhoods than the glum rows of concrete hutments which completed RDP projects have so far generated?

And surely some of the construction skills generated within shack communities can be deployed more effectively? If land is expensive – which it is – then it can be made cheaper by more determined zoning policies

Once again, though, government should take the lead and not wait for some mythical consensus to emerge from socially amorphous groups of "stake-holders" and "role players"



SA 2000
THE ROAD AHEAD
http://www.inc.co.za/online/star/sa2000

blacks entering the labour market

Social reform and economic regeneration require strong government If government can get its way through consensus so much the better, but it needs to be recognised that this is not always possible Gauteng's population includes the richest communities in

gional administration in the country. Its 10 MECs are drawn primarily from trade unions, civics and youth organisations and half have belonged to the Communist Party, usually a good indication of ability and acumen.

The Government has already earned praise for its financial discipline – last year it returned R56m to the national exchequer – and with the Western Cape it has built the largest number of low-cost houses. These achievements are all the more notable in the face of provincial budget allocations which discriminate against the more urbanised regions.

Unhampered by the degenerate bureaucracies of former homelands, the Government appears to be fairly free from corruption and its upper echelons have been the main beneficiary of new public service training schemes.

Success or failure in Gauteng will affect the prospects for national development more profoundly than the rate of progress in other provinces, as the economic heartland of SA and the centre of its communications industry, triumph and failure will be so much more visible than elsewhere. When foreign observers evaluate SA's potential for prosperity and

are last year. Any successes should not inflict penalties on Gauteng's poorer neighbours, for if this happens the successes will be shortlived.

New industries located in the province which undercut economic activity elsewhere or dramatic improvements in schooling, housing or social services not matched by comparable progress in the rural hinterland will merely serve as a magnet, drawing in fresh numbers to be housed, employed and looked after. Gauteng belongs to a much larger regional economy, and development in isolation from its neighbours will only add to its problems in the long run.

[illegible] commerce. Its reconstruction will require more than just the symbolic gesture of locating within it Gauteng's official administration, important as this action has been.

It will need a dramatic revision of rating policies which currently favour suburban development, it will require much more effective policing to eradicate street crime, it will necessitate huge investments in better public transport, and it will call for the replacement of slum landlords by a properly regulated rental industry which can enforce payments and attract finance.

All this suggests an extension from rulers than exhortation and moral example. It requires the enforcement of penalties and the imposition of responsibilities, on rich and poor alike.

A more imaginative housing policy than the existing one is a vital dimension of this process. Gauteng's housing shortage is the second worst in the country and it is not going to be significantly alleviated, even if the authorities meet their most ambitious targets, because the numbers of homeless are certain to increase through migration.

Neither banks, nor government, nor the homeless can afford

[illegible] prospects and growth ultimately depend upon expanded worker productivity. That won't develop overnight but Gauteng has better resources to train existing workers and improve the life chances of future ones.

Provincial educational reforms have been fairly effective in expanding access to schooling but the real measure of improvement will be increased numbers of black matriculants.

Unless emphasis in teacher training and the work habits of teachers change significantly, such skills will continue to be generated by semi-privatised suburban high schools and so will mostly elude

SA.

A planning environment which facilitates the isolation of such communities from the less privileged through privatised services, exclusive neighbourhoods, dispersed commercial centres, and inner city degeneration will promote stagnation.

Its alternative will impose costs and sacrifice, not just upon the politically vulnerable rich but also on some groups who in the past have been mobilised against social injustice.

Rich suburbanites may have to pay more for services they won't use but tenants must pay rents, school teachers must work 40-hour weeks, trade unionists must obey the new industrial relations legislation (instead of regularly flouting it), policemen must stop taking bribes, taxi drivers must stop killing people, and students must learn to behave.

All that requires a state which punishes as well as rewards. In Gauteng's new democracy some praise is due but it is a long way from meriting even two cheers.

■ *Tom Lodge is an associate professor of political studies at Wits University. He is the author of two books on South African politics.*

Final 10 articles on future will appear over next 2 weeks

This is the 10th article in our series on the Rainbow Nation and issues affecting the future of South Africans. The final 10 articles in the series, written by informed analysts, will run on the Inside page over the next two weeks. The analysts are:

- Professor Guy Berger, head of the Department of Journalism and Media Studies at Rhodes University.
- Hennie Serfontein, freelance journalist and film-maker.
- Ann Bernstein, executive director of the Centre for Development and Enterprise (two articles).
- Steven Friedman, director of the Centre for Policy Studies.
- Dr Neville Alexander, a Cape Town-based educationist.
- Dr Gavin Lewis, independent writer and editor of the RDP Monitor.
- Laurie Nathan, executive director of the Centre for Conflict Resolution at the University of Cape Town.
- Wilmot James, executive director of Idasa.
- Dr Iain Edwards, lecturer in the Department of Economic History at the University of Natal.

Less than two cheers for Gauteng's progress

(266) CT 12/7/96

FOR the national government, the extent to which it can claim in 1999 to have kept its promises will mainly hinge on success or failure in Gauteng

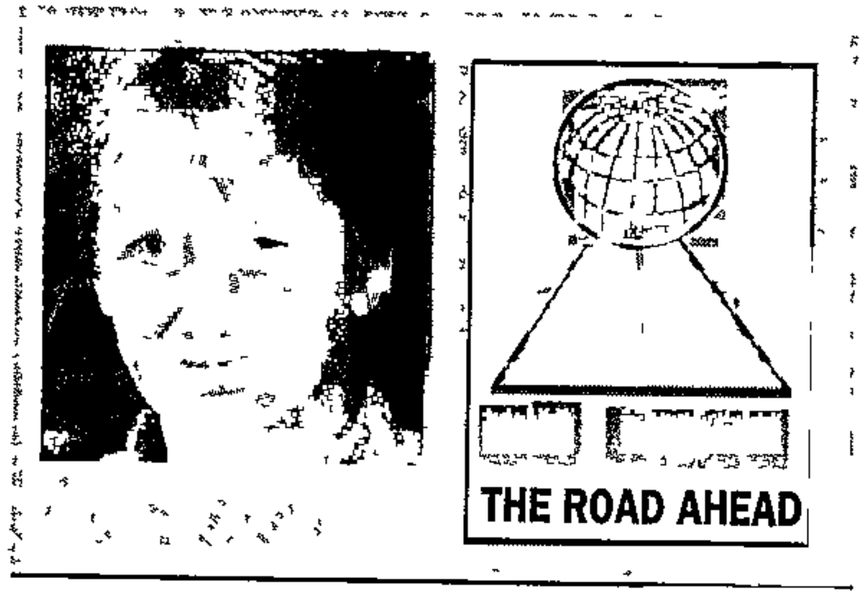
It has seven million inhabitants and an average household income of R3 442, the largest and richest of the provinces Twenty percent of its people live in shacks, but nine out of 10 have access to electricity, clean water and flush toilets

Most people are poor, but not as wretchedly so as elsewhere, and more than a third are unemployed In this province virtually everybody lives in a town Those who work produce 37% of SA's GNP, a considerably smaller proportion than 10 years ago

Gauteng's ANC government is probably the most effective regional administration in the country Its 10 MECs are drawn primarily from trade unions, civics and youth organisations and half have belonged to the Communist Party, usually a good indication of ability and acumen The government has already earned praise for its financial discipline — last year it returned R56m to the national exchequer — and with the Western Cape it has built the most low-cost houses

These achievements are all the more notable in the face of provincial budget allocations, which discriminate against the more urbanised regions Unhampered by the degenerate bureaucracies of the former homelands, the government appears to be fairly free from corruption and its upper echelons have been the main beneficiary of new public service training schemes

Success or failure in Gauteng will affect the prospects for national development more profoundly than the rate of progress in other provinces As the economic heartland of SA and the centre of its communications industry, triumph and failure will be so much more visible than elsewhere



When foreign observers evaluate SA's potential for prosperity and stability, they are usually making judgments about events in Gauteng

What, then, should be the key concerns for the province's governors and citizens?

The first is acknowledged in the economic blueprint produced by Finance MEC Jabu Moleketi, late last year Any successes should not inflict penalties on Gauteng's poorer neighbours

If this happens, then successes will be short-lived New industries located in the province which undercut economic activity elsewhere, or dramatic improvements in schooling, housing or social services which are not matched by comparable progress in the rural hinterland, will merely serve as a magnet, drawing in fresh numbers to be housed, employed and looked after

The province accommodates the largest conurbation in the country Two decades of poor planning by short-sighted municipal governments have made large parts of it almost uninhabitable

Johannesburg's central business district has become three square kilometres of rotting tenement buildings Pretentious office parks and shopping malls gobble up the green spaces of the suburbs and demand huge investments in highway redevelopment

The fastest growing city in SA, Midrand, is essentially a production of rating policies which discriminate against poor communities and developed city centres, it effectively transfers taxable income away from where revenues are most needed The result is an urban centre which is dying, unable to attract business and commerce, its considerable cultural assets neglected

Its reconstruction will require more than just the symbolic gesture of locating within it Gauteng's official administration, important as this action has been It will need a dramatic revision of rating policies which currently favour suburban development, it will require much more effective policing to eradicate street crime, it will necessitate huge investments in better public transport, and it will call for the replacement of slum landlords by a properly regulated rental industry which can enforce payments and attract finance

All this suggests an extension of the social and economic obligations of local government, as well as considerable increases in revenue These are not fashionable proposals They are the only ones which will create a habitable environment The alternative is increasingly wasteful suburban sprawl, a pattern and development ill-suited to the needs of poor communities, more and more costly to service and govern, and accentuating social inequalities

Restoring the inner life of Gauteng's cities will need more from rulers than exhortation and moral example It requires the enforcement of penalties and the imposition of responsibilities, on rich and poor alike

Gauteng's housing shortage is the second worst in the country and it is not going to be significantly alleviated, even if the authorities meet their most ambitious targets The homeless are certain to increase through migration Not banks, or government, or the homeless can afford free-standing, freehold houses designed on the traditional township model

Surely the accumulated experience of mass housing from around the world's welfare states can offer better prescriptions for constructing affordable urban neighbourhoods than the glum rows of concrete hutments which completed RDP projects have, so far generated?

And surely some of the construction skills generated within shack communities can be deployed more effectively?

If land is expensive — which it is — then it can be cheapened by more determined zoning policies

The government should take the lead and not wait for some mythical consensus to emerge from socially amorphous groups of "stake-holders" and "role players"

Crime and public disorder have become major disincentives for foreign business Better living conditions, improved street security, and safer and more efficient public transport might contribute to a more disciplined and amenable workforce Investment prospects and growth ultimately depend on expanded worker productivity Gauteng has better resources to train existing workers and improve the life chances of future ones

Provincial educational reforms have been fairly effective in expanding access to schooling, but the real measure of improvement will be increased numbers of black matriculants with technical and scientific skills Unless emphasis in teacher training and the work habits of teachers change significantly, such skills will continue to be generated by semi-privatised suburban high schools

Social reform and economic regeneration require strong government If the government can get its way through consensus so much the better, but it needs to be recognised that this is not always possible Gauteng's population includes the richest communities in SA A planning environment which facilitates the isolation of such communities from the less privileged through privatised services, exclusive neighbourhoods, dispersed commercial centres, and inner-city degeneration will promote stagnation

Its alternative will impose costs and sacrifice Rich suburbanites may have to pay more for services they won't use, but tenants must pay rents, school teachers must work 40-hour weeks, trade unionists must obey the new industrial relations legislation (instead of regularly flouting it), policemen must stop taking bribes, taxi drivers must stop killing people and students must learn to behave

All that is required is a government which punishes as well as rewards In Gauteng's new democracy some praise is due, but it is a long way from meriting even two cheers

Tom Lodge is an Associate Professor at the Department of Political Studies at the University of the Witwatersrand

Name still being sought for NE Rand

(266)

By Hopewell Radebe
City Reporter

Star 23/7/96

North East Rand councillors have rejected a short list of seven possible new names for their council and have returned it to their renaming committee for more public consultation

Council spokesman Mandla Sithole said the council had no particular problem with the short list, but had ordered the naming committee to ensure public participation and that the seven names for the Metropolitan Council were publicised throughout the region

Sithole said the committee had to return to the drawing board to find ways of activating public opinion and to conclude the process He said the suggested names were only for the North East Rand Metropolitan Council, excluding its substructures, at the moment

The suggested names are Central Gauteng Metropolitan Council, *Enkanyiswini* (where there is enlightenment), *Isango* (a gate), Kyalami (my home), *Leboabohlabela* (North East) and North East Rand Metropolitan Council

The North East Rand council elected the naming committee early this year to find simple and shorter names for the metro and possibly its three metropolitan substructures Greater Midrand, Edenvale/Modderfontein and Kempton Park/Tembisa

Greater Midrand council spokesman Pierre Nel said their substructure, called Midrand/Ivory Park, would not be changing its name because it had been decided that Greater Midrand was appropriate

But Henriette Weeseman of the Kempton Park/Tembisa substructure said a number of projects could not be launched because they were still awaiting the names committee concluding its process

Administration's move to Jo'burg boosts city

(266) Star 26/7/96

By Karin Schimke
Gauteng Reporter

The Gauteng provincial administration's move from Pretoria to the centre of Johannesburg has been completed almost seven months after it began – and with around 2 000 new civil servants working in Johannesburg there are early indications that the move has been positive for the ailing city centre

The relocation was hailed by property developers, the Gauteng cabinet and civic organisations as the plug that would stop the flow of business to outlying areas because of inner-city decay Months down the line, that prediction has not been fulfiled, but there are signs of an improved lot for the city centre.

Central Johannesburg Partnership executive director Neil Fraser said it was difficult to see notable change in Johannesburg because the move had been staggered, but he said his organisation had warned that the move would not be an overnight sensation

"The move is just part of a strategy for the city It has now given Johannesburg the capital city status it needed and has brought a certain stability to Johannesburg The move has so far had a steadying influence," he said

Fraser and Gerald Leissner, managing director of Anglo American Property Service, agree that office rental in Johannesburg has not suddenly increased, but neither has it taken a drastic dip A slight increase in some classes of office space has been reported.

While change takes time to register in graphs and statistics, the people affected by the move have been living with change for some months

Wilma Coetzee, a secretary in the Public Transport, Roads and Public Works department, has been commuting from Pretoria to Johannesburg for more than a year While she is not prepared to uproot her home in Pretoria, she enjoys working here and objects only to the amount of time and money spent travelling to work

"I can already see an improvement in the CBD just compared to when I started here last year For instance, there's a stationery shop I always buy from and when I just got here it didn't have much in it, but over the months it has become extremely well-stocked I've also seen some good new shops opening up," Coetzee said

Lulu Muller, who works in the Premier's Office, moved to Johannesburg with her husband some time ago She is more happy now than ever before in her work and feels the move has made the government more "real" to people

"To be honest, I think people might still be confused about where they have to go to get information But the quality of the information they are getting is improving It's much easier now for people to get to the right person for their particular problem and it's easier for them to just pop in with their problems

"Things will take time to settle down, but I can see an improvement in the way the provincial government works with the people it serves," she said

Harm Fourie, who co-ordinated one department's move, said "In about a year's time we'll be in a better position to make judgments about the effect of the move on the city, but it looks promising"

Fraser said that having the administration in Johannesburg made it more accessible and "warmer" to the public

"But the practical implications are going to take much longer to detect and we shouldn't pin the revival of Johannesburg only on the regional government," he said

(266)

Council's R1m loss to be probed

sowetan 30/7/96

By Pamela Dube
Political Reporter

THE Gauteng government may call on the Attorney-General to open a docket on the misappropriation of funds in the Western Metropolitan Substructure, chairman of the Gauteng Public Accounts Committees Mr Johan Killian disclosed yesterday

Killian's comments followed confirmation by the Gauteng Auditor-General Mr Shauk Fakie that gross abuse of power and funds had led to the council losing about R1 million

At the centre of the storm is the former WMSS employee Mr Niven Little, who acquired contracts from the council at allegedly excessive prices

Fakie said the council paid huge sums of money to Little's five companies – Rapid Fire Services, Soweto Office Supplies, Jabulani Paint Works, Soweto Building Services, Zondi Paint Works and Soweto Maintainance Services

Other amounts allegedly paid by the WMSS to Little's companies, his personal account and his wife's personal account include R806 687 which was allegedly improperly accounted for, and R339 215 which Little identified as wages for his workers A sum of R139 576 registered, as wages for workers, was allegedly paid into three difference accounts – Little's (personal), his wife's and R33 000 into a home loan account

Killian said while some of the payments were legal, the committee would start tightening the rules to "make sure no councillor or employee of the council has business dealings with the council"

Redeployment of council staff

(266) Star 9/8/96

BY SELLO MOTLHABAKWE
Soweto Bureau

Significant numbers of Greater Johannesburg Transitional Metropolitan Council staff could soon to be redeployed to assist in the TMC's four substructures

Agreement in principle has been reached to redeploy staff, according to Southern Metropolitan Substructure executive council chairman Prema Naidoo

The exercise is part of the overall restructuring of the administrative structures of the Johannesburg area

Naidoo said consultations had been conducted with all relevant unions It was agreed that the TMC would give first preference to staff members before luring from outside

The TMC is already conducting interviews with several candidates to fill executive officers' positions in the various departments. This follows the appointment earlier this year of chief executive officers for each region as well as strategic executives below them.

The redeployment process should gather steam next month, when these executive officers are expected to assume duties in the substructures It is expected that once the executive officers are in place, they will start recruitment

It is not known how many employees will be affected by the move but it will involve staff from Sandton, Roodepoort, Randburg, Soweto and the metropolitan council

Committee urges boycott of Little

(26) BD 13/8/96

Ingrid Salgado

LOCAL government structures and public sector entities should have no business dealings or transactions with Niven Hugh Little, the recipient of more than R800 000 in alleged irregular payments from greater Johannesburg's former western metropolitan substructure, the Gauteng public accounts standing committee said yesterday.

Little, who received the payments last year for work on substructure buildings, should also be reported to the inland revenue department for failing to comply with tax legislation, the committee recommended after months of probing the substructure's financial affairs Little was sole member of several close corporations dealing with the substructure, previously in charge of Soweto The committee recommended that government structures have no dealings with Little in his personal capacity or with any company or organisation associated with him.

The committee also proposed that the substructure's former acting CEO Dennis Rogers, among the cheque signatories for payments made to Little, should not be considered for a similar position at any government or quasi-government structure

The committee found that former acting finance manager CA Prince, another signatory for the payments and now employed in the southern metropolitan substructure, had breached his "duty of care" in his work and that his "lack of co-operation" with the committee was "unacceptable" Prince's employers should "critically evaluate" his performance, it said

The recommendations are to be submitted to Gauteng development planning and local government MEC Sicelo Shiceka for appropriate action

Provincial public protector's offices 'can be costly venture'

Ingrid Salgado

THE national public protector's office has urged provinces wishing to set up provincial offices to do so, but cautioned that the exercise could be costly since the final constitution made no provision for these

Investigator in the public protector's office, Advocate Elsabe de Waal, told Gauteng's public accounts standing committee yesterday that three provinces — Northern Cape, Eastern Cape and Mpumalanga — were going ahead with setting up offices.

These would be converted into regional offices under the jurisdiction of the national public protector once the final constitution came into effect

De Waal said there was a "pressing need" to establish regional offices to help the national backlog However, provinces did not wish to incur the expense of offices over which they would have no jurisdiction.

Most provinces, despite having passed enabling legislation, had halted plans to set up the offices.

Committee member Mohammed Dangor said the Gauteng government had considered pressing ahead with a provincial office but the money would be better spent on "building a few houses"

The Star Thursday August 22 1996

Local government accountants 'will make trouble for troublemakers'

(266) (~~262~~)

Ten members of financial task force named as part of efforts to keep Gauteng's books sparkling

Star 22/9/96

By Karin Schimke
City Editor

Gauteng's provincial and local governments will benefit from the expertise of a group of accountants appointed to keep their eyes on their finances in an effort to keep their books sparkling and their treasuries scandal free

Ten members of a financial task force were named yesterday at the metro building in Braamfontein, and they represent some of the top accounting firms in South Africa

"These accountants have been appointed to make trouble for the troublemakers," Finance and Economic Affairs MEC Jabu Moleketi joked

Setting up the task team was the brainchild of Premier Tokyo Sexwale, who decided last year that the new government needed systems to prove its accountability.

"People are talking about political accountability, but now that we have entered the arena of financial activity, people want to hear about accountability in the economic sense," Moleketi said.

> **"Now people want to hear about accountability"**

The task force is to be an advisory body that will assist the Gauteng and local government treasuries to develop solutions to financial problems.

It will provide specialist financial advice and expertise on strategic issues such as matching increasing needs with decreasing budgets, improved performance, spending money on the most appropriate resources for the government's development strategy, as well as reducing fraud

Moleketi said the task force would initially operate for a year "at no cost to the government" The Gauteng treasury would host meetings and provide any information that members of the team needed to give sound advice.

Moleketi said people had expressed concern that those companies represented on the team would have an unfair advantage when it came to government business

"But I would like to reassure people that we do have a tender board which ensures that the procurement of goods and services goes through a legitimate process"

Financial task force launched in Gauteng

(266) BD 22/8/96

Ingrid Salgado

THE Gauteng government launched a financial task force yesterday to provide the provincial treasury and local government structures with specialist financial advice and expertise, including measures to reduce fraud.

The task team, which consists of representatives of several top accounting firms, would help the provincial government on strategic issues such as matching growing needs with sharply declining budgets

It would also give advice on improving financial accountability and procedures, performance enhancement, and alignment of financial resources to their most appropriate uses

Launching the team, Gauteng premier Tokyo Sexwale said the province would attract foreign investment only if it proved a commitment to clean governance

Government's partnership with the private sector demonstrated its willingness to broaden public involvement in financial accountability, he said

Gauteng finance and economic affairs MEC Jabu Moleketi said the task force would help government to build capacity around its intentions

He said the firms involved would not have an unfair disadvantage because of information at their disposal relating to government contracts. No organisations were exempt from proper tender procedures

The team would operate initially for a year at no cost to the provincial government The treasury would host all meetings and would make the necessary information available to the team

Task force members are drawn from Ernst & Young, Price Waterhouse, Deloitte & Touche, Coopers & Lybrand, KPMG, Arthur Andersen, Karoha Jeena, KMMT, Tswanani & Co and Ntsaluba Inc.

Sapa reports that the Johannesburg Chamber of Commerce and Industry welcomed the financial task force's launch

"The sweeping nature of the mandate and the fact that the task force comprises representatives from auditing firms in the private sector shows that the premier is committed to efficient and honest public administration," president Moss Leoka said

Leoka commended the private sector for making its expertise available and urged local authorities to take advantage of the skills available through the task force

"The benefits of the task force will be felt by all taxpayers in the province It is their assurance that tax funds will not be wasted," Leoka said

Province to build and save on rent

BD 27/8/96 (25 DA)

Kevin O'Grady

THE Northern Province government yesterday hit back at criticism of its handling of the building of a new government complex in Pietersburg by property owners and business, who say they stand to lose R15m a year government is paying in rent

The SA Property Owners' Association and chamber of commerce in the province said on Sunday the cost of the complex had ballooned from R160m at inception to R400m on its completion in two years time, Sapa reported.

Government spokesman Jack Mokobi said yesterday he did not have the figures available to comment on the cost of the project.

"Business has an interest in these matters which sometimes clouds their judgment. At the moment government is occupying and renting offices which belong to members of the SA Property Owners' Association," he said

"They're making a very big killing — about R15m a year — at the moment and it will be more beneficial to the taxpayer to build our own buildings," he said

The new government complex would include offices, meeting halls and a legislative chamber "so we don't have to go and squat in the city council building any more", Mokobi said.

R400m burden on Gauteng's budget

BD 27/8/96 (26b)

Ingrid Salgado

THE Gauteng health department could face a R400m shortfall at the end of the 1996/7 financial year if three neighbouring provinces fail to transfer this amount for health services arising from interprovincial patient flows.

Gauteng finance and economic affairs MEC Jabu Moleketi said Mpumalanga, Northwest and Northern Province had not yet paid up despite an agreement at the end of last year.

In terms of the agreement, the provinces were to have paid Gauteng about R200m in both 1995/6 and 1996/7 to compensate for health services rendered This was because provincial health budgets were based on provincial population figures.

A study last year found that Mpumalanga cost Gauteng R58m in referrals in the last fiscal year, Northwest R80m and Northern Province R46m.

Gauteng health deputy director-general Eric Buch said yesterday that provincial and national health officials agreed at a recent meeting that Gauteng would be compensated for patients who were formally referred to Gauteng hospitals for secondary level care. The national department would facilitate resolution of the matter.

The delay in transferring the funds had not held up Gauteng spending on provincial programmes since expenditure was based on the assumption that the money would be forthcoming.

Mpumalanga government officials said yesterday the province would not transfer the funds. Gauteng should budget for patients across its borders because SA was one country, Premier Mathews Phosa's spokesman Oupa Pilane said. Mpumalanga, which treated many illegal immigrants from Mozambique, did not request funds from the Mozambican government.

Northern Province said it would pay only if Gauteng could produce accounts for patients using Gauteng hospitals. "We can't just transfer an arbitrary amount," Premier Ngoako Ramatlhodi's spokesman Jack Mokobi said

Gauteng finance head Roland Hunter disputed the Mpumalanga government's argument. Provincial health budgets were based largely on the population base of provinces and not on the number of patients, he said.

Gauteng was effectively paying for health services that exceeded its population base. Ga Rankuwa Hospital — where 80% of patients were non-Gauteng residents — presented a R300m burden on Gauteng's health budget.

Star. 28/8/96

Anger over enormous increases for councillors

~~127~~ (266)

By Anna Cox

Sandton ratepayers have reacted angrily to a 94% increase that Eastern Metro councillors voted themselves last night

From the R2 802 councillors were receiving previously, they will now get R5 484, which includes a R600 allowance for travelling and a R400 telephone allowance Executive committee members will receive R3 895 a month for travelling

This follows widespread protests by Sandton ratepayers facing rates increases of 243%, and recent mass action by metro council employees who were only given a 10% increase

A raging debate characterised last night's council meeting, with the DP and the only independent councillor lodging strong objections against the increases

These hikes mean an additional cost of R2,6-million which will be deducted from Sandton's R438-million surplus accrued from last year

DP councillors have indicated that they will not accept increases

Said Johannesburg DP leader Anchen Dreyer "This is yet another example of the ANC's gravy train and we strongly oppose it To impose a huge increase like this just when we have burdened Sandton ratepayers with an average 243% hike and are expecting Alex people to start paying rates for the first time

"It will appear that we are rewarding ourselves for punishing our ratepayers and will add fuel to the rates revolt It is also in conflict with the amendment to the budget when we undertook to pass any savings on to the ratepayers," she said

Chairman of the Sandton Federation of Ratepayers Peter Harmsen said councillors had their priorities wrong

Buccleuch Community Council spokesman Jim Powell said his association distanced itself from the actions of councillors and regarded the metro as a "kindergarten council"

Star 28/8/96

Councillors to get 94% rise in face of protests by ratepayers and workers

The Argus Correspondent (266) ARG 28/8/96

JOHANNESBURG – Members of the Eastern Metro Council have voted themselves an increase of 94 percent in their monthly allowances. They have been getting R2 802, they will now get R5 484.

This includes a R600 allowance for travel and a R400 telephone allowance. Executive committee members will get R3 895 a month for travel.

This decision – opposed by the Democratic Party and the only independent councillor – comes in the wake of protests by Sandton ratepayers, facing rates increases of 243 percent, and council employees, who have been given only a 10 percent rise. The rises will cost R2,6 million.

Chaos as Ratte rightwingers pelt councillors

ARG 29/8/96 (266)

The Argus Correspondent

PRETORIA – Chaos erupted at the Pretoria City Council monthly meeting when former hunger striker Willem Ratte and about 40 rightwing supporters pelted councillors with eggs and pamphlets from a public gallery

The trouble began when one of the group asked to be allowed to address the council

When the request was refused by Mayor Slo Ramokhoase, the group, waving several Vierkleur flags of the Transvaal Republic and the old South African flag, rose to their feet, sang *Die Stem* and threw eggs and pamphlets down into the council chamber

Members of the council's security services directorate moved in and ordered the demonstrators to leave

Councillors said afterwards none of them was hit by eggs, but they expressed serious concern over the incident and the breach of security

"For a moment I did not feel safe," Jeffrey Dubazana (ANC) told the council "What would have happened if they were armed?"

Mr Dubazana said the incident was a serious lapse by the security directorate "I don't think I must attend another council meeting," he added

Two members of the public from Mamelodi, sitting in the southern public gallery which was occupied by the rightwing demonstrators, said after the meeting that they saw six among the group with 9mm pistols at their waists

But executive director of community safety Willem van der Waals said plainclothes council security personel with firearms were among the demonstrators

The visitors, Jabulani Tshabalala and Hendrik Magagula, said the demonstrators began arguing with them and told them they must move to the opposite public gallery as the southern one was "for whites only"

They were also told that they would be kicked down out of the public gallery, Mr Magagula said

Mr Ramokhoase asked after the meeting "What is this going to do to the image of Pretoria? I think it's about time for Pretorians to stand up and fight such a menace

"All of us have the vote There is no reason for people to resort to such uncontrolled manners. The council's door and my door are open to everyone to come and talk about problems

"We have the courts, the Constitutional Court and the Public Protector What else do we need?"

A look at the pamphlets showed that the egg-throwing was planned

A pamphlet, with the heading "Aksie Red Ons Volk" and the sub-heading "Eggalitarian Eggstravaganza", read "This eggstraordinary eggspedition by the ratèpayers of Pretoria is to eggsplain and to eggsemplify our utter disgust at the eggspensive racial discrimination that the residents are eggsperiencing from the city council to the eggstent that the situation could eggsplode if no eggsplanations are given for the unjust eggsploitation as was eggsposed in court"

Executive committee chairman Ernie Jacobson (NP) commented that he could understand that people were emotional, but he was a bit surprised at the way the group had expressed their displeasure

"I think they would have achieved a better result if they had brought a proper petition to the council by way of a councillor," said Dr Jacobson

"We realise all the people of Pretoria have a hard time – especially those at the lower end of the economic spectrum

"I think it would perhaps be a good thing if the leader of the group arranged an appointment with the executive committee chairman so that we may see how we can handle their problems"

Dr Jacobson said the demonstrators were also residents of Pretoria, "although we differ politically from each other"

That they had managed to enter the public galery was surprising "but for someone with a different motive than ordinary participaton it is probably possible to enter any place"

He added "We are thankful that no serious incident occurred, but we will have to brush up our security."

Dr Van der Waals, when asked how the demonstrators had entered the building, said anyone could sit in the public gallery to listen to debates, "but in terms of the standing orders he may not interfere in the debates"

Dr Van der Waals said the community safety department had expected the demonstration and had been prepared

Union conditionally accepts Jo'burg council's final pay offer

Reneé Grawitzky (266 BD 4/9/96

THE SA Municipal Workers' Union (Samwu) yesterday indicated its members would conditionally accept a final wage offer tabled by the Johannesburg metropolitan council

The Independent Municipal and Allied Trade Union (Imatu), also party to negotiations, has not as yet indicated its acceptance of the offer

Samwu members gathered at a rally in central Johannesburg yesterday, where the leadership reported back on negotiations

Samwu walked out of the interim industrial council last week, while Imatu had rejected the final employer offer and had proposed arbitration

The final employer offer provides for an across-the-board increase of R250, to be implemented now, and a further R50 to be implemented next January The R50 will, though, be backdated if a joint union-management exercise realises more savings.

Imatu spokesman Ben Kotze said for most union members, the offer amounted to 5% or less, as they did mainly skilled work

Samwu spokesman Weizmann Hamilton said the interim industrial council constitution allowed the employer or a minority union to go to arbitration

The union would thus conditionally accept the final employer offer, based on the view that an arbitration award providing for a higher increase than the final offer would be extended to Samwu members.

Council restructuring could cost public millions

Star 6/9/96 (26b)

By Karin Schimke
City Editor

A storm is brewing in Greater Johannesburg's five local administrations that could lead to protracted court battles and unfair labour practice suits costing ratepayers millions of rands

The Greater Johannesburg Transitional Metro Council and the four substructures are locked in large-scale restructuring of their organisations

But the appointment of less experienced people over long-serving council staff, allegations of political motivations for certain appointments, complaints that the process was rushed, claims for redundancy packages, and allegations of failing services in the city are marring the process.

Two unions confirmed yesterday that the restructuring was cause for concern When asked how many employees had approached the Independent Municipal and Allied Trade Union to contest their new positions in the TMC and its substructures, branch secretary Ben Kotze said "More than you can count on both your hands and feet."

SA Municipal Workers' Union branch secretary Weizmann Hamilton said his union had tabled its concerns about the restructuring process at the interim industrial council

"We are dissatisfied with the manner in which this process has been rushed There is a danger that the integrity of the restructuring has been undermined"

Executive officer of human resources, Sonnyboy Matsoso, said the TMC was "committed to placing everyone from the old structure in the new one"

People formerly in top positions would retain their salaries and benefits, but their positions could not be guaranteed

But Matsoso was adamant the council would do everything in its power to avoid making people redundant.

One more baby joins ranks of Nigeria's orphans

(266)

Star 25/9/96

SAPA-IPS

Lagos

She doesn't know it, but nine-month-old Oluseyi is one of the newest orphans in Nigeria.

Six hours after she was born, her mother abandoned her at a private hospital and disappeared. Authorities have been unable to trace the mother who gave them a false address.

Oluseyi, which means "God made this", in Yoruba, is being cared for by the hospital. Officials, however, say they cannot continue to carry the cost and will have to send her to an orphanage.

Oluseyi is only one of the many Nigerian children abandoned daily in hospitals or on the streets, mainly by teenage or adult mothers who cannot afford to take care of their babies.

Health officials report that no fewer than six children are abandoned in Lagos every week.

But the phenomenon is nationwide. In Bosso, a village in the northern state of Niger, a young boy found a two-day-old baby girl in a bush, the third baby to be abandoned in the area in three months.

Police say infanticide is also on the rise. In April, a 22-year-old woman in Akwa, in the eastern state of Anambra, reportedly strangled her new-born baby girl to death in a maternity home. Police allege the single woman attempted to abort the pregnancy earlier, but was kept under surveillance by relatives.

They are found in toilets and on rubbish heaps

Babies have been found in public toilets, and wrapped in polythene bags and tossed in rubbish heaps.

Social workers attribute infanticide and the abandoning of babies to the crippling economic situation, and the absence of adequate sex education.

"Under the prevalent economic [illegible] country [illegible] earning [illegible] enough to take care of the number of children they already have [illegible] sort to abandoning them," says social psychologist, Ayo Davies.

Regina Anozie, a mother, says parents have to reclaim their parenting role in a society where people are too concerned with material wealth.

"The parents go out early and come back home very late. How can they monitor their children?"

Unfortunately, sex education has not taken off in schools, although it has been on the drawingboard for a long time.

The Planned Parenthood Federation of Nigeria has taken matters into its own hands and is campaigning for sex education for teenagers and young unemployed school leavers.

A survey shows that 83,3% of the male and 72,1% of the female youth are sexually active, yet many of them are ignorant of basic reproductive and contraceptive information. The abortion rate is about 68%.

The group's West African Youth Initiative Project aims to reduce unwanted pregnancies, abortion, sexually transmitted diseases and Aids, and is targeted at school leavers, aged between the 14 and 20.

"The youth are recruited, trained and utilised as peer counsellors and are expected to take counselling services to their fellow youth and to distribute non-prescriptive contraceptives and provide referrals," says Wole Daramola, the project's co-ordinator.

THE ALI BABA COUNCIL

(266) FM 27/9/96

More than a quarter of the councillors in the Greater Johannesburg Transitional Metropolitan Council (TMC) are in arrears with their service payments

Some owe almost R5 000 for nonpayment over 11 months

Ordinarily, such impropriety should warrant expulsion from the TMC — with indebtedness to local councils considered a disqualifier from office But the TMC has chosen instead to grant "automatic agreements" to the errant councillors, allowing them to repay their debts over five years.

Such a lengthy payback period for arrears is unheard-of in local government, at least among ordinary ratepayers, says independent councillor for Bryanston Elizabeth Clogg

An accounts official at the Eastern Metropolitan Substructure says that gradual repayment of arrears can be negotiated but such arrangements usually allow no longer than six months, with one year being allowed only in exceptional circumstances

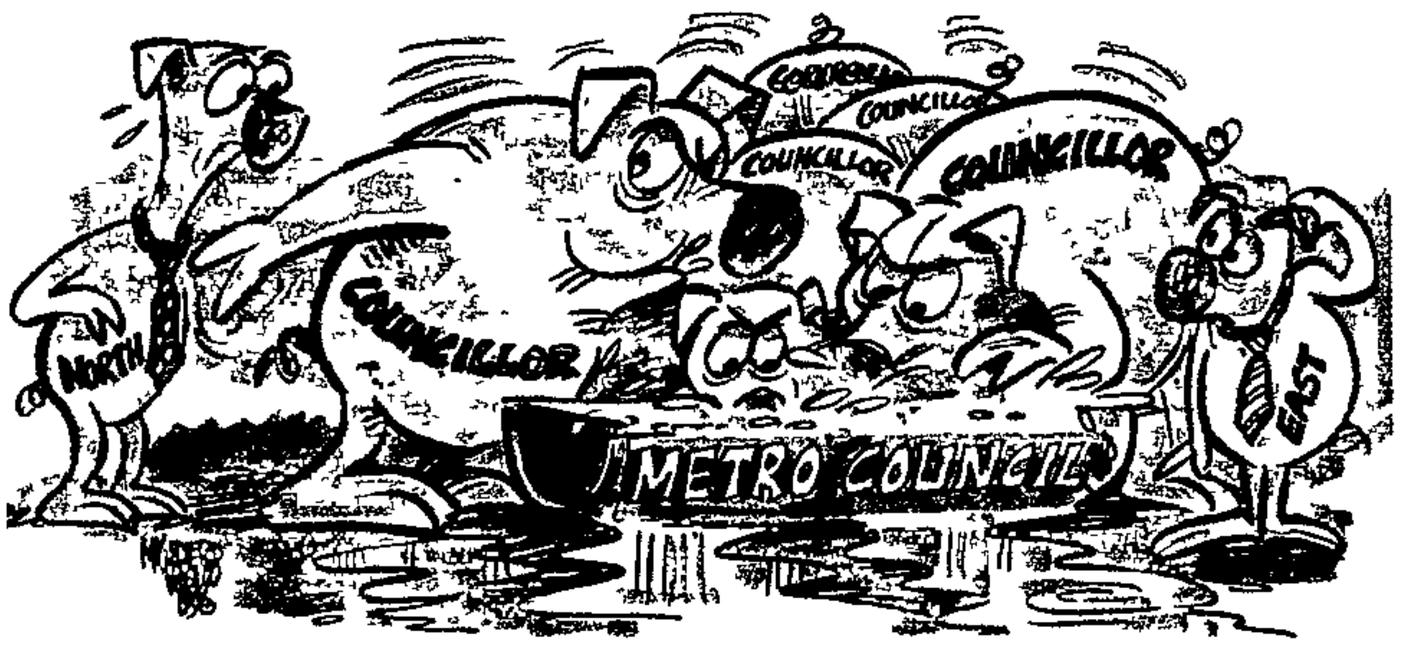
The schemes are never "automatic"

The disclosures come at a time of intense anger among ratepayers in the TMC's Eastern Metropolitan Substructure, where massive rates increases are being levied to cover a R442,5m deficit in the overall metropolitan budgets

The deficit is mostly due to shortfalls in the Southern Metropolitan Substructure — including most of Soweto, Johannesburg's CBD, Ennerdale and Lenasia— and the TMC, which is supposed to be a small umbrella body mostly dispensing bulk services

The substructures each have independent local authorities that take responsibility for most of the municipal services such as local water, sewerage and rubbish disposal

But the TMC is turning into a monster, says Clogg It has swallowed half of the capital budget and appropriated 15 000 of the 36 000 municipal staff complement — allocating only 6 000 to the eastern substructure, leaving only 15 000 personnel for the vast areas of the southern, northern and western substructures



Meanwhile, the TMC deficit may turn out to be even larger than budgeted as only about 25% of Soweto service charges are being paid

Only 3% of Alexandra's nonhostel dwellers pay for services but the ill effects are minimised by the high level of service payments in the rest of the eastern substructure, which includes Sandton, Rosebank, Hyde Park, Houghton, Hillbrow and Bertrams

The TMC councillors' nonpayment for services is a slap in the face of government's attempts to revitalise the moribund Masakhane campaign to persuade black township dwellers to give up their apartheid-era boycotts and start paying for services

The TMC seems to have the worst record of the four metropolitan councils in Gauteng Pretoria, for example, has managed to bring payments in Atteridgeville and Mamelodi up to about 70%

Last month, the TMC government said in reply to questions by the city's Democratic Party leader, Anchen Dreyer, that 13 of its 50 councillors (26%) were between two and 10 months in arrears on their service payments

They owed between R279 and R4 700, which would since have risen by another month's arrears. Six of the debtors have been granted "automatic" arrangements to pay over 60 months

It could not name the councillors concerned until the next council meeting in October because their names were "still being verified"

It seems, however, that most of the debtor councillors are ANC members of the southern and eastern substructures. A council official says the identities are known to the rates and services department "but they (the department's workers) are afraid to speak up because, as whites, they're scared of losing their jobs to affirmative action" ■

ACADEMIC HOSPITALS

IN CRISIS

FM 27/9/96

The Western Cape's three academic hospitals are in danger of collapse, says UCT-Groote Schuur head of surgery, Prof Johan Terreblanche In the next six months, 500 beds at Groote Schuur, Red Cross and Tygerberg hospitals must close — a 15% cut

Speaking at a press briefing after an emergency medical summit last week, he said "We're faced with problems that are mindblowing We would, in time, be able to downscale but we can't do it overnight Many of the secondary level services don't exist elsewhere If ours are closed there is nowhere else to go."

He says deaths have and are occurring as a direct result of the decrease in the number of staff at Groote Schuur — a drop of about 31% over the past year

R400-m loan for Jo'burg

(266) Sowetan 2/10/96

By Joshua Raboroko

THE Greater Johannesburg Council has been granted a loan of R400 million by a Japanese bank to upgrade services in various townships, despite protests by opposition groups that the council has a record of financial irregularities

In an auditor's report read at a special council meeting yesterday, chairman of the budget finance committee Mr Eugene Robson said the money would be used to upgrade services in the council's areas of jurisdiction

The money will come from Somatico Bank over a period of five years and will be administered locally by First National Bank

Robson said after the council's discussions with the auditor-general it was found that most problems were resolved

The Transitional Metropolitan Council had inherited the maladies of the former black local authorities

Partly resolved

He said the outstanding amount of R220 million due to Soweto, Diepmeadow, Dobsonville and Alexandra Township had been partly resolved as residents in the area were starting to pay tariffs

He added that the Masakhane campaign was relaunched in September and all sectors of communities had been mobilised to support the new levies

Chairman of the executive committee Mr Collin Matjila said that despite opposition from the Democratic Party it was necessary that the loan be approved in order to upgrade facilities in the disadvantaged communities

He said that the council was presently investigating all cases of financial irregularities

Remedy problem

The opposition contended that the council should remedy the bond and service boycotts in the townships before getting foreign loans, arguing that the Masakhane campaign had failed

As a result the majority of residents in those areas were still not paying their rates It was therefore risky to apply for a foreign loan

SLAYING THE GORGON

FM 4/10/96

Two cockeyed principles lie at the heart of the dispute over local government in the Greater Johannesburg metropolis

The first is the belief that a highly centralised administration — a large transitional metro council (TMC) — can run the city better and bring more equitable development than decentralised substructure governments.

The second is the punitive style of revenue redistribution taxing the frugality of middle and upper-income groups to reward poor neighbourhoods who will not, or cannot, pay for services

Nicky Padayachee

Why does the Greater Johannesburg TMC require nearly 15 000 (41%) of the 36 000 municipal staff employed in the region? That is as many as the southern, western and northern substructures combined — which must cater to about 75% of the metropolitan population

By contrast, Pretoria's metro council employs about 200 staff It is so slim, because its functions are little more than those of the old regional services council, which is basically what the Transitional Local Government Act envisaged all metro councils to be

Pretoria is hardly a paragon of good government, many issues remain unresolved But at least most of its black residents are paying for services

In Johannesburg's Soweto, meanwhile, service payments are only about 25% To cover the resultant shortfalls in Soweto revenue — and the metro council's own over-expenditure — the metro has chosen to levy R348m from the eastern substructure — hence the uniform rate of 6,45c/rand which has led to 200%-300% rates increases in the east

Greater Johannesburg CEO Nicky Padayachee says the reason the metro council has taken over so many services and staff is because most of the electricity, water and sewerage networks used to fall under the old Johannesburg City Council Fragmenting these networks among substructures would lead to administrative complication

But Pretoria TMC hasn't embalmed itself with red tape it leaves the substructures to do as much as they can — and when they can't, it helps promote private contracts

As property market analyst Erwin Rode says, uniform rating, as applied in Johannesburg, is counterproductive because it destroys intermunicipal competition

By usurping the entire budgetary surplus of the east, the metro council is undermining that substructure's will to save, by rewarding the boycotters of the south with revenue handouts, it is undermining what incentives exist for the boycotters to pay

Rode, CEO of Rode & Associates, suggests that substructures be allowed to levy their own rates based on the services and bureaucratic efficiencies of each substructure

As Rode points out, the RSC levy system was developed to uplift the poor, as it spread the burden equitably across the metro region, and did not squander revenues on huge salary bills and other bureaucratic overheads

The RSC system should be reinstated in Johannesburg — call it the metropolitan council, if you will — to ensure that redistribution really works ■

Gauteng wants to revamp towns

Sowetan 8/10/96

Plan recognises that crime affects everyone, including business

By Joe Mdhlela
Political Reporter

CONCERNED ABOUT THE deterioration of city and town centres in the province, the Gauteng government is due to launch a four-point revival plan to help stem urban decay in the region

A two-day provincial conference will be held in Johannesburg on October 25 and 26 which will seek to look at strategies of integrating the cities, towns and townships, so as to ensure equitable development of all the regions in the province

"The Gauteng provincial government recognises the importance of strengthening and enhancing the economic, cultural, and social vitality of city, town and township centres

"To achieve this, the government is initiating a four-point regeneration and integration plan," chief director of Gauteng development and planning and local government Mr Rols Dauskardt said

The plan will, among other things, seek to ensure the promotion of safe centres, foster compact development, encourage vibrant commercial centres and build a working relationship with other interested parties

Private sector

These will include the private sector, civic organisations and trade unions

With regard to safety, the plan recognises that crime not only threatens personal safety, but also has a debilitating impact on the government's strategic development objectives

"Crime should be viewed as a social issue, requiring a shared responsibility of all agencies, levels of government, organs of civil society and every citizen," Dauskardt said

Turning to compact development, he argued that the fragmentation which had occured during the past policy of separate urban development led to the existing "distorted" system in Gauteng

Some of the features aimed at addressing urban fragmentation include "directing new urban development to unused or under-utilised land within present urban boundaries"

The plan will also encourage mining companies to rehabilitate tracts of land

JOHANNESBURG METROPOLITAN COUNCIL

(266) fm 18/10/96

THREAT OF BANKRUPTCY AS DEBTS ESCALATE

Auditor-General's dire warning

The Greater Johannesburg Transitional Metropolitan Council (TMC) has not covered itself with distinction by having its most recent set of accounts disclaimed by the Auditor-General This is the most severe form of censure the Auditor-General is capable of and it rings warning bells about the financial soundness of the entire Johannesburg metro region

It's the sort of blight that was conspicuous in the chaotic financial reporting of the township councils and administration boards of yesteryear What a pity that this stain of impropriety should now turn up in the accounts of Johannesburg's metropolitan government the first time it reports under its new guise It wouldn't have happened in the old Johannesburg administration

Strategic executive for metropolitan finance Lucas Opperman says that the consolidation of these former administrations into the new GJTMC has caused the problem He views it as "a little unfair" that the metro administration should be held responsible for the errors of previous administrations

But all the damage limitation and finger pointing tends to do is blur the central issue are Johannesburg's finances sound or not?

The Auditor-General says that he's unable to express an opinion He has some significant problems with the metro government's accounts — specifically the failure of the TMC to resolve the problem of rental, rates and services charges arrears They are piling up steadily each month At year-end June 30 1995 (the latest available figure), the TMC's debtors stood at R1,258bn — despite the Masakhane campaign to encourage defaulters to pay On top of that, the council is facing a growing rates revolt in the Eastern and Northern Metropolitan Substructures Monthly rates and services payments in the EMSS are already down from around 98% to 70%

Lucas Opperman

Some see in all this a doomsday scenario emerging for Johannesburg akin to the consequences New York City faced in the epic movie *Independence Day*

Unlike the miscreant New York City administrators, Johannesburg has not yet been reduced to borrowing on the capital markets to pay its operating costs But there are commentators, such as former councillor and financial consultant Leon van Wyk, who are convinced that the city is teetering on the edge of bankruptcy He suggests that, in as little as 18 months, Johannesburg could be in dire straits and looking for a financial bailout from the State (see graph) That, of course, implies that once again the poor old taxpayer will have to cough up to get it out of trouble

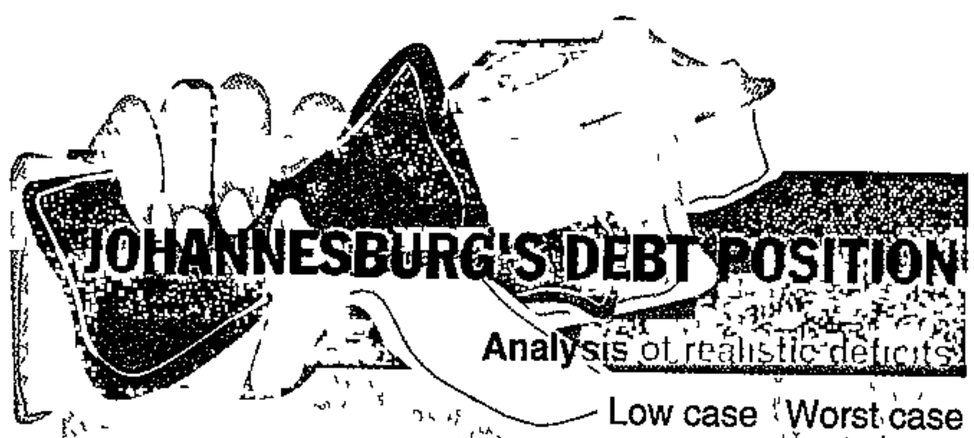
This must been read in context with a recent central government report, which shows that there's now R5,9bn owed to councils nationally for rates and services charges, a further R938m owed by councils to Eskom for electricity and that 95 of SA's town councils do not have sufficient money to cover monthly wages and salaries for their employees

It seems government also sees portents of a doomsday scenario emerging for city government It's engaging in classic foot-shuffling at every new call local government makes on its purse It already subsidises local government to the tune of some R800m/year And in terms of the Minmec Agreement of January 20 1994, it was supposed to have covered all local government arrears up to June 1995 (in Johannesburg's case, R384m) So far, not one bean has been forthcoming It also undertook to make good municipal housing stock purchase arrears But again, no monies have yet been paid over Local authorities are now girding themselves to reapproach government on the issue

Opperman, however, is unequivocal While he admits that there are certain problems, he's adamant that "in every respect, the council's financial resources are adequate for its needs "

That's not necessarily a view shared by the Auditor-General At June 30 1995, the council's debts appeared to be spiralling dangerously out of control

At that point, rates and services charges arrears for the old Johannesburg administration alone stood at R686m, as opposed to R608m six months previously (unaudited figures to June 30 1996 show the debt now stands at R888m) Debtors



JOHANNESBURG'S DEBT POSITION

Analysis of realistic deficits

	Low case scenario	Worst case scenario
As per June 30 1995 accounts	82	82
1995 debtors provision	475	660
1995 creditors provision	125	380
1995 revised deficit	682	1 122
1996 provisional estimate	190	190
1996 debtors provision	525	570
1995 creditors provision	125	
1996 revised deficit	1 522	1 882
1997 projected debtors provision	575	620
1995 creditors provision	130	
1997 estimated deficit	2 227	2 502

SOURCE L VAN WYK

ADCOCK INGRAM-PREMPHARM MERGER

(183) FM 18/10/96

RESPONDING TO CHALLENGE OF MULTINATIONAL COMPANIES

Mutual benefits in uncertain times

Some form of major rationalisation in SA's pharmaceutical industry was inevitable Last week it took concrete form in the long-awaited confirmation that Adcock Ingram (AI) and Premier Pharmaceutical (Prempharm) — the two largest players in the local industry in terms of market capitalisation — are to merge

The R5,3bn deal, the largest ever in the SA industry, follows international trends of megamergers between multinational pharmaceutical groups More specifically, in the SA context, it was necessary to remove uncertainty from the still unclear governmental changes to health care policy, to counter competition from multinationals — increasingly active in post-sanctions SA — and to forestall further fragmentation of an already dissipated market

The business fit between Prempharm and AI — long the market leader and blue-chip pharmaceutical share before competition in the wholesale business and the return of Swedish multinationals slashed turnover growth — looks nearly perfect

Most businesses complement each other and significant cost-savings, mainly on the AI side, can be achieved Basically, the merger offers AI protection from its once lucrative, but now more risky, exposure to ethical or patented pharmaceutical products (accounting for nearly a third of earnings)

Prempharm, widely regarded as the most favourably placed of SA's listed groups to weather changes in the industry, gets necessary critical mass and depth of products from the merger The new group will have around 15% (according to DSI figures)of the pharmaceutical market—the largest in SA

Major shareholders Tiger Oats, a CG Smith subsidiary, and Premier Group should benefit from an enhanced and more secure stream of earnings, though there could be an immediate knock to earnings from dip in consumer spending and the devalued rand

And despite recent controversy around the issue of N shares, which carry significantly lower voting rights, it looks as though minority shareholders will not be prejudiced in this deal

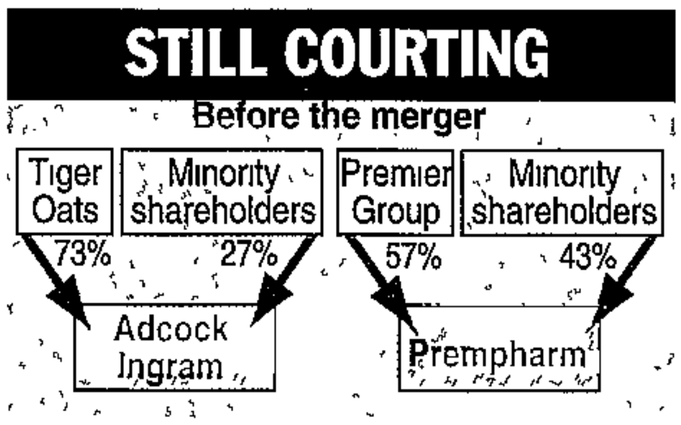
While a major restructuring of the new, merged AI's share capital base will result in 90% of issued shares being made up of N shares, minorities' pre- and post-merger voting rights remain the same, unless they elect to accept an offer from Tiger to exchange ordinary shares for N shares

Significantly, this means that minorities still have the power (more than 25% of voting rights) of vetoing any special resolutions

What could be a precedent-setting undertaking to N shareholders has also been effected by Tiger agreeing not to accept any future third party offer (which could change control) unless an identical offer is extended to N share holders

Robbie Williams

Briefly, the deal is structured around AI first consolidating its share capital on a 1-for-10 basis A cap issue will then result in shareholders receiving nine N shares (carry one vote each) for each consolidated share held (100 votes)



To acquire 100% of Prempharm's share capital, AI will issue 13,5 new consolidated shares, 121,5 N shares and a cash payment of R41 for every 100 Prempharm shares held

Premier, which now holds an effective 57% of Prempharm, will receive about R26m in cash from the R45m payout to shareholders and nearly 30% of the merged company

But in terms of a voting pool agreement to ensure full control is retained by Tiger, Premier will cede nearly 66% of its voting rights to Tiger (see diagram)

The result will be that Tiger, with a 35,4% equity holding in the new AI, holds voting rights of 55%, Premier 10% and minorities 35%, in line with their combined 35% equity stake

Clive Vaux, financial director of CG Smith (Tiger's holding company), says that minority protection rights are in place for Premier, including its approval for any material acquisition outside the normal course of business

"If, for instance, we wanted to buy a coal mine we would need Premier's okay," for new share issues or for major borrowings above a certain level

For minorities, one analyst calculates the deal to be worth R25,16 a Prempharm share, including the cash component (which makes it worth R26,33), but assuming the N shares will trade at a 5% discount

At R24,80 on Tuesday, Prempharm was still trading at a small discount to the implied value of the deal

For potential investors, Prempharm shares are therefore the cheaper entry into the merged operation as long as the discount holds

Overall, the price paid by AI for Prempharm represents a premium of about 8% over market value

Peter Leon ... critical comment

Halve Gauteng MPLs' annual pay, says DP's Peter Leon

(266) (Star 18/10/96

By Justice Malala
Provincial Correspondent

The 10% increase in the salaries of Gauteng MPLs is unjustified and they should be paid half of the R167 000 per annum that they will now be earning, Democratic Party provincial leader Peter Leon has said

Speaking in his personal capacity, Leon said the increase, which would be backdated to July, showed that the Gauteng government had "the whole thing wrong, they should be paid half what they are earning"

He said national legislators deserved their salaries as they were working full-time, but the Gauteng legislature only sat for an accumulative period of about six weeks a year and passed only about six acts in that period

He said the DP had not discussed the matter

Deputy Speaker of the Gauteng legislature Lindiwe Zulu said MPLs' remuneration had not increased since they came into office following the adoption of the Melamet Report in 1994

The 10% increase comes as a result of a national cabinet decision to increase the salaries

Zulu said, however, the increase was not final and was still due for review

"This increase is an interim measure The Steyn Commission is looking into the pay of office-bearers and it has been interviewing people about the issue

"Finality will therefore come with its report, which will hopefully be ready sometime at the end of the year

"It can make recommendations to increase the salaries or to reduce them, as it may decide," she said

Before the 10% increase, MPLs were earning R154 000 a year, which included a car allowance, office expenses, medical aid and a a pension

With the increase their package will rise to R167 000 (R13 917 a month) and includes an untaxed car allowance of R43 000

Councillors determined to push for 94% increase

(266) Star 23/10/96

By Anna Cox
Sandton Bureau

The ANC-NP-dominated Eastern Metro Council appears to be determined to maintain the 94% increase it recently voted itself

The decision was approved by a simple majority, but is being challenged by the DP because the council, by law, requires a two-thirds majority to pass any resolution affecting the budget

At a special council meeting called last night to rescind the decision, the ANC-NP alliance changed its mind at the last minute and withdrew the item from the agenda

The alliance's intention was to rescind the decision and then take the issue back to a full council meeting next week for a two-thirds majority vote But, according to DP leader Anchen Dreyer, the ANC and NP realised last night that they would not get a two-thirds majority at next week's meeting because of the absence of an IFP councillor who had supported the allowance increase

Instead, the executive committee, led by ANC chairman Nkele Ntingane, deputy chairman Sol Cowan and chairman of the budget committee Christine Walters, decided to seek a meeting with Constitutional Minister Valli Moosa to discuss the need for a two-thirds majority on all budgetary issues, which they have claimed is unworkable

According to Dreyer, the alliance said it would not allow the DP to attend the meeting.

To approve the allowance increases, the alliance will need at least 40 votes The ANC and NP together have 38 votes – if all their councillors are present But because the IFP, which has two councillors, supported the increase, and IFP councillor Tony Wasserman is overseas, they will fall just short of a two-thirds majority at next week's meeting

"The whole thing was an excuse because they knew they would not get the resolution passed and we would defeat the increase," said Dreyer.

The DP has challenged the legality of the decision with a court action on the basis that it pertains to the budget and should have been passed with a two-thirds majority.

The council obtained two independent legal opinions not to defend the DP's action

Said Dreyer "The decision shows they conceded the principle that the matter relates to the budget"

The ANC's Cowan claimed the DP was embarking on a campaign to make the area ungovernable. He said the party constantly sabotaged the effective and economic delivery of services

■ The council last night approved expenditure of R600 000 for furniture for new council offices. It had earlier approved R900 000 for the new furniture, but the DP objected.

Gauteng parties bury differences over council of provinces

(266)

Parties in the Gauteng legislature have reached consensus on defining the role of the National Council of Provinces (NCOP), Speaker Trevor Fowler said yesterday.

He said a two-day conference had been unique because delegates (MPLs, senators, MECs and key legislature staff) had put aside party identities and come to a provincial consensus

Fowler said the outcome of the conference met 95% of his expectations. A detailed document would be prepared in the next fortnight with the help of "technical experts" for submission to a national conference on the NCOP, which is to replace the Senate when the constitution is certified Delegates defined six NCOP characteristics·

■ It should represent provinces separately or collectively in national decision-making A document issued by the delegates said· "The NCOP has a role to play in distilling and expressing the national interest from a provincial point of view"

■ It should facilitate minority-party involvement.

■ It should facilitate the conduct of executive intergovernmental relations, although final agreement on this was not reached

■ It should facilitate legislative co-operation on social and welfare matters mentioned in schedule IV of the constitution

■ Its rules and procedures should facilitate intergovernmental co-ordination

■ It should help to contain conflict and promote a spirit of co-operation at all levels of government – Sapa

Star 26/10/96

Wisdom of diverting resources to 'poorer regions' questioned

BD 29/10/96 (266)

Ingrid Salgado

NATIONAL government should acknowledge that Gauteng was a strong entry point and service provider for southern Africa's development instead of marginalising the province in favour of poorer regions, Gauteng premier Tokyo Sexwale said yesterday.

At a National Economic, Development and Labour Council workshop on workplace challenges, Sexwale said there was an overriding tendency to channel resources away from Gauteng.

"To strengthen the weak, one should not weaken the strong," he said.

Gauteng's social problems, including high population density, service capacity stretched beyond its limits and housing 1-million of SA's unemployed, were often underestimated

Gauteng's historical economic base would not carry the province into the next century. Mining was declining, and steel and other heavy export industries were relocating to coastal areas The manufacturing sector tended to produce goods for iron, steel and mining industries while world exports were shifting from primary goods to value-added exports, Sexwale said

As a result, Gauteng had to become a "smart centre", or the service centre of southern Africa This would require an appropriately trained workforce, targeted investment incentives and an information technology infrastructure.

Sexwale said labour and capital productivity would drive competitiveness and growth. The media tended to portray productivity as a labour issue, ignoring capital productivity. However, labour productivity had been rising since the third quarter of last year.

At the Krugersdorp council, things are still 'black and white'

By Goba Ndhlovu

Nhlanhla Mbatha discovered everything was still in "black and white" when he applied for a job with the Krugersdorp Transitional Council last week

Mbatha, who is a freelance subeditor with The Star's Business Report section, responded to advertisements in newspapers that the council was looking for an editor for its municipal newspaper He faxed his curriculum vitae and followed up with a telephone call

"The person who picked up the phone made a very disturbing remark to me When I told him that I wanted to speak to the personnel officer, he asked me whether I wanted a 'black personnel or white personnel officer'," said Mbatha

"I told him that in the adverts there was no mention of black or white personnel"

Mbatha said the reply from the other end was "quick and sharp", asking him whether he wanted help or just wanted to be sarcastic, before the person banged the telephone down

Mbatha said he telephoned a second time and spoke to a "black lady" who would not give her name She alleged there was "rampant racism" in the council, and said she feared the advertised post would never be filled because whites wanted a white while blacks wanted a black

She told him the actual requirements for the post were that the person should be able to speak at least English, Afrikaans and one or two African languages She added that from applications received so far, not one of the white applicants could speak a single African language

Job seeker hears of 'rampant racism' in the west

Denying the allegations, Johan Blignaut, the town secretary who is currently also acting town clerk, said the two personnel officers were temporary because the council was in transition "If we can find the culprit, he will be dealt with in our normal disciplinary procedures," said Blignaut

Mayor Steven Motingoa added that such a person could even be dismissed if found guilty

He said Krugersdorp had changed from being a "lily white" council to one representing all races This would soon become evident once the council's affirmative action policy document was implemented in the next few months

The South African Municipal Workers' Union, which is the largest of the four unions represented on the council, is said by both the town secretary and the mayor to be co-operating in the transition

The union's members, however, complained that discrimination in salaries – in some cases by up to R2 000 a month – was still evident, particularly in the sports and traffic departments

Blignaut said no one had raised salary questions with him or at council meetings He said he was unaware of the problem

Star 29/10/96 (266)

Eastern Metro want inquiry into DP disclosures

(266) Star 30/10/96

By Anna Cox
Sandton Bureau

The ANC/NP-dominated Eastern Metro Council is to ask Gauteng premier Tokyo Sexwale to appoint an inquiry into allegations of maladministration made by the DP which revealed the names of ANC councillors in arrears with their rates bills in an area where residents are boycotting payments

The DP's Anchen Dreyer is accused, under the Local Government Transition Act, of a breach of confidentiality for the unauthorised disclosure of privileged information.

The DP claims that since at least four ANC councillors have been in arrears since 1994, they were not entitled to stand for election in the first place

Dreyer said the DP would ask the public protector to investigate the matter to see if the defaulting councillors should be removed

The DP recently released the names of 11 councillors to the media from information it received from Eastern Metro Council chief executive officer, Canzi Lisa.

Lisa, however, stated in his report, that the figures had not been verified New figures released subsequently showed that in fact only four councillors were in arrears – and had been since January 1994 – but that these arrears had been paid after the media reports

ANC councillor Solly Rametsi said the information the DP released was false and defamatory, and had caused great damage to the councillors named

He said it also caused damage to the Masakhane campaign which ANC councillors were attempting to promote in Alexandra

However, Dreyer said she had acted in good faith because the figures were released to her on a official letterhead and signed by the chief executive officer and the strategic officer of finance

"This is public information and the public is entitled to know It was not marked as confidential I welcome a full investigation into the matter," she said

She said the DP would seek legal opinion on the status of the four councillors to determine whether they were eligible for election if they had been in arrears since 1994, and to see if they should have been suspended from the council for non-payment of their bills for over three months

"They cannot simply pay and then reinstate themselves. There has been a breach of law and we insist the law be applied," said Dreyer

Life and death fight in council

Sowetan 30/10/96

A white official's cows were poisoned in the dispute

By Dan Fuphe

THE FIGHT BETWEEN councillors and employees of the defunct Daveyton town council was so serious that two cows belonging to an official were killed with poison

This amazing tale emerged yesterday at the Daveyton Commission of Inquiry into corruption in the former town council

In his evidence the outspoken former chairman of the executive committee Mr Charles Makgati told the commission how differences between himself, Mr Isaac Mofokeng-Ranketseng and other council members had bedevilled the smooth running of the council

He said that cows belonging to a Mr Prinsloo were killed at about the same time that he was threatened with death for disclosing information to the media

Makgati told commission chairwoman Mrs Daphne Vilakazi that although he was head of the executive council, certain decisions relating to his office were taken by others

He cited the "unauthorised" auctioning of council vehicles to the public by the Town Clerk Mr Robert Ramahopa as a typical example

Not consulted

Asked by Vilakazi if he had any knowledge with regard to the storage and later disposal of four council vehicles, Makgati replied that he was never consulted about it

Vilakazi pointed out that the commission was in possession of two cheques of R13 432 50 and R15 329 40 made out in favour of a well known Benoni-based panelbeater for storage

Makgati disputed this and said the payment was unnecessary as all council vehicles were parked on the council premises which were under guard night and day

He also revealed that the four cars were eventually sold to other council employees for a give-away price of R200 each A Mercedes-Benz was sold to the then mayor of Daveyton, Mr Martin Mthimunye for R3 000

Councillors have to pay back increases

Star 13/11/96 (266)

Councillors who accepted a 94% increase in allowances they voted themselves will have to pay back thousands of rands each after the Rand Supreme Court ruled yesterday that the increases were illegal because their voting was without a two-thirds majority

"We are delighted," said the Democratic Party's Anchen Dreyer, who brought the action against the council, which was not opposed

Councillors who accepted the increases will have to refund the extra R4 000 a month they voted for themselves in September and that was backdated to July, Dreyer said They had signed a guarantee that they would pay back the allowances if the Gauteng premier refused to approve them.

Dreyer said that if the money was not paid back within three months, councillors would have to forfeit their seats

"The DP will monitor the situation closely to ensure that councillors are entitled to hold their seats," she said – City Editor.

Paid for no work

Jhb Council workers draw large salaries while sitting idle

Sowetan 10/3/97 (266)

Sowetan Correspondent

THE Auditor-General is to be asked today to examine claims that several senior officials in the Johannesburg Metropolitan Council are being paid large salaries and receiving full benefits, but not doing any work

Johannesburg Metro councillor and leader of the Democratic Party in the Eastern Substructure Ms Claire Quail said yesterday that at least seven, but probably more, highly skilled officials were still being paid after their work had been delegated to other employees.

Many of the people concerned had applied for new posts, mainly as strategic executive officers or department heads, during the recent restructuring of local government, but were turned down

Quail said. "Some of the officials were offered positions on a lower level, but their conditions of service dictate that they should be employed on the same level."

National Party leader and Johannesburg council executive committee member Mr Yakoob Makda said. "We are aware of these problems and are monitoring the situation closely. The council is still busy with the redeployment and restructuring of the administrations and we realise that, inevitably, there will be a period in which some people have nothing to do."

The restructuring process has involved the re-appointment of 30 000 staff from their positions in 13 separate administrations to new posts in the Johannesburg council and the four substructures

Redundancy demanded

The Interim Industrial Council, represented in equal parts by employees and employers, was established early last year to handle negotiations concerning the new appointments Yet during this time, the Industrial Council itself has undergone restructuring, resulting in the larger restructuring process taking longer than planned.

Officials concerned are now demanding that they be made redundant, or be given suitable work to do

"We are concerned that some of the officials will take a legal route in their actions The council cannot afford the financial or human resource losses we are facing," Quail said Makda denied weekend reports that 20 idle staff members were costing ratepayers about R500 000 a month, claiming the figures were simply a "thumb suck". He said his party was not "overly concerned", but if "things don't start happening within a time frame we feel is reasonable" they would start pressuring for action to be taken

Mr Sonnyboy Matsoso, head of the Johannesburg Council's human resources department, said he was unaware of any council officials not having work to do "Every official is being paid to do specific work Nobody is receiving a salary while not executing any duties If we find this to be the case we will look into it."

Chairman of the council's corporate services Mr Patrick Flusk also discounted the allegations "We, at the local authority, are not aware of people who are not working We would have preferred that this situation be brought to our attention so that we could look into it But we will start investigating the claims, and if we find that people are not doing what they have been employed to do, we will take disciplinary action," Flusk said.

The DP has decided to refer the matter to the Auditor General

Gauteng struggles to recover R360-m debt from provinces

(266) Star 26/3/97

Masondo claims that despite repeated requests, North West and Mpumalanga have not yet paid for health treatment received by patients from their areas

MEDICAL CORRESPONDENT

Gauteng was still trying to get Mpumalanga and North West provinces to pay the R360-million owed to it for treating patients from those provinces, MEC for Health, Amos Masondo, said on Monday

The Northern Province had handed over R38-million, but there had been no other payments despite the principle of paying for treatment being accepted more than two years ago

Masondo said the province had done its utmost to recover the money

Finance Minister Trevor Manuel and Health Minister Nkosazana Zuma knew about the problem, and had been urged to ensure the funds were allocated to Gauteng

National Party spokesman on finance Daryl Swanepoel said failing to recover the money made a mockery of the budget process

"Gauteng is buckling under pressure to deliver services to its own citizens, other provinces must play the game," he said

The outstanding amounts represent almost 8% of the R4,7-billion health budget presented to Gauteng's standing committee on finance

Deputy director-general of health, Dr Eric Buch, said the department was depending on its restructuring plan – due to be implemented on July 1 – to meet the "tough challenge" of bringing spending in line with budget

But it still expected a R400-million shortfall because of the increases in salaries and doctors' overtime rates

Health funding to Gauteng was cut drastically over the past two years in a bid by the national health department to equalise spending between central and rural provinces

The cuts were widely seen as unimplementable, and in 1996/97, the health department overspent on its R3,8-billion budget by more than R800-million

Academic hospitals spent R700-million more than their R1,7-billion budget

Other factors were the outstanding interprovincial flows, and national moratorium on retrenchments, Buch said

Academic hospitals had been set a workable R2 245-billion budget for 1997/98, and were expected to meet it through, for example, the introduction of clinical forums to help focus resources on those who would best benefit, he said

An increase on expenditure on district health services was planned, from R566-million in 1995/96 to R740-million in 1997/98

Some 50 local authority clinics now offer curative and preventive services, and 26 new services had been built, Buch said. Spending on equipment was to increase by R152-million, on emergency services by R32-million, and on maintenance by R71-million

Councillors may have to pay back their self-awarded salary increases

(26) Star 26/3/97

By Anna Cox
Sandton Bureau

Eastern metro councillors who recently voted themselves increases of 94%, backdated to July, might have to repay up to R25 000 each.

This could result in many losing their seats, because if they do not repay the money within three months, they will forfeit their positions.

Some councillors, such as committee heads, could face repaying much more

The councillors, who approved the increases in November, have spent the past five months trying to persuade the Gauteng government to approve their new allowances.

Their hopes were shattered this week when they received a provincial administration circular stating that the maximum increases local authority councillors could give themselves was 5%.

This follows the announcement that the recommendations of the Commission of Remuneration of Representatives (Steyn Commission) were not unanimously adopted by Minmec, a joint national and local government committee.

The circular from Gauteng's Department of Development, Planning and Local Government also states that the power to determine the allowances resides with provincial governments, and unilateral decisions by local authorities to implement the rejected remuneration packages recommended by the Steyn Commission would not be legal.

Some of them could lose seats

Eastern ANC councillor Ivor Isaacs said the increases would be reconsidered after the results of the task team were announced.

He confirmed that the allowances could be reduced

The ANC, IFP and NP Eastern metro councillors battled long and hard to win their increased allowances.

The decision to increase normal councillors' allowances from R2 800 to R5 300 a month was taken during a monthly meeting, but was not approved by a two-thirds-majority vote

The DP took the matter to the Johannesburg High Court earlier this year and won an application to have the council's decision reversed

The ANC, however, then took the increases back to the council and, with the assistance of DP councillor Ivor Blumenthal, managed to have the allowances approved by a two-thirds majority and backdated the increases to July

Blumenthal resigned from the DP to become an independent councillor days before the meeting because he wanted the increased allowance.

The increases were approved, subject to the premier's approval, and every councillor was made to sign a document stating that if the premier did not approve the allowances, they would have to return the money.

The ANC, supported by the NP and IFP (which also voted for the increases), voted to ban discussion on the issue at last night's council meeting

Council 'approved budget without studying breakdown'

(266) Star 3/4/97

By Anna Cox
Sandton Bureau

The Eastern council's budget was approved by its executive committee without the members even seeing a detailed breakdown of income and expenditure

This indicated the committee had not compiled its own budget as required by the Local Government Ordinance, advocate David Osborn, acting for Sandton businesses, told the Johannesburg High Court yesterday

He is representing a group of 10 commercial property owners trying to overturn the budgets of the Eastern and Greater Johannesburg metropolitan councils on the grounds they are illegal and resulted in rates increases of up to 385%

Osborn said the executive committees of both councils met on June 18 and 19 last year to approve the budget, but the books containing full details of income and expenditure were delivered to executive committee members and other councillors only on June 22

"This means that the excos (executive committees), as required by ordinance, did not prepare or compile their own budgets and the budgets are therefore not their products All that was considered at the exco meetings were brief summaries of the budgets

"Excos, which hold ultimate responsibility for council finances, are required by law to apply their minds and put their stamp of approval on the budget, even if they are assisted by officials They are required by ordinance to draw up detailed estimates of income and expenditure, which was not done by these two councils," said Osborn.

The Greater Johannesburg council had acted beyond its powers by raising levies from one substructure to grant subsidies to another Levying R438-million and R4-million on the eastern and northern councils respectively – and granting this money to the Greater Johannesburg, Western and Southern councils, which were operating at a deficit – was unlawful, he said

The Eastern council's R438-million levies represented 40% of the council's income

Three Gauteng local councils now bankrupt

Sowetan 4/4/97

(51) (266)

Government has to rescue many others broke because of billions in unpaid rates

By Joshua Raboroko

THREE OUT OF THE 51 Gauteng local authorities which are owed R3,6 billion in unpaid rates and services have collapsed, provincial MEC for development planning and local government Mr Sicelo Shiceka said yesterday,

He declined to disclose the names of the three local councils for fear that they might not get loans from banks to pay their debts They are believed to owe millions of rands

Shiceka said 51 local councils were owed R3,6 billion by communities in Gauteng by September last year, but the debt was reduced to R3,3 billion by March this year as a result of improved payment in various areas

The provincial government supported credit control measures that have been undertaken by a number of local authorities It also applauded residents who have come forward to pay their services and called upon all communities to do the same

Some of the hard-hit areas, including Soweto, Sebokeng, Tembisa, Tokoza, Vosloorus, KwaThema, Katlehong, Kagiso and Khutsong, showed a marked improvement in their payment levels

Shiceka said the government would support local authorities that cut off essential services to defaulters, adding that properties would be attached and sold on auction if residents did not pay from a date still to be decided, possibly before June

He would introduce legislation making it compulsory for defaulters to pay for services, saying "we are in business and cannot afford to lose money because people do not want to pay"

The authorities are to assist Government to identify those who cannot afford to pay and help collapsing and destitute local authorities to survive through an intergovernmental grant of R295 million

Discussions were under way for this process to be introduced nationally by April 22

The Department of Constitutional Development and Provincial Affairs in conjunction with provinces has embarked on "project liquidity" to investigate the financial and administrative viability of local governments

Civil servants and politicians, including Deputy President Thabo Mbeki, have signed a Masakhane pledge to pay for services

City's levy 'in line with constitution'

Deborah Fine

THE imposition of a R438m levy on the eastern metropolitan substructure, which governs Sandton, to subsidise substructures governing Soweto was a lawful action taken by the greater Johannesburg metropolitan council to upgrade disadvantaged areas in line with constitutional principles, the city's High Court heard on Friday.

The submission was made by senior advocate Clive Cohen, representing the greater Johannesburg metropolitan council and its eastern, northern, western and southern substructures.

The five structures, recognised collectively as greater Johannesburg's local government, were in court to oppose an action by a group of Sandton commercial property owners who have alleged that the levy, as well as an increase in Sandton's assessment rates by up to 385%, was unlawful and unconstitutional.

Cohen said it was important to remember that the constitution was "a bridge between the inequality and the injustices of apartheid and a future in which men and women of all races can equally enjoy fundamental rights and freedoms and development opportunities".

The constitution had ascribed a particularly important role to equality, both as a good in itself and as a powerful tool of national reconciliation and construction It also recognised that past inequalities had to be redressed before equality could be achieved.

One of the cornerstones of the property owners' application was that the imposition of a levy to subsidise the western and southern substructures had constituted an unlawful administrative action because the metropolitan council had not been empowered by either the constitution, the Local Government Transition Act or statutes flowing from the act.

A proper interpretation of the act and statutes in line with constitutional principles and provisions would reveal, however, that the metropolitan council had been perfectly within its rights to impose the levy, he said.

The Local Government Transition Act acknowledged the need to move from "the disparities of the apartheid city to an equitable system," Cohen said.

Cohen also addressed the property owners' claims that the levy was unlawful because it had not been based on gross or rates incomes as stipulated by statute, and that Sandton assessment rates had been deliberately inflated to 6,45c in the rand to create an artificial surplus to fund the levy

Describing the claim as a "mischaracterisation" of the budgetary process, he said the rate was introduced throughout the Johannesburg metropolitan area in line with the principle of uniformity Using this rate, a budget was prepared for the eastern substructure in which its total estimated income was based on income arising from assessment rates as well as other sources.

The eastern substructure had shown a surplus — made up from rates and other sources — which the metropolitan council was entitled to extract as a levy to subsidise the western and southern substructures. The levy was based on the substructure's gross income and was thus within the law.

The local government bodies will continue their argument today before Judge Ezra Goldstein.

Local govt told of responsibility in job creation

Jacob Dlamini

LOCAL government would have to get involved in strategies aimed at stimulating local economies to generate sustainable jobs, National Business Initiative executive director for provinces Henry Jeffreys told a Masakhane workshop in Johannesburg at the weekend

Jeffreys said the time had come for local government to get involved in economic development initiatives to assist households to raise the income they needed to pay for services.

Jeffreys said local government was confronted with increasing demands for effective delivery of services while high levels of unemployment made it difficult to claim the money needed for the services.

Jeffreys said local economic development could be backed by a series of measures such as:

- ☐ Carefully examining ways of delivering infrastructure and essential services cost-effectively;
- ☐ Creating an enabling regulatory environment via by-laws;
- ☐ Improving the tendering procedures by making them simple;
- ☐ Seeking opportunities to create beneficial links with local and international partners and;
- ☐ By offering a well structured incentives package through rates, capital and land.

"The creation of jobs is probably one of the best remedies for the problems the Masakhane campaign is trying to resolve Local government can no longer . . look at national government policy alone to generate jobs and incomes in their communities."

National Economic, Development and Labour Council (Nedlac) executive director Jayendra Naidoo told the workshop Masakhane was about the creation of a new consciousness and the transformation of people's lives. However, the one could not be achieved successfully without the other.

Naidoo said only through partnerships between government, business, labour and communities could Masakhane achieve its aims of improving the lives of people.

Gauteng officials, and representatives of Nedlac, civic organisations and business attended.

Chaos predicted if ruling goes against Johannesburg budget

BD 9/4/97 (266)

Jacob Dlamini

THERE would be chaos if the High Court found in favour of a Sandton group of commercial property owners seeking to have the greater Johannesburg metropolitan council's budget set aside, senior counsel for the council Clive Cohen said yesterday

At the end of the council's submission Cohen said that there would be disruption of all local authorities in greater Johannesburg

He said it was unlikely national and provincial government would bail the eastern metropolitan substructure (including Sandton) out of the budgetary crisis which would result from such a judgment

Cohen said it was also unlikely the substructure would be able to raise enough funds to compensate for lost rates revenue, to enable it to prevent local government collapse

Setting aside of the budget would, Cohen said, affect provision of essential municipal services Council employees would have no salaries

Asked by Judge Ezra Goldstein how long the council would need to rectify its mistakes if the court found in the applicants' favour, Cohen said it would take at least six months before a new act was in place

Cohen said if the R438m levy imposed on the eastern metropolitan substructure was declared illegal and unconstitutional the greater Johannesburg metropolitan council would be deprived of R162m in revenue while the southern and western substructures (which included large sections of Soweto) would lose substantial amounts of their budgeted revenue

Cohen said if the court found there had been a breach of procedure in imposition of the levy, this would be different to a finding declaring the levy unconstitutional and unlawful

The court was expected to hear arguments from counsel for the applicants today

Outrage at plans to merge local councils

(266)

Star 3/6/97

By JACQUI REEVES

Ratepayer associations and political parties in the Greater Johannesburg area are preparing to fight a radical proposal to replace the current municipal substructures with an all-powerful, centralised "super council"

The "megacity" concept, as it has become known, is one of several proposals contained in a discussion document on local government that will culminate in a white paper and subsequent policy framework for this third tier of government

The system would remove all political power from the substructures and would retain them purely as administrative bodies All decisions would be made at the central authority

Opposition groups fear that such a plan would marginalise the minority parties, particularly the National and Democratic parties, and dilute the significant influence they currently have in Greater Johannesburg's four substructures

The move would also affect the other metropolitan cities of North East Rand, Pretoria, Vaal, Durban and Cape Town

Several parties complained about the fact that councils had been given barely three weeks to submit their comments on the proposals The document was issued last week with a May 16 deadline for responses

The discussion document has identified several major problems with the current system of city and suburb government which came into being with the Local Government Transition Act of 1993

Some of these problems are that too many municipalities currently exist, councils are too large, and that the relationship between primary and secondary tiers of local government, especially in fiscal relations, is not always clear, the document says

Stanley Khanyile, legal adviser to Gauteng MEC for Development Planning and Local Government Sicelo Shiceka, says that although the document is merely for discussion, it does need to assess the requirements of local government for the year 2000 and beyond

Peter Harmsen, chairman of the Sandton Federation of Ratepayers (Sanfed), says the megacity idea is "totally illogical"

"This system would take the government very far from the ordinary person We have seen how the present government has struggled to effectively run a small, decentralised system The task of running the Greater Johannesburg area as a single structure would be impossible," Harmsen says

Sanfed, which acts for ratepayer associations in the Eastern council, plans a referendum in which residents can have their say on the megacity plan

The Northern council is also believed to be considering a residents' referendum on the issue

Johan Kilian, the National Party's local government spokesman in Gauteng, says the megacity concept would be nothing more than a "modern politburo"

"The over-centralisation of decision-making functions will take all the power away from the people, and hand it to a small, very powerful clique "

Democratic Party councillor Francis Kendall says the DP will challenge the centralised system in submissions to provincial authorities next week

PAGE

P.T.O.

♦ Councils row

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She says that while the concept of a metropolitan umbrella structure is useful when dealing with matters that could gain from economies of scale, interactions with citizens are best handled at a local level

"If the province wants to do something useful to help the current state of local government, it should more clearly define the powers and functions of the substructures and the TMC (Transitional Metropolitan Council) "

Kendall adds that, although the powers and functions of the different structures have been defined in theory, the TMC has never passed down those powers

Khanyile says the discussion document needs to be "devolved to the person the street", and will be taken from the province to the councils and then through the ward councillors to the people

He says the process will be followed by a second round of talks that will gather feedback from the various groups.

The megacity system is, however, not the only issue under discussion

"There are many other issues being considered, like the role of the mayor and the roles of the councillors After two years in office these people will have gained much, and will be in a position to identify problems, so we will draw on their experiences "

Khanyile says Gauteng may approach central government for an extension of the May 16 deadline for local councils to give their responses to the national task team under Minister of Provincial Affairs and Constitutional development Mohammed Valli Moosa

Call for referendum on Jo'burg as a megacity

Star 5/5/97 (266)

By Anna Cox
Sandton Bureau

The National and Democratic parties and residents from 19 associations are demanding a referendum on proposals that the city's four substructure councils should be merged into a single Greater Johannesburg administration

Such a merger would result in the four councils losing all their political powers and simply becoming local administrative bodies taking orders from the megacity

The ANC, which is the majority party, favours the new model The change will be possible in terms of new local government legislation which will be enacted by Parliament towards the end of the year

But the NP and DP do not approve and are calling for a referendum The DP says many residents are horrified by the idea of centralising all power in one council and claim that no effort has been made to involve them in drafting the proposed legislation.

"Residents hope that a referendum will force politicians to take residents' views into consideration before they finalise their plans for Johannesburg," said DP councillor Gail Daus

"Throughout the world, large, centralised cities have a poor track record regarding service provision

"In the US, a study showed that cities of more than a million people spend more than three times the amount per capita on the same range of services than cities with fewer than 50 000 people There are many reasons why the same tax base goes three times further in a small government, but they all spell out the same message – in big administrations, tax monies are gobbled up by inefficiency and corruption

"When governments are smaller, it is easier for people to monitor the activities of their representatives and speak out against corruption and injustice," Daus said

NP acting regional chairman Russel Crystal said the NP believed the ANC was trying to strip the local government substructures of decision-making powers

"We will do all in our power to prevent this undermining of the democratic rights of local communities The process of decision-making is best implemented as close to the residents, ratepayers and local communities as possible

"Central planning is a socialist concept that has already been rejected in most parts of the world," he said

Gauteng launches projects to rejuvenate the province's cities

BD.6/25/97 (266)

Deborah Fine

THE Gauteng development planning and local government department has announced three projects to rejuvenate the province's cities as well as promote economic growth and development in local municipal districts

Gauteng local government MEC Sicelo Shiceka said yesterday that the Gauteng cabinet had approved draft legislation for the proposed City Improvement Districts Bill, which provided mechanisms for the funding of services in addition to those ordinarily provided by local authorities

The new legislation was based on the success of a pilot project in central Johannesburg whereby the establishment of a "city improvement district" near the Carlton Centre and Garden Court Precinct had resulted in the area becoming "the most clean and safe in the whole central business district", he said

The new bill would allow local authorities to declare an area a city improvement district if this was requested by more than 52% of property owners or ratepayers in the area The owners would pay an extra levy in addition to municipal services for the provision of, for example, extra cleaning, security and maintenance services.

He stressed that the extra levy was a voluntary public-private sector partnership, and said the levy would be extended to all property owners in an area once it had been declared a city improvement district

The extra funds would be used by a joint local authority/property owners' management committee in the area for the hiring of additional cleaning, maintenance and security staff

Shiceka said the bill was a means of encouraging investment through the prevention of degeneration in local districts He hoped the bill would be passed by June

Policy development director Rolf Dauskardt said the department also planned to begin implementing programmes related to its new urban regeneration and integration fund, which was intended to "act as a catalyst for urban regeneration projects"

The department had already set aside R6m for the fund, and was also mobilising money from other sources, including R60m from central government Dauskardt said that the fund would be used to provide development grants to Gauteng's six metropolitan regions: the Vaal, Pretoria, Johannesburg, Khayalami and the East and West Rand

Shiceka said that the third plan was the creation of community development corporations legislation, which would provide mechanisms whereby poorer communities would become economically empowered through the creation of companies led by community leaders.

Such companies, for example cleaning firms, would enter into contracts with local authorities to clean schools and council offices Other communities would become empowered through their acquisition of shares in private companies investing in townships.

Many local and international investors had expressed an interest in forming community partnerships, he said

Department vows to fight poverty

Star 21/5/97 (266) (211)

By Priscilla Singh

Gauteng has declared war on poverty, with the province's welfare department earmarking R8,5-million – 8% of its current budget – to fight and win the struggle.

In his budget speech yesterday, the MEC for welfare and population development, Ignatius Jacobs, said he intended using his department's 1997/98 budget allocation as one of the means to end poverty in the province.

He reiterated the earlier announced national increase in social pensions from R430 to R470 per month with effect from July 1.

The department received R2,3-billion this year compared with last year's allocation of R1,7-billion.

Jacobs' speech received all-round applause in the legislature. When he took office last year he declared that eradicating poverty was the foundation of the new vision he had laid down for the province.

Jacobs said the old welfare paradigm failed the majority of citizens in not redressing the plight of the poor, especially women and children.

Before the debate began dozens of pensioners gathered outside the legislature building. When he reiterated the pensions increase, the packed gallery let out a whoop of joy.

> **"The ultimate challenge is to focus on employment, production"**

"Whilst both the current and new budgets are unable to realise all of the new, innovative plans that have been developed in this area, attempts will be made to bring government, civil and business stakeholders on board to complement what limited resources the department has at its disposal," Jacobs said.

He also announced a new financing model for the department and innovative approaches to make the budget work.

These include transforming the current system of subsidies to old age and children's homes and other institutions, community development funds, community-owned business ventures and franchises, and development of the small, micro and medium enterprise sectors.

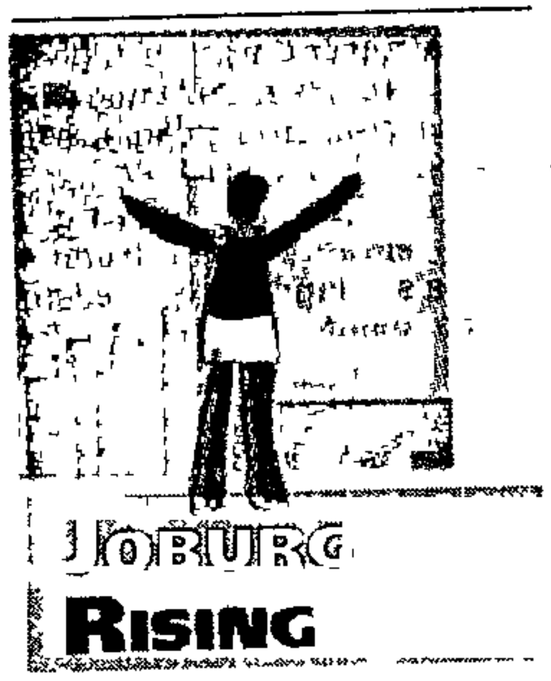
Jacobs also proposed a lottery scheme whereby all social beneficiaries contributed a minimal amount of R1 and a certain number of eligible members received "winnings" from this scheme.

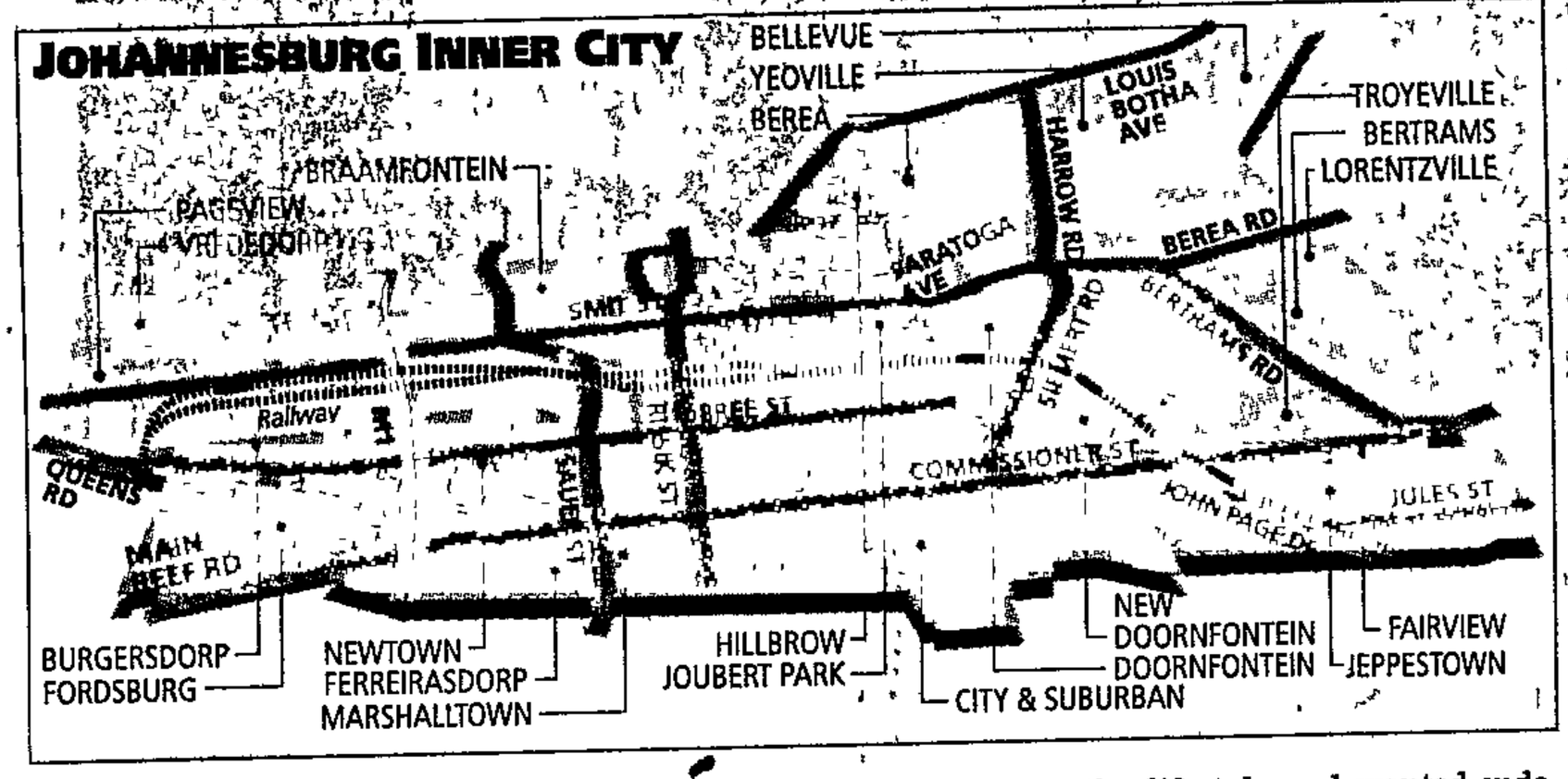
"The ultimate challenge here is to focus on employment and production as opposed to providing handouts."

Rotting core just a myth, survey finds

Star 26/5/97 (266)

Trust reports that perceptions of decay are far from the reality of a bustling, prosperous area





By Bongiwe Mlangeni

It is a myth that most Johannesburg inner-city residents are poor, unemployed and are occupying overcrowded buildings, according to a survey conducted by the Inner City Housing Upgrading Trust.

The survey revealed that the average resident earns more than R2 000, many households have dual incomes and most flats are occupied by not more than four people

The inner city includes areas such as Hillbrow, Bertrams, Fordsburg, Braamfontein and Pageview.

Myths about Johannesburg emerged when the character of the city changed in the late 1980s after the eradication of the Group Areas Act, which made it possible for blacks to move into the city

The survey shows that there are about 111 000 people living in the inner city, 71 000 of whom are in the central business district, Hillbrow, Berea and Joubert Park The lowest density is in Braamfontein, which has about 2 300 people.

Trust chairman Gerald Leissner said most people lived in the city because they enjoyed the lifestyle and wanted independence from their parents and extended families

Contrary to the myth that the inner city is overcrowded, research shows that about 85% of households are made up of four people or fewer.

Households in Yeoville, Bellevue and Berea tend to be a little smaller than those in Bertrams, Lorentzville and Troyeville.

Leissner said the survey found no correlation between poverty, deteriorating buildings and overcrowding. Instead, overcrowding and decay could be attributed to poor building management and maintenance.

Although there are pockets of poverty in the city, about 68% of the city's population is formally employed, 8% are part-time workers and a further 9% are self-employed.

The survey also shows that 89% of inner city residents are South Africans, mainly from Gauteng townships and KwaZulu Natal

Leissner said residents were concerned about crime and the deteriorating public environment. They complained about litter, congestion caused by hawkers and taxis, prostitution and drug dealing.

Greater Johannesburg housing chairman Lindsay Bremner said it was part of the council's vision to improve services and provide a stable environment

5 BEGROTING/BUDGET

Sexwale to quit politics for business

BD 29/5/97

(266)

Shareen Singh

GAUTENG premier Tokyo Sexwale was planning to announce early next month that he would be stepping down from politics in 1999, and had briefed the president and deputy president, his office confirmed yesterday

However, private sector sources said he might leave sooner to join mining house JCI

Sexwale was expected to assist JCI chairman Mzi Khumalo with plans to expand in Africa He had contacts in Russia from his time in exile which would be useful to JCI, the source said

Sexwale's office did not wish to comment on speculation He would give reasons for his departure from politics and his plans when he made a formal announcement, the spokesman said

Khumalo could not be reached for comment yesterday

Sexwale's departure from government had been rumoured since it became apparent that he had lost the battle for the position of ANC secretary-general, diminishing his chances of moving ahead in politics and — more importantly — into the presidency.

Tensions between Sexwale and Deputy President Thabo Mbeki surfaced during the Bantu Holomisa affair when it was said Mbeki allegedly instructed an investigation into drug trafficking claims against Sexwale

ANC sources said at the time several high-powered meetings had taken place to resolve tensions between the two However, despite joint statements by the two that the issue had been resolved, tensions persisted, sources said. "Tokyo had burnt his bridges then and it became clear that there was no way he would move up the ranks," a senior ANC source said

Rumours also persist that there has been conflict between Sexwale and members of his Gauteng cabinet which have added to his disillusionment

Sources said the ANC congress in December would determine whether several other ANC politicians would remain in government, particularly those who might be vying in vain for leadership positions

One angry man holds council to ransom

Unable to get even one capital project for his suburbs approved, he witholds his vote and has ANC, NP 'ready to talk'

(266) Star 3/6/97

By Anna Cox

As an independent councillor, Ivor Blumenthal could not get his city council to approve even one capital expenditure project for his suburbs – but following deadlock in the council his vote is now effectively holding the Eastern council's R894-million budget to ransom

The ANC in the council, which failed to get its budget approved at the weekend because it was one vote short of a two-thirds majority, is so desperate to win Blumenthal's vote when a second budget meeting comes up, that it has agreed to redraw the 1997/98 budget to include capital projects which were excluded in the Bruma/Observatory/Bez Valley ward

Blumenthal is demanding security fencing around open areas in Bruma, fencing around the golf course in Observatory, road traffic control in St Georges Avenue (Bellevue) and in Observatory Road, moving the entrance to the Eastgate south dump, the building of a trauma control centre in Bez Park, and the completion of the Bruma sewage system.

The budget was referred back to the executive committee, which meets tomorrow, and which will redraw it and take it back to the council for a second time before the end of the month If it fails to win Blumenthal's vote, Gauteng Premier Tokyo Sexwale will have to intervene.

The DP blocked the budget mainly because the Eastern council's anticipated budget surplus of R401-million is to be handed over to the Greater Johannesburg council for redistribution to other councils

Blumenthal confirmed he had been approached by the NP and ANC and said he was willing to negotiate any deal which would be beneficial to his residents, but he said "I am not a whore"

The budget is divided into two parts – the capital budget and the operating budget, which includes day-to-day running expenses

Blumenthal has indicated that he would support the capital budget if projects for his ward were included but he could not support the operating budget This would effectively mean the budget would still not be passed and Sexwale would have to intervene.

"While I have a lot of respect for the way in which the budget was compiled and for the officials responsible, the only way of getting the message across to the Greater Johannesburg metro that we object to the autocratic manner in which it handled the levy and the tariff increases is by blocking the budget," he said

Blumenthal, who defected from the DP recently, voted against the budget

One of the reasons was that he was asked to keep his capital requests for his ward to a minimum which he did, but not one was approved anyway, he said

The DP's rejection of the Eastern council budget has been slammed by the NP, which said this was playing straight into the hands of the ANC and had given the majority party just cause to opt for a megacity

Basil Douglas of the South Western Joint Civics Association said the zero increase this year was "a huge laugh".

"No one is paying rates anyway there is still no work for people who have no income. This is not a solution to the collapse of local government which is now imminent"

▶ Council's warning

ANC will go to court

Budget: With NP in support, ruling to be sought on whether a simple majority is enough to overcome Eastern council deadlock

Star 5/6/97 (26b)

By Anna Cox
Sandton Bureau

The ANC-led Eastern council is to go to court in an attempt to bypass the legal requirement that two-thirds of councillors vote in favour of its 1997/98 budget

The decision to take legal action rather than rescind service increases as demanded by the Democratic Party was backed by the ANC and the National Party in the Eastern council's executive committee yesterday

The budget is being delayed because the DP is refusing to support it by giving the votes needed to reach the two-thirds majority required by the Local Government Transition Act

Yesterday, the executive committee said it would rather approach the high court for a ruling based on the new constitution, which they claim states that a simple majority, and not two-thirds, is needed for the budget to be passed

The council has until June 30 to resolve the budget impasse, failing which the budgets of the other three Johannesburg councils will also be thrown out

The absence of the two-thirds majority required in the act governing local government has so far left the council deadlocked and paralysed

Eastern council communications officer Keith Peacock said a declaratory order was being sought to ensure that the council was aware of both its legal obligations and rights

The budget is due to be discussed again at the routine council meeting on June 24. By then the court's order would have been finalised

The Eastern council failed to get its 1997/98 budget approved on Saturday because the ANC/NP alliance could not get a two-thirds majority vote.

Responding to the ANC/NP strategy, the DP said it had sought legal opinion which found that the two-thirds-majority requirement clause in the act was entrenched in the constitution and could not be repealed until 1999

DP councillor Mike Moriarty said it was a waste of time and money to seek the order

Meanwhile, in another twist to the budget saga, it appears the ANC/NP could, after all, secure its two-thirds majority, without the DP or independent councillor Ivor Blumenthal, at the next council meeting.

DP wants service increases rescinded

A vacancy exists in Ward 21 in Alexandra after the death of councillor Paul Tshabalala last month Only the ANC has fielded a candidate, Reggie Vilakazi, which means he wins the seat by default

If councillor Norman Reed, who suffered a heart attack just before the budget meeting last week, has sufficiently recovered by June 24, the ANC/NP will get its two-thirds majority

The capital budget was not changed to include projects in Blumenthal's Observatory-Bez Valley ward as Blumenthal demanded Informed sources say this was because he had stated publicly that he would side with the DP in blocking the budget

CLEANUP Jack Mincer Park, one of the Johannesburg areas scheduled for the anti-crime-and-grime project

City manager to help save Jo'burg from slide into decay

Star 7/6/97 (266)

By JACQUI REEVES

The campaign to save Johannesburg's inner city from a death by crime and grime is to receive a major boost – the appointment of a city manager – who will be tasked with cutting through the red tape of the council and delivering real results

Although the regeneration of the inner city has become a priority in the minds of many politicians, businesses and residents, many development projects have become bogged down in seemingly endless committees, forums, councils and organisations

The situation is further complicated by not only the involvement of the metropolitan council, but also the Northern, Eastern and Southern local councils.

The city manager will co-ordinate all projects by the councils within the inner city and facilitate better management

"The inner city issue is complicated by the fact that the Eastern, Northern and Southern local councils all cut into, and are responsible for, certain areas within the inner city For this reason we need one person who can co-ordinate and drive all initiatives and projects within the area," said Lindsay Bremner, chairman of the planning, urbanisation and environmental management committee

Neil Fraser, the executive director of the Central Johannesburg Partnership who has become something of a guru on downtown degeneration and rejuvenation, has long been a supporter of the city manager role

Fraser said the position would do much in assisting better co-ordination and focus on inner city issues

"It's a very good move on the part of the council, but what will be important in the success of this position is the structure of the city manager's relationship when reporting to the council," he said

The move has also been lauded by the National Business Initiative, conveners of the Business Coalition

Bold step

NBI executive director Brian Whittacker agreed that the position would assist plans for the inner city but would need clarification on decision-making channels

"The position will allow active decision-making and decisive management, and will work as long as the individual is given the resources and mechanisms to support decisions"

Although the appointment is a bold step by the council towards improving the efficiency with which development projects are undertaken, the title is not entirely new Cape Town recently appointed Andrew Boraine as its city manager, a position Bremner says should be differentiated from the Johannesburg counterpart

"Andrew Boraine's position is more one of chief executive officer for Cape Town, while the Johannesburg position is a co-ordinator for the inner city," she said

Boraine's plans for Cape Town include the removing of what he calls "silos of responsibility", a tendency that continues to plague Johannesburg

The "silo mentality" occurs when, say, people in the parks department don't know what the people in the cleansing or roads departments are doing

Bremner said the new position would require a more business-oriented approach and emphasised the importance of co-operation "This position is all about co-operative governance for the inner city"

Although the metro council and the Eastern and Northern councils have approved the position, problems within the Southern council have slowed the process

Bremner said that once the problems within the Southern council had been ironed out, the position would be advertised, possibly within the next few weeks

Resentment mars Sexwale swansong

M+G 27/6-3/7/97 (266)

Tokyo Sexwale's much-publicised departure from politics has left bitterness in its wake, write
Mail & Guardian Reporters

AS Tokyo Sexwale attempted to exit the political stage in dignity this week, a number of disgruntled grassroots African National Congress supporters said they believed he should be ousted from his position as provincial chair

The members are furious with the charismatic leader for failing to consult them about his decision to quit politics before leaking it to the media.

Sexwale and the ANC announced yesterday that the premier would serve his term until January next year, but that his successor would be elected in August There will then be an overlap between Sexwale and the premier-elect for a few months to ensure a smooth transition

The announcement has set in motion a race for the premiership in which Gauteng has made it clear it does not want the national leadership to interfere

Sexwale first informed his provincial executive of the decision to leave politics for business in April this year However, most branch members heard of the decision in newspaper reports last month

"A true leader would have had the courtesy of explaining himself to the people who elected him before rushing off to meet with journalists," said a delegate to a recent provincial general council meeting "To date, he has not yet come to explain his position to us "

Another senior official said that the method of Sexwale's departure had been "painful" and that there had been a lot of criticism from branch members

At the provincial meeting on June 11, delegates at first refused to listen to other ANC provincial executive members' explanation of Sexwale's plans, insisting that he should be forced to leave immediately, but the meeting eventually got down to planning a process to find a replacement premier

The failure to consult with his constituency base consolidated feelings hardened by what many members described as Sexwale's "undemocratic showmanship"

They decided a task team would be established, made up of regional secretaries and people regarded as "neutral" — who have no stake in the premiership race — to guide the nomination process

While the meeting did not propose names for the new Gauteng premier, some senior branch members have indicated their preferences

Two clear favourites have emerged at this fledgling stage Gauteng finance and economics MEC Jabu Moleketi (40) and health MEC Amos Masondo (44)

Sexwale appeal: Gauteng's premier is a populist, but 'not a democrat', detractors say
PHOTOGRAPH SIDDIQUE DAVIDS

Moleketi refused to be drawn on whether he was available for the position, saying speculation now was "premature" and that he did not want to "pre-empt the process" Masondo could not be contacted for comment

Moleketi is a communist party member and former Umkhonto weSizwe (MK) soldier, who enrolled for a course in economics at the University of London to prepare himself to manage his portfolio effectively He is married to national welfare minister Geraldine Fraser-Moleketi

In Moleketi's favour is the fact that he is believed to be close to Deputy President Thabo Mbeki.

Masondo rose to provincial leadership through mass democratic movement structures in the late 1980s He is a former publicity secretary of the Soweto Civic Association and organiser of the General and Allied Workers' Union

Another dark horse in the race could be Paul Mashatile, the ANC's provincial secretary But his relative youth — he is 36-years-old — might count against him

What is not clear at this stage is whether the Gauteng ANC would be allowed to own the process of electing a new premier, and to what extent the ANC's national leadership will be involved The ANC national working committee was integrally involved in the nomination of Ivy Matsepe-Cassaburi as premier of the Free State this year, raising the ire of some branches that believed their national leadership was "meddling" in regional politics

The national leadership also made clear its preference for Arnold Stofile as premier of the Eastern Cape and Ngoako Ramathlodi as premier in the Northern Province, to their members in those provinces in the run-up to provincial congresses

The national leadership also prefers the posts of premier and provincial chair to be vested in one person, to avoid the development of power bases and debilitating power struggles

A senior ANC official said all premiers were elected democratically by ANC members, except in the Free State which was an "abnormal situation".

The party's national leadership would consult with Gauteng on its nomination process and assist in the vetting of candidates after they were nominated

Also at stake is the chairmanship of the Gauteng ANC ANC branch members say it is unlikely Sexwale would retain that position because of the deep anger they feel about the way he is handling his departure

However, the ANC said this week that he would retain that post until the ANC Gauteng's provincial congress next year

Sexwale has fielded criticism of his tenure as premier by pointing out that the country's largest province had avoided the corruption scandals of other smaller regions

His decision to quit was precipitated by his losing a power contest to Mbeki Though there have been attempts at playing down this conflict, it is understood that Sexwale was devastated by the revelation that Mbeki had asked former president FW de Klerk to investigate rumours against him of drug-dealing The national aspirations of Sexwale, once regarded as a contendor for the presidency, were blocked through his rivalry with Mbeki

Sexwale publicly refutes this "I'm supposed to be sitting here with my left eye bandaged from the blows from Thabo," he said on Thursday

"There has been the most astonishing speculation it has been said I am leaving because I did not attract investment "

The ANC and its alliance partners yesterday commended Sexwale for his leadership in the provincial government and the movement

"When he moves to the private sector next year, comrade Sexwale will leave behind him the legacy of a united provincial government and a united ANC We believe that a foundation for good governance has been laid "

The statement yesterday denied that there were divisions in the Cabinet and legislature, and reiterated that Sexwale would remain a prominent member of the ANC

Confusion, anger as province imposes budget on Jo'burg

Star 30/6/97 (26b)

By Anna Cox
Sandton Bureau

Political parties in Johannesburg's Eastern council have spent the weekend locked in talks on what further steps to take to end the 1997/98 budget crisis

This follows the Gauteng provincial government's decision at the weekend to impose the ANC's 1997/98 budget on Johannesburg's Eastern council – and on two other local councils – Cullinan and Bronkhorspruit

Opposition political parties have described the move as "a serious blow to democracy which ushers in autocratic government at local level" and could have serious political implications

The move in effect gives provinces the authority to impose any budgets or budgetary matters on local councils against the will of the majority of residents, they claim

It is the first time in the history of Johannesburg that such a drastic measure has been necessary

MEC for local government Sicelo Shiceka announced on Saturday that he had given Johannesburg's Eastern council, as well as the Bronkhorspruit and Cullinan councils until today to approve their budgets

It is highly unlikely, especially in Johannesburg's Eastern council, that an agreement with opposition parties – which are adamant they will not approve the budget as it stands – can be reached by tonight

This move is likely to result in acute political embarrassment for the ANC which will be perceived to have imposed a budget on one of Gauteng's most affluent and influential residential and business communities – against the will of the majority of residents

Shiceka said it was not legal to approve only a portion of a budget

A delay of one month would result in negative financial implications not only for the Eastern council but would create a cash-flow problem for the Southern, Western and Johannesburg Metro councils which were currently running at a loss and were relying on the Eastern council's income

DP Eastern council leader Claire Quail said she was extremely disappointed with the decision

"Although we will go back to the drawing board, we have no faith that the ANC will review the budget Last year they agreed to a review but went back on their word – we not prepared to take that risk again"

Sandton residents claim victory in budget debacle

Star 3/7/97 (266)

By Anna Cox
Sandton Bureau

Sandton residents, who have been embroiled in a bitter battle with the Gauteng Legislature and the Greater Johannesburg Metro and Eastern councils for the past year, are claiming victory for having forced the Greater Johannesburg Metro council to look again at its budget

This victory will not only benefit Sandton, but a quarter of the city, including some 400 000 people living in Alexandra and countless others living in Hillbrow, the inner city and eastern suburbs.

Sandton residents claim it was through the pressure they have consistently put on the authorities, with the help of Sandton businesses, that authorities have admitted that the metro's operating budget could be cut

Sandton Federation of Ratepayers (Sanfed), an umbrella body representing 26 residents' associations, says there is no doubt that had it not been for its pressures and protests, the ANC would have continued increasing rates as and when it pleased

This year, residents had another victory when it was announced that there would be no increases in rates at all.

Although the battle is not over, and the province did impose the ANC budget on the Eastern council, the province has undertaken "to cut the fat off the budget" – with local government head of department, Silas Mbedzi, admitting this week that if Greater Johannesburg "did not work", it would impact seriously on the rest of the country

Two task teams have been appointed to re-examine at the budgets and a report is expected by the end of August

The residents succeeded in not only placing national, but international attention as well, on Greater Johannesburg Some 50% of callers to the Sanfed internet website are from overseas

They also embarrassed the ANC, which is now perceived to have undemocratically imposed a budget on one of the most affluent and influential residential and business communities in the country, against the will of the majority of residents

They also succeeded in changing the face of local politics with some opposition parties, as a result of the budget debacle, having switched allegiance away from the ANC

The National Party regional structures felt the party should be playing an opposition role but several local councillors felt they still wanted to support the ANC-led councils In the middle of the budget debacle, the regional structures asked their councillors to sign a policy document agreeing to abide by regional decisions, or to resign

This move stole the ANC's two-thirds majority from them. This line was adopted by other NP local councils throughout Gauteng and has resulted in closer co-operation between the NP and other opposition parties

The IFP, which holds three seats in the council, also did an about-face It initially voted for the budget then changed its mind and voted against it.

The ANC did all it could, yet it still failed to get a two-thirds majority to pass the budget.

It brought a councillor from his hospital bed to vote, it delayed the vote by hours until the end of the Jewish Sabbath hoping to get the vote of a Jewish independent councillor, Ivor Blumenthal, it offered to change the budget to include projects in Blumenthal's ward in exchange for his vote, it went to the Johannesburg High Court in an attempt to overturn the two-thirds majority ruling, but failed.

Then, after consistently refusing to negotiate with opposition parties, saying it was a good budget, they agreed to talk to them after it appeared there was no other route to take and the minister would impose the budget on them.

ANC councillors were reluctant to have the budget imposed on them because it effectively means that province can intervene in the council's financial affairs at any time

Central to residents' and businesses' complaints was the fact that the Eastern Council was the only one in Greater Johannesburg which showed a surplus Last year it had a surplus of R438-million and this year an estimated surplus of R401-million, while all the other councils except the Northern Council, are running at a loss

Residents were objecting to being perceived as the "cash cow" of Johannesburg while other councils, which failed to collect rates and arrears, were simply handed out cash from the east.

They claim the surplus money is sorely needed in Alexandra and inner-city areas, where projects, including housing projects in Alexandra, have been cut because of a lack of finance. They also want the money to be used on maintenance of infrastructure which, they claim, is deteriorating rapidly

The debacle surrounding the budget started last year when Greater Johannesburg council imposed increases of about 350% on Sandton ratepayers and businesses.

Residents embarked on a boycott which still continues today Although the council attempted to minimise its effect, figures show that it cost the council at least R5-million a month.

In the meantime, Sandton property owners, including major role players in businesses such as Liberty Life, Santam and Commercial Union, in a high profile court action, attempted to overturn the budgets of Greater Johannesburg and the Eastern councils.

Although they failed, the national and international attention it received created a further embarrassment for the ANC. Businesses have been granted leave to appeal.

The Gauteng province appointed a task team to resolve the crisis, but talks between them, residents and businesses deadlocked.

This year, the residents have been assisted in their fight by the Democratic Party which also faced a huge embarrassment last year when it voted for, and approved, the budget after the ANC promised to review it and try to make cuts, but failed to do so The DP was eventually forced into making a public apology to residents for having approved the budget.

This year DP councillors took a strong stand, and consistently refused to vote for the budget. The DP, as an opposition party, is very strong in the Eastern Council and holds 18 of the 60 seats.

Despite the slanted demarcation of wards, where 18 Alexandra councillors represent on average 5 000 people each, and the 18 DP councillors an average of 15 000 per ward, in the last local elections the DP mustered more votes for sitting ward councillors than the ANC with 45 971 as opposed to the ANC's 37 663.

The debacle has also succeeded in uniting residents and opposition parties in the fight against the proposed megacity. The NP and DP have joined hands with the Megacity Referendum Committee and will be assisting in conducting a private referendum in September to gauge the views of residents

Action taken against corrupt public servants

(266) Star 7/7/97

Dozens of officials charged (266)

By Derek Rodney
Crime Reporter

More than 78 Gauteng civil servants, ranging from policemen and traffic officials to court and home-affairs officials, have been charged with corruption in the first half of 1997 – and many more cases are pending against government officials.

The corruption clampdown in the public service is gathering momentum as anti-corruption units in the police and other departments tighten the net on wayward civil servants.

The Star, in a series of articles published since March this year, has revealed how a number of senior policemen, attached to specialist police units, have been implicated for corruption, incompetent investigative work and in some instances collusion with organised-crime syndicates.

In one instance, six members of the Kaserne Truck Theft Unit, including the commander, were transferred to other units and replaced after an independent investigation revealed misconduct over more than two years in which more than 1 000 dockets were mismanaged or not investigated.

A criminal investigation is pending against the policemen.

The Independent Complaints Directorate, a body established in April to investigate and supervise police conduct, has recorded 117 cases of misconduct by Gauteng police in the past three months. The cases vary in degree from death in custody to petty complaints.

The Home Affairs Department, in its fight against corruption, has established an internal inspectorate to work with the police.

More than 14 officials have been arrested this year and police believe this will rise as investigators close in on those working with syndicates helping illegal immigrants get identity documents and passports.

Gauteng Anti-Corruption Unit members arrested Diepkloof Sergeant Lebakeng Sekoai (41) in connection with six cases of car theft, corruption and defeating the ends of justice. He was released on R6 000 bail after appearing in court last Thursday. The case was postponed until Thursday 17 July.

In another case, a 32-year-old policewoman, a Captain Engelbrecht, appeared with a Sergeant Kellerman (27) in a Johannesburg court on Thursday on fraud charges.

They were suspended from duty and released on R300 bail.

Krugersdorp Home Affairs officials, Thabani Nkonao (41) and Patrick Nthsauba (32), also appeared in court on Thursday after allegedly accepting R450 from an illegal immigrant.

They were released on R2 000 bail and the case postponed to Wednesday July 23.

(266)

Masondo tipped to be next premier

Star 12/7/97

By WILLIAM MERVIN GUMEDE
POLITICAL CORRESPONDENT

Amos Masondo, Gauteng's MEC for Health, has surged to the front of the provincial premiership race after the powerful Greater Johannesburg Region of the ANC this week officially nominated him as its candidate.

All the branches rallied behind Masondo, in a special regional council meeting, virtually assuring his election to replace Tokyo Sexwale He now only needs two more regions to back him.

There are six regions in Gauteng Greater Johannesburg, Vaal region, the East Rand, Khayalami, Pretoria and the West Rand. Khayalami and the West Rand are the smallest.

Insiders said Masondo would easily get the support of most of the regions Although he lacked the charisma of a Sexwale, he was an old stalwart, solid and very experienced.

The chairman of the Greater Johannesburg Region Kenny Fihla, however, did not want to confirm that his region had officially nominated Masondo

Obed Bapela, the ANC's deputy provincial secretary and the head of a nominations task team, yesterday confirmed that the Johannesburg region had a special regional meeting on Wednesday but said they had not yet officially informed him of Masondo's nomination

Nominations for the premiership are open to the ANC and its allies, including the Congress of South African Trade Unions, the South African National Civic Organisation and the South African Communist Party.

The new premier will be announced by the end of August and will take over in January from Sexwale who announced recently that he would step down to join the private sector

The premiership battle officially began this week. The names of the candidates will be submitted to the nominations task team by Monday before going before the provincial working committee on Thursday for discussion

The final decision will be taken at a meeting of the ANC's national and provincial leaderships along with its allies on July 20

Among the other possible candidates that have been named are MEC for Public Transport and Roads Paul Mashitile, chairman of the provincial legislature's local government standing committee advocate Mathole Motshekga, director-general in Deputy President Thabo Mbeki's office Frank Chikane, Safety and Security MEC Jessie Duarte and acting ANC national general-secretary Cheryl Carolus.

Mashitile, an early front-runner who cut his teeth in the youth movement, is said to be too lacking in experience

Kgalema Mothlante, general-secretary of the Cosatu affiliate, the National Union of Mineworkers (NUM) has also become a strong contender

♦Masondo

(266)
Star 12/7/97

He was put forward by some branches of the SA Communist Party and the Congress of SA Trade Unions.

Chikane said he had not been formally approached by anybody to stand, and denied speculation that Mbeki wanted to redeploy him as Gauteng premier.

Carolus said she was quitting politics.

So far, the national executive of the ANC has refrained from publicly supporting any nominee, for fear of burning its fingers as it did in the Free State, KwaZulu Natal and Northern Province provincial leadership elections

Bapela said Sexwale would retain the position of provincial ANC chairman after a new premier was elected, until a provincial congress could be held late next year He said the ANC planned to amend its constitution to tie the premiership to the chairmanship.

BOOST FOR MEYER'S MOVEMENT

Ten Pretoria city councillors quit NP

CT 18/7/97

(266) 30E

PRETORIA: Dissident city councillors who quit the NP yesterday accused the party of treating fellow South Africans, including dissidents Nats, as enemies

TEN Pretoria councillors announced their resignation from the National Party yesterday, citing "beleaguered aggression" within the party for their decision to join Mr Roelf Meyer's New Movement Process.

The move leaves the NP with eight fewer seats in the Pretoria City Council — and seven fewer than the 30 of the African National Congress.

The group are Mr Nico Stofberg, Mr Eitel Kruger, Mr Juan Quinn, Mr Piet Olivier, Mr Johan Snyman, Mr Fanie Venter, Ms Martha Venter, Mr Marius Jacobs, Mr Cedric O'Reilly and Mr Jackey Underwood.

In a statement read by Stofberg, a former Pretoria mayor, they accused the NP of regarding fellow South Africans, including former NP members, as enemies.

"A spirit of beleaguered aggression has taken root in the NP, also against persons who have left the party and (are) against the ideas it represents," Stofberg said.

"In our view, no remedy is possible for the deep-seated 'anti' feeling that has become structurally embedded in the NP.

"We believe that our enemies are not fellow South Africans in other political formations, but matters such as crime, poverty, ineffective governance and blundering economic practices."

The councillors said they had decided to put their weight behind a movement that had the potential to create unity over political and cultural boundaries.

In a letter delivered to recently elected Gauteng NP leader Mr Sam de Beer, the group said the NP's decision to leave the government of national unity had been the first of a range of unacceptable decisions.

They also accused De Beer of keeping quiet when the spirit of aggression among NP functionaries continued to increase.

LOSING SUPPORT: Gauteng NP leader Sam de Beer

"We sought an answer from you on how division in the NP in Gauteng, and inter-provincially, could be overcome. But neither you nor we have the answers."

Kruger said that when Roelf Meyer resigned, many NP leaders, including De Beer, said Meyer was not their enemy. However, statements to the contrary continued to increase. The same attitude was evident when other NP members followed Meyer's lead.

The group's defection put the NP in the minority in the Pretoria city council, but also dramatically affected the party's power base in the Pretoria metropolitan council, Kruger said.

Seven of the 10 represented the NP on the metropolitan council. Two of them were proportional representatives and so can be replaced by other NP members.

Eight of the 10 were elected ward councillors on the Pretoria city council. Two of the eight were also proportional representatives, and can be replaced in the same way as in the metropolitan council.

Although they would at first be known as independent ward councillors, pending the formation of a new party by Meyer and National Consultative Forum leader Mr Bantu Holomisa in September, the group would operate as a caucus from the start, Kruger said.

"It will give us an excellent opportunity to further the actions we prefer, and counter those we do not prefer," he said.

Kruger said there was a lot of "silent support" for the NMP from other NP councillors, but that they were inhibited by the non-defection clause.

There was also much support from their electorate for their move, the councillors said.

Regarding the quality of NP leadership, Kruger said the party had lost many influential leaders such as Meyer and Mr Chris Fismer.

The NMP would like to continue talking to the NP, Kruger said. He added that the councillors had not yet discussed their move with De Beer.

The National Party in a statement accused the group of dishonesty for not first consulting the party that had elected them to their position.

Saying the resignations did not come as a surprise, the NP demanded the ward councillors' resignations.

"The NP demands that ward councillors should demonstrate the courage of their convictions by sticking to the sworn undertaking they signed on nomination, namely that they would resign as councillors if they stopped being members of the NP."

Long before Meyer resigned, the statement said, the NP had already identified "obstructionist" individuals who placed their own interests above those of the party. — Sapa

Masondo gets nod

Sowetan 21/9/97 (2.6)

ANC executive, allies name Health MEC to replace Sexwale

By Simon Zwane
Politcal Reporter

THE race for the Gauteng premiership came to an end yesterday when the provincial executive committee of the African National Congress and its allies named Health MEC Mr Amos Masondo as man to replace Mr Tokyo Sexwale.

Jockeying for the powerful position in the province started earlier this month following a decision by Sexwale to vacate the post to go into business.

Transport MEC Mr Paul Mashatile, MEC for Economic Affairs Mr Jabu Moleketi, Rev Frank Chikane and ANC provincial deputy chairman Dr Mathole Motshekga were among the top contenders for the post.

When the executive committees of the ANC, the South African Communist Part, the Congress of South African Trade Unions and the South African National Civic Organisation met yesterday to decide on who to recommend, they found themselves faced with only two candidates Masondo and Motshekga.

Chikane, Moleketi and Mashatile had withdrawn their condidacy "in the interest of stability, a mooth transition and unity"

Amos Masondo

After more than seven hours of discussion, "the meeting unanimously agreed" to recommend the name of Masondo as the sole candidate to replace Sexwale

Consultations would be held with Motshekga to secure his support for the candidate Masondo's name will be forwarded to the ANC provincial general council for ratification next month.

It is the second time that Masondo and Matshekga have come up against each other in a contest for positions.

The previous contest was when the two stood for the deputy provincial chairmanship of the ANC in the last provincial congress Motshekga won on that occassion

However, his continued involvement in his private businesses while holding the position of ANC deputy chairman and heading the urban and development committee in the legislature, could have counted against him this time

His failure to relinquish his involvement in his two law firms has in the past led to criticism.

The 43 year-old Masondo, a former trade unionist and founder member of the United Democratic Front, is believed to have support within the provincial government and should have no difficulty settling in his new post

His role in the legislature since becoming MEC has been impressive He is credited with the restructuring of public hospitals, setting up joint committees between government and unions and introducing mobile clinics in townships

Masondo's appointment has opened another race to fill his MEC post which will become vacant when he takes over as Premier. However, that could be settled quietly

Council spends more on feeding staff than on ambulances

(266) BD 22/7/97

Deborah Fine

THE greater Johannesburg transitional metropolitan council spends more in its operating budget on food, furniture, festive illuminations and travel allowances than it does on the repair and maintenance of roads, ambulance and safety equipment, pauper's burials, the prevention of cruelty to animals and anti-littering campaigns.

Figures contained in the council's 1997/98 operating estimates show the council plans to spend R4,5m on a subsidised staff canteen, R700 000 on refreshments for council and committee meetings and R23 000 for other food purchases.

Spending on councillor's allowances will amount to R1,8m, R554 000 will be spent on councillor's travel allowances, R50 000 on "hats, robes and regalia", R134 000 on the mayor's allowance and a further R44 000 on the mayor's personal allowance.

In addition, R48 000 will be spent on picture-framing, R39 000 on the exhibition of pictures, R344 000 on bus-hire, R539 000 on furniture, R1,4m on "festive illuminations", R2,8m on conferences and seminars, R7,7m on consultants and R23m on an item listed simply as "other" on the council's R947,8m salaries and allowances bills.

The estimates indicate that R536m will be used for the repair and maintenance of roads, R1,5m for payments to contractors for the resurfacing of roads, R414 000 on air traffic control, R41 000 on ambulance equipment, R17 000 on safety equipment and R200 000 on civil defence.

R500 000 will be used for anti-littering campaigns, R210 000 will be donated to the Society for the Prevention of Cruelty to animals and R450 000 will be spent on pauper's burials.

Almost the same amount spent on the council's staff canteen, R4,6m, is to be spent on ambulances.

The figures have been used by opposition parties within the council and its four local substructures to accuse the African National Congress-dominated metropolitan council of failing to slash its ownoperating costs while forcing the local councils to dramatically curtail theirs.

The total 1997/98 operating budget for the greater Johannesburg region totals R7,1bn. Operating budgets are funded from income collected by the metropolitan council and its four local councils through municipal services tariffs, property assessment rates, regional services council levies, ambulance fees, bus coupons, the letting of municipal property and traffic fines.

In the 1997/98 financial year, the metropolitan council absorbed R4bn into its own operating budget, while the eastern, western, southern and northern local councils have been allotted operating budgets of R758,9m, R401,1m, R1,2bn and R722m respectively.

The metropolitan council's operating budget accounts for 56% of the total income.

The metropolitan council has defended its operating budget, claiming its expenses were greater because it was the bulk services provider in the region.

The council will be forced to spend R28m on human resources, R140m on corporate services, R174,9m on metropolitan finances, R236,6m on sport, arts, culture and economic development, R1,6bn on electricity, R19,3m on planning, urbanisation and environmental management, R407m on public safety, R197m on transportation and R1,1bn on infrastructure and technical services.

Jo'burg needs to study US renewal plan

Urban renewal programmes require everyone to get their hands dirty, writes **Simon Barber** in Washington. The good news is that they can be very successful

BD 23/7/97 (266)

DOWNTOWN Johannesburg is seedy and dangerous What should be Africa's New York — a bustling, cosmopolitan hub of commerce — is being hollowed out as business flees to the yuppiefied edge cities metastasizing in the suburbs Deputy President Thabo Mbeki rightly wants to rescue the place as a symbol of his "African renaissance" It is possible

Many US cities have endured what Johannesburg is going through now, and a lot of them have turned things around Their experience is useful One thing it shows is that big nationally led urban renewal programmes seldom do much good The real heavy-lifting has to be done by the businesses, public servants and politicians on the ground, especially the businesses Without their commitment you might as well turn out those companies serve on the BID's board, which oversees the operations of a full-time 15-member management staff

Until recently Times Square was a cesspit in every sense — a hive of porn palaces, hustlers and panhandlers working dirt-encrusted streets Thanks in large part to the BID, the area is regaining the sparkle it had when its main thoroughfare, 42nd Street, was associated with real showbiz rather than the kind that caters to the dirty raincoat brigade

The Times Square BID had as— very visible in their cherry red uniforms — to supplement police, installed new street lighting and otherwise sought to make its area safe and attractive

It also helped fund a special community court to process "quality of life" offenders — prostitutes, graffiti artists, petty conmen and illegal peddlers — for whom there had previously been little deterrent given the clogged state of the city's judicial system. They pay for the crimes by being put to work on BID's sanitation crew Attached to the court is a one-stop shopping school to train security officers to patrol its streets

Finally the Times Square BID, like all others, acts as a promoter and advocate for its area It lobbied successfully for a change in city zoning ordinances to ban porn establishments within 150m of churches, schools, residential areas and other "adult" businesses The number of such emporia in the district has fallen from 170 to around 10 The BID also co-produces the famous Times Square New Year's Eve bash and the annual Broadway on Broadway

To form a BID in New York you have to demonstrate to the city that the property owners — or those who are renting commercial space from them — in your proposed district are willing to pay the extra assessments for the services you wish to provide There are no elections However, if owners of at least 51% of the taxable value of the property that would benefit from the BID object, the district will not be approved

Once approved, the BID enters a five-year contract with the city This sets out the level of extra as- BID's board must include elected officials from its area

Nothing is perfect In November 1995, the New York city finance committee released Cities within Cities Business Improvement Districts and the Emergence of the Micropolis, a report on the functioning of the city's then 33 BIDs and how well they had spent the $42m they had raised over the preceeding year. The committee found that though BIDs had "had a positive impact on many New York neighbourhoods, they nevertheless require additional oversight, and in some case serious management restructuring".

The most serious problems had to do with accountability, or rather its lack Too few BIDs, in the panel's view, kept their constituents informed of what they were doing or invited their input because the regulations under

the rights

If you go to almost any US city or town of any size these days, you will likely encounter structures called "business improvement districts", now commonly known as BIDs More than a thousand of them have sprung up in the past decade, not only in the US but also in Canada, and the idea has started to spread across the Atlantic Legislation to establish the concept in the UK is currently before Parliament

A BID is a neighbourhood coalition granted statutory recognition by city hall It generates revenues from assessments on businesses and other nonresidential property owners in its district The assessments are collected by the city like any other local tax and returned to the BID which uses them to supplement existing services In many cases, BIDs may also raise finance by issuing bonds.

New York now has more than 40 BIDs Among the best known is the one around Times Square and the New York theatre district It covers 36 blocks in Manhattan, containing about 5 000 businesses These range from mom-and-pop cafes to media giants Viacom, Bertelsman, EMI records and the New York Times Ernst & Young, ad giant Ogilvy & Mather and Morgan Stanley have their international headquarters in Times Square

Representatives of many of

sessment revenues of $10m last year With this money it steam-cleaned the streets, collected rubbish, removed graffiti, deployed 40 unarmed "public safety" officers

centre or city social services, including drug rehabilitation Another BID, covering the nearby fashion district, even went so far as to establish a state-certified

event — at which cast members give a free performance of songs from current shows — and publishes restaurant and hotel guides and retail market analyses

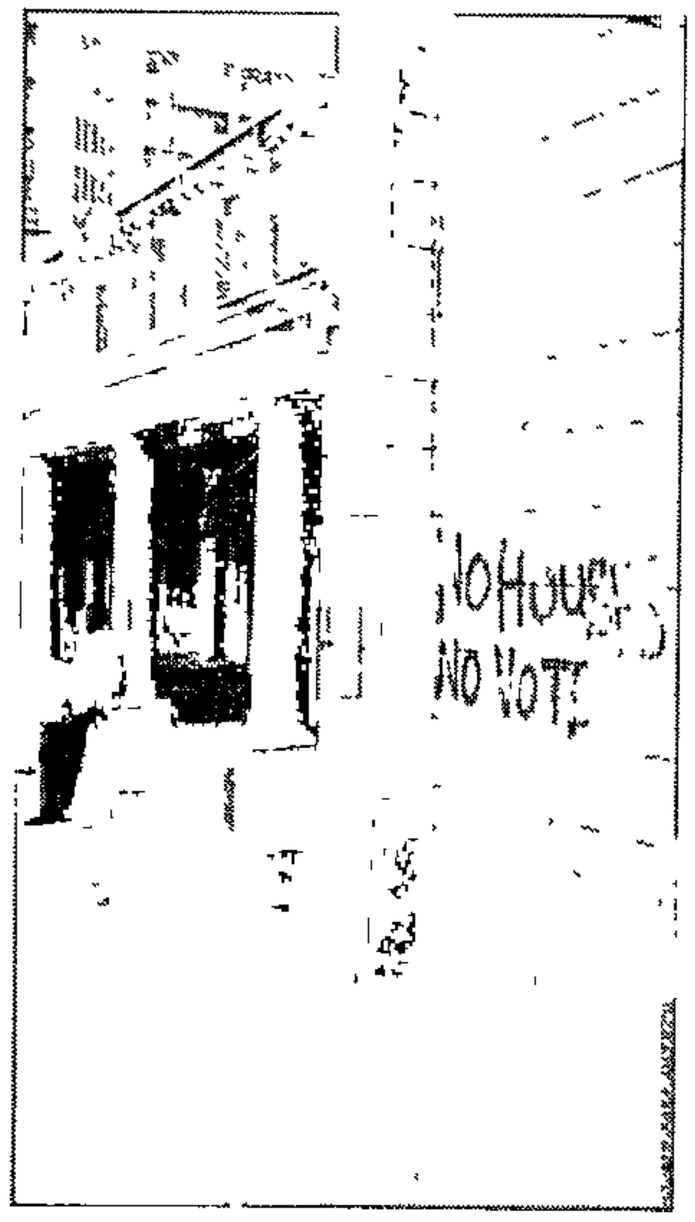
sessments (20% of existing local taxes is the maximum) the authorities are to collect and pass back, and what services will be performed with the money The

which they operated did not require them to. That led to improper use of funds For example, the Columbus/Amsterdam BID in New York's upper east side was using 52% of its revenue simply to pay its management In other instances, BID boards were found to have been approving illegal loans to organisations with which they shared board members

Clearing the streets of vagrants and other "undesirables" is clearly a priority for many BIDs Three, in the midtown area, created an outfit called Grand Central Partnership Social Service Corp for the purpose As the name suggests, this entity was supposed to use kinder, gentler methods but it was quickly accused of using "goon squads" One "client" had boiling water poured over him. Another was hurled through a plate glass window The corporation is facing $5m in lawsuits.

Of course, it is not as though city employees do not steal money or mistreat people, and the track record of most BIDs in rescuing neighbourhoods that otherwise seemed in terminal decline seems uncontestable

No, BIDs are not a cure-all and it may seem objectionable to have to pay extra to get services the city ought to be providing anyway But that is an investment increasing numbers of businesses seem willing to make to keep their downtowns alive



Depression business continues to desert Johannesburg's seedy and dangerous downtown for the edge cities springing up in suburbia

Celebration Times Square BID president Gretchen Dykstra and Olympian Jackie Joyner-Kersee test confetti for the annual New Year's Eve revelry

NP loses control of council after eight quit

BD 18/7/97 (266)

Kevin O'Grady

THE National Party (NP) lost control of its local government "flagship", the Pretoria city council, yesterday when 10 councillors resigned to join former NP secretary-general Roelf Meyer's New Movement Process

The councillors' resignation robbed the NP of its one-seat majority on the metropolitan substructure — the only one it controlled — and left the African National Congress (ANC) seven seats clear of the next biggest party

Only eight of the councillors are allowed to retain their seats because they are directly elected They said they would form a caucus, effectively handing Meyer's body the balance of power on the council.

Seven of the councillors were also members of the greater Pretoria metropolitan council, which was already dominated by the ANC.

The resignations left the NP with 23 seats on the metropolitan substructure to the ANC's 30. The two proportional representation councillors who resigned can be replaced by the NP because legislation dictates they resign their seats if they leave the party on whose ticket they were elected.

Councillor Eitel Kruger said he and his colleagues would "technically be independents but, de facto, we're part of the New Movement Process" They would vote as a group

He said the councillors' decision to join the process was prompted by the "spirit of beleaguered aggression" that had taken root in the NP since the election of Meyer sympathiser Sam de Beer as Gauteng NP leader ahead of Pretoria chairman and FW de Klerk loyalist Fanus Schoeman

Reacting to the resignations, Schoeman said the NP was not surprised but "regrets the dishonest way in which the members acted by not first consulting or informing the structures that had elected them to their positions"

He demanded the ward councillors "demonstrate the courage of their convictions by sticking to the sworn undertaking they signed on nomination that they would resign as councillors if they stop being members of the NP"

Jo'burg council seeks credit agreements to ease pressure

BD 12/8/97 (266)

Deborah Fine

THE greater Johannesburg metropolitan council was experiencing "a bit of a tight cash flow situation" and had entered into credit negotiations with larger creditors like Eskom and the Rand Water Board, western council CEO Geoff O'Connell said yesterday

O'Connell, who is head of the task team co-ordinating the current crackdown on municipal payment defaulters in the city, said the cash flow shortage was "not insurmountable" The council was confident that the problem would be addressed in the next few weeks.

While the council had entered into credit agreements with Eskom and the Rand Water Board to pay off the amounts owed in staggered payments, all of the council's smaller creditors had been paid, he said

The SA arm of the international credit rating agency Duff & Phelps, issued a subscribers alert last month cautioning that the council appeared to have liquidity problems and that sources had indicated that payments to certain creditors had been recently withheld or deferred

Duff & Phelps (SA) director Dave King said yesterday that the council's liquidity pressures were not a reflection on its long-term financial viability

O'Connell said reasons for the council's current cash flow squeeze were delays in the transmission of funds from national and provincial government to local authorities and delays in the finalisation of certain borrowing arrangements for capital funding which had caused the council to draw heavily on its normal operating resources

Nonpayment for municipal services also contributed to the problem

He said it was important to remember, however, that the council did have constant and reliable revenue streams in the form of municipal services tariffs and Regional Services Council levies The council and its four local substructures also had a major asset base available as collateral security

In addition, there was "a hunger for municipal debt" on world markets as investors were becoming increasingly enthusiastic about providing loans to municipalities

He said the council's current drive to increase municipal payment levels throughout the city by switching off services to persistent defaulters was proving very encouraging Money was "rolling in at a rate far beyond what we have experienced in the past two years" as people flocked to pay their accounts to avoid being disconnected

Council spokesman Keith Peacock said yesterday that the council had chosen to delay full-scale cut offs until the middle of this week to allow ratepayers further opportunity to settle in full or make arrangements to pay off their arrears

Govt depts pay arrears ahead of cut-offs

(266) CT 12/8/97

OWN CORRESPONDENT

JOHANNESBURG Government departments in Greater Johannesburg coughed up R4,8 million yesterday ahead of threatened electricity cut-offs to consumers which are 60 days or more in arrears

Council sources said that three cheques, one from the Gauteng Education Department for R2,5m, one from Intersite — a subsidiary of parastatal South African Rail Transport Company — for R1,1m and one from the Chris Hani Baragwanath Hospital for R1,2m, were paid yesterday to the Johannesburg Southern council

The Greater Johannesburg metro has, in line with Gauteng province's initiative, improved its credit control procedures and threatened to disconnect electricity to any consumers who are over 60 days in arrears and where arrangements had not been made to pay off arrears The council was owed R1,7 billion in arrears

At the weekend, the council cut electricity supplies to about 500 consumers during the first stage of the escalated campaign

Chris Hani Baragwanath Hospital spokesperson Ms Ester Hlongwane said the cheque was for the usual monthly payment for rates and services But council sources said the cheque covered arrears

Gauteng Department of Education spokesperson Mr Aubrey Matshiqi said the education department was still in the process of verifying the correctness of the accounts.

"The department decided to pay despite the fact that there may be discrepancies in the accounts, because the department is committed to Masakhane."

Intersite's senior strategic marketing manager, Mr Roeloff Crowther, agreed that the payment was more than 60 days overdue, but said the payment had been made within 30 days of receipt of the invoice for May

Intersite would be paying the June payment on August 15 and was still awaiting the invoice for July

"Invoices have been delayed for some obscure reason," Crowther said

"It is up to the individual consumer to ensure that their account is paid and up to date and that the information on the account is correct," metro spokesperson Mr Keith Peacock said yesterday

Peacock added that where consumers were in arrears, "they were hardly likely to openly admit this to the media, preferring the usual 'the cheque is in the post' or 'there is a query on the account' "

There had been a good response to the threats of service cut-offs with hundreds of consumers coming forward to pay off arrears

The Transvaal Rugby Union, one of the bigger debtors, settled its arrears of R250 000 yesterday

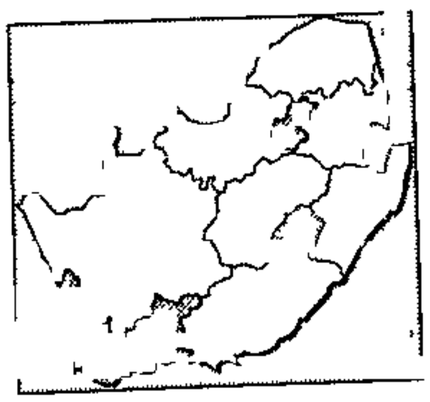
Milpark Hospital had asked for an urgent meeting after weekend newspapers reported it was R570 000 in arrears on its rates and service bill, Peacock confirmed

In the Eastern areas the payment level is up by about 25% No figures were available for the Northern and the Western councils, but sources said payments to the Southern council had increased from R9m on August 1 to R12m last Friday

The metro would not implement cut-offs today, but would give consumers one extra day to sort out arrears From tomorrow, the council planned to cut up to 2 000 consumers each day, Peacock said

'Public service best in Gauteng, Cape'

CAPE TOWN — The public service in Gauteng had benefited from strong and effective leadership by its senior managers, but lacked clarity on the roles of politicians and heads of departments, the provincial task team has found.



The task team considered the public services in Gauteng and the Western Cape to be in the best shape, but not without problems

It found Gauteng in general was "a well-run province, capable of developing its service and support systems for the benefit of its people". The province was in the "fortunate position of having access to the highest level of skills in the country" and had competent and dynamic managers.

Gauteng had "taken the national lead in putting many of its systems in place, so much so that national departments and other provinces use its resources to assist them with their development"

However, there was a lack of clarity about who the heads of departments in Gauteng were accountable to. "Is it the director-general, or their respective members of the executive council?"

Unlike in some of the other provinces, the task team said the provincial service commission in Gauteng has "played a valuable role in enabling effective management to be instituted". It had supported the executive council and department heads with technical information to assist their decision, and had helped to establish effective management systems

Departments were short of qualified senior financial managers. In some cases this had led to managers not keeping to budgetary limits.

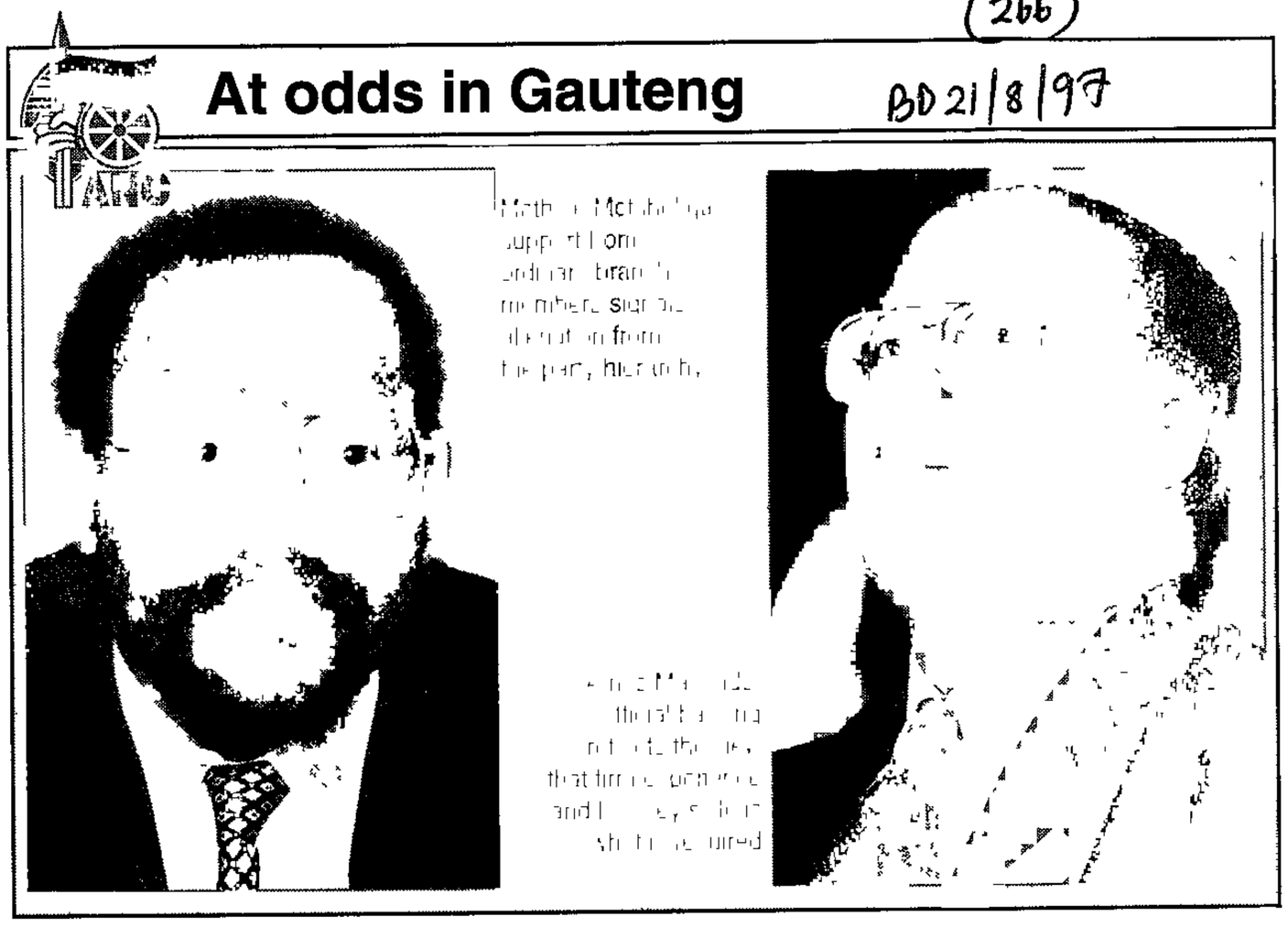
In the Western Cape administration the task team found skills levels were high, but "heads of departments have few real delegated powers of management of the key functions of finance and personnel, and are strongly controlled by the central offices".

Gulf is opening between leaders and led

As the battle for the premiership of SA's most powerful province rages on, political editor **Drew Forrest** looks at the background to the tussle

(266)

BD 21/8/97



THE struggle for the premiership of Gauteng has trained a spotlight on both the organisational weaknesses of the African National Congress (ANC) and its continuing difficulties in reconciling its roles as the party of government and a mass movement

If the recent leadership conflicts in the Free State and Northern Province drove home the disjunction between the ANC at national and regional levels, the Gauteng imbroglio has underlined the gulf opening up between leaders and led

By nominating the party's provincial deputy chairman, Mathole Motshekga, to succeed Tokyo Sexwale as premier, and continuing to press their preference at the general council meeting at the weekend, ordinary branch members signalled their alienation from the party hierarchy and a determination to resist what they see as arm twisting.

On merit, the party's provincial executive committee, the ANC caucus in the Gauteng legislature and the ANC's union and communist allies may be right in backing health MEC Amos Masondo as the best available candidate. Masondo is a known quantity who may lack charisma but is seen as having the required experience and low-key consultative style to head a government in need of consolidation and a more collective leadership The general view is that a departure is needed from Sexwale's flashy and insubstantial individualism.

For those who have tracked his progress as a provincial MP, academic lawyer Motshekga has neither the organisational nor political skills to head one of SA's most populous and volatile provinces They say he has contributed little to the work of the legislature, adding that his performance as a portfolio committee chairman was so lacking that he was replaced by a backbencher One senior colleague, not embroiled in the leadership dispute, rates his contribution to the legislature as the least inspiring of all the ANC's caucus members

It is seen as significant that the Johannesburg branch — the closest to the legislature and with the most experienced leadership in Gauteng — was the only one of seven not to back Motshekga Questions have also been raised about the financial management of a paralegal organisation he ran in the 1980s

A rather shadowy figure, Motshekga appears to feel he has been pushed aside by a leadership clique bent on perpetuating its hold on power He allegedly complains that he is the only ANC provincial deputy chairman in the country who is not an MEC.

One hostile theory is that his energies have been devoted to building a popular base from which to challenge the party establishment, and that this explains both his performance in the legislature and his popular following

However, the sentiments at branch level have also been strongly coloured by revolt. The branches were said to have been angered by Sexwale's assurances that he had no plans to resign shortly before he publicly announced his departure, construing this as evidence of a conspiracy by regional leaders to manipulate the succession. The view has been hardened by the insistence on a consensus choice and attempts to browbeat Motshekga into withdrawing his candidacy.

A vote had been promised at a general council meeting at the weekend, attended by the provincial leadership and branch delegates. The official account of the fraught eight-hour conference is that the vote was held over for technical reasons until later this month, the alternative version is that the leaders thwarted demands for a ballot, tried to dilute the branch presence by giving their union and communist allies a vote and engineered a deadlock to postpone a decision on the premiership that would have gone against them

Motshekga is said to have threatened a purge of the Gauteng cabinet if he becomes premier, and this must have sharpened the leadership's eagerness to keep him out But there is more to it than job insecurity Members of the executive are pulled in two directions· they strongly believe Motshekga is wrong for the job, but dare not override the branches for fear that they will retaliate at the next party congress by installing Motshekga as party chairman

This would drive a wedge between the top structures of government and of the ANC, similar to the debilitating rifts which surfaced last year in the Free State and Northern Province

The ANC's problem is that selfless devotion to the cause is rapidly giving way to a career-minded scramble for positions In the Free State and Northern Province, party-government duarchies laid the platform from which party bosses could grab for the premiership It is this which lies behind the call in the ANC's "Strategy and tactics" document, drawn up for its national congress, for political career paths for members

There has been some talk in Gauteng of a neutral candidate acceptable to both factions who would break the deadlock National ANC leaders are known to believe that the Rev Frank Chikane, now the director-general in Deputy President Thabo Mbeki's office, could play this role. However, national intervention to promote a candidate is highly unlikely, given the fuss this has provoked elsewhere President Nelson Mandela is said to have considered stepping in, but to have been dissuaded by Mbeki

There is a growing recognition at all levels of the party that Motshekga cannot be stopped without a flagrant subversion of the popular will, and that the only option will be to support and cover for him when he is running Gauteng

The recent provincial leadership conflicts point to organisational weakness in the ANC, with the different levels of the party at odds with each other In Gauteng, for example, the stark contrast between perspectives at branch and provincial executive level underscores the need for closer links and more frequent interaction Truism though it may be, this remains the surest way of forestalling party congress insurrections.

However, the Gauteng dispute also suggests that leadership contests are excessively party-driven, leaving little distinction between the processes by which heads of government and party chiefs are installed

One senior ANC thinker makes a case for keeping the selection process within the provincial caucus when a premier is replaced during his term in office — in other words, while the governing party still enjoys a mandate The issue is managed in this way in other democracies, and has the advantage of leaving the decision to those with a privileged perspective on the candidates and their record in government The legislators, one suspects, would be less susceptible to populist blandishments than the rank and file.

Partly because of its romantic attachment to the idea of mass participation, the ANC is inclined to give its public representatives too little room to lead. Premiers who wish to fire errant MECs should not have to go cap in hand to the party's provincial executive — the *casus belli* in the Free State Gauteng's ANC branches are in any case indirectly involved in the selection process by helping to draw up the party lists from which the ruling circle is chosen. Seeking an additional popular mandate for the mid-term replacement of premier may be yet another case of democratic overkill.

Gauteng govt steps in to save councils on verge of collapse

By Matthew Burbidge and Cecilia Russell

The Gauteng government is to step in and bail out local councils which are on the "verge of complete collapse" and amalgamate those which have proved to be "non-viable".

In a statement after a cabinet meeting yesterday, the government admitted for the first time that the Greater Johannesburg council was in financial trouble. Among the steps it announced is an investigation into the council's financial position.

It said the council was struggling to pay its bills and a team had been established to find out why it was a financial failure.

It also allocated an amount of R62,1-million to assist local authorities in the provision of infrastructure.

Among the provincial government's plans are:

- The amalgamation of the Cullinan and Bronkhorstspruit councils into the Pretoria metropolitan council.
- The incorporation of the Vereeniging/Kopanong council into the Vaal metropolitan council.
- The introduction of proper financial-reporting systems to councils.
- The introduction of private/public sector partnerships in the rendering of services.
- The sale of assets which are not crucial to the authorities.

The plans have drawn widespread condemnation.

Greater Johannesburg chairman of the finance committee, Eugene Robson, admitted the council was in crisis, but said this did not mean the local authority was about to collapse.

"It is serious ... but we have already put in a number of measures to improve the financial position," he said.

He said the financial crisis was due to a number of factors, including the inheritance of the old Johannesburg municipality. These factors had resulted in the council having to honour lease agreements for obsolete computer equipment and "wasteful and unnecessarily expensive" conditions of service for staff which were developed before the 1995 local government election.

Greater Johannesburg has also had to bear the financial commitments of the black, coloured and Indian townships in the face of shrinking intergovernmental grants.

Poor credit control practice built up in both the formerly white and the black areas. While the perception is that it was township dwellers who were responsible for the culture of non-payment lack of credit control in the old Johannesburg led to viable businesses not paying for rates and services, Robson said.

► Gauteng praised Page 6

Star 21/8/97 (266)

Parliament okays defence spending

Cape Town – Parliament yesterday approved proposals which could see the navy revamped with corvettes and submarines.

"Parliament's seal of approval gives the basis to begin to explore possible armaments purchases, on the best available terms," Defence Minister Joe Modise told legislators who endorsed a wide-ranging review of South Africa's defence needs.

Parliament's acceptance of the proposal for a core defence force marks a victory for Modise, who believes military spending cuts have decimated the armed services. – Reuters

Trains cancelled, thousands stranded as Cosatu strike bites

Star 21/8/97 (166) (452)

By Shirley Woodgate and Norman Chandler

Bus and train services were disrupted in Johannesburg and Pretoria this morning – with thousands of commuters left stranded as thousands of workers joined the Congress of South African Trade Unions' (Cosatu) general strike.

Johannesburg Metrorail spokesman Bintu Pitsane said 23 trains used to transport passengers daily were cancelled up to 6am after guards belonging to the two unions – the SA Railways and Harbours Workers' Union and the Nactu affiliated Black Trade Union (Blatu) failed to turn up for work.

Most of the affected trains were in Soweto and she estimated the number of commuters was down to 75%.

Pretoria spokesman Hani Mattheya said although trains were running normally, it appeared the number of commuters was down to 60% or 70% at peak hour.

Putco managing director Michael Oldham said buses were running "fairly normally" with the exception of some services. He estimated the bus company was running at 85% of its usual capacity.

No vehicles were able to get through in the Ekandustria area north east of Pretoria where the road had been blocked, he said.

A march was planned on the offices of Labour Minister Tito Mboweni today.

Sapa reports that thousands of workers staged a one-day strike in three provinces yesterday, the third day of action called by Cosatu in support of demands for changes to basic working conditions.

Northern Cape and Free State were hardest hit but the impact in the Western Cape was less than expected.

Cosatu claimed that more than 130 000 workers heeded the strike call in the three provinces. Similar strikes were staged in the Eastern Cape and KwaZulu Natal on Monday and Tuesday.

Cosatu is demanding a number of changes to the Basic Conditions of Employment Bill, due to be debated by parliament soon.

Union demands include six months' maternity leave of which at least four months must be paid, age 16 as the bottom line for the employment of children, and a 40-hour week phased in over five years.

Unprecedented case as workers sue union

Sowetan 26/8/97

By Abdul Milazi

MORE than 500 municipal workers who were dismissed for participating in an illegal strike in 1997, are using the SA Municipal Workers Union for R5,3 million in damages and loss of income.

Labour experts said though strike-related union suits in the United Kingdom are common place, the case could make legal history in South Africa where the labour movement is protected by an unprecedented level of immunity against such claims.

The 583 Samwu members were dismissed by the Springs Town Council after taking part in a three-day strike to demand the reinstatement of four shop stewards who were dismissed the previous year.

This type of action, experts say, would have been regarded as treason a few years ago and the workers would have been isolated by their communities and even subjected to physical intimidation.

A new precedent

Legal representative for the 583 workers, Mr Wessel Rossow, said the civil action would set a new precedent where unions would have to "reconsider their position, and be very careful when calling a strike," as Samwu had a legal duty to protect the interests of its members.

They should at least have advised workers prior to the strike that it was illegal and warned them of the consequences,' said Rossow.

National Council of Trade Unions (Nactu) general secretary Cunningham Ngcukana said workers had a right to sue their unions for misrepresentation, but cautioned that it was a difficult challenge because the members were the union.

"It is a difficult case to pursue, because workers have to make a conscious decision to go on strike. If they sue the union, they are suing themselves," said Ngcukana.

What complicates the case is also a standing clause in the constitutions of all trade unions which absolves individual office bearers of any legal liabilities.

Ngcukana said lawsuits against trade unions by members was prevalent in Britain, "but not on a large scale."

Bavumile Vilakazi of Vilakazi and Associates said: "Individual trade union officials are absolved of legal liability the same way company directors are. The only legal recourse in a case of compensation being granted to the Springs workers would be for the courts to consider selling union assets."

Samwu spokesperson Anna Neeck denied that the union had called for the strike. "Municipal strikes were illegal in 1993 and Samwu was well aware of that.

"We made all efforts to resolve the dispute. It was the workers themselves who made the decision to go on strike."

Star 26/8/97

Union taken to court by workers

(266)

Springs – Springs municipal workers yesterday took their union, the SA Municipal Workers' Union, to the Springs Magistrate's Court for allegedly advising them to participate in an illegal strike which resulted in workers being fired and losing their long-service benefits.

About 800 municipal workers went on strike in June 1993 to demand the reinstatement of four shop stewards, who were re-employed, but the striking workers were all fired, SABC TV reported.

The workers were re-employed a year later.

Samwu denied encouraging the workers to participate in an illegal strike. – Sapa

(26b)

Workers sue Samwu for 1992 strike

CT(BR) 27/8/97

FRANK NXUMALO

Johannesburg — The Springs Magistrate Court continues hearing today the case of 583 municipal workers who are suing Samwu for allegedly inciting them to participate in an unprotected strike in June 1992, which resulted in their dismissal

The applicants, represented by advocate Marius Helberg, are claiming a total of more than R5 million in damages resulting from the loss of employee benefits when they were fired by the Springs Town Council The workers were re-employed after a protracted legal battle but lost company benefits in the process

The court viewed video footage yesterday of the industrial action, but the whereabouts of a videotape of the day the workers were dismissed is not known The tape was used in the High Court when workers later appealed against their dismissal

Municipal accounts farce hits Jo'burg

(266)

Residents fear lights and water cut-offs after receiving incorrect bills sent out weeks late

Star 27/8/97

By Anna Cox and Cecilia Russell

Greater Johannesburg's Northern and Eastern councils' billing systems are in chaos

In the northern area, thousands of residents received their accounts late for the second month and, according to residents, their bills are incorrect. To add insult to injury, residents are being charged interest on "late payments", even though incorrect accounts have been sent out weeks late.

In Sandton, residents who were in arrears received acknowledgement of debt forms from the Eastern council, but the amounts reflected were incorrect and substantially lower than the actual amounts owed.

When the council discovered its error, it instructed its officials not to accept payment from residents Now residents face service disconnections

Eastern council communications officer Keith Peacock said there had been a computer programming error and that new letters of agreement, with the correct amounts, would be sent to residents in "the next few days" He said the deadline for the acceptance of the agreement had been extended to September 30.

Meanwhile, accounts sent out by the Northern council have reflected increases of more than 50% on electricity bill estimates, but irate residents have not been able to query accounts because telephone lines at the council offices have been down or busy It is estimated that more than 90 000 residents are affected

Last night a row broke out in the Eastern council when the chairman of the budget and finance committee, Christine Walters, accused opposition parties of orchestrating the errors in 16 000 Sandton rates accounts Walters said it was the first time incorrect information had been supplied from the council's computer contractor and said she found it "strange" this had happened.

"Was this deliberate or was it sabotage?" she asked

This is the second time in two weeks that the ANC has accused opposition parties of sabotaging the Eastern council. In an internal memo leaked to The Star, the ANC accused the DP of deliberately undermining it and trying to render the council ungovernable.

Eastern council DP leader Claire Quail said it was unacceptable that "accounts were not checked before being sent out"

Emmarentia Residents Association chairman Gerald Stoch said consumption estimates for residents living in the area had increased by about 53% for electricity and about 30% for water

Stoch said a council official had advised him "to advise residents to pay a reasonable amount, and they would not be charged interest on the excess".

The Star was not able to reach the Northern council for comment yesterday or today

Labour dispute comes to end

Sowetan 27/8/97

By Muzi Mkhwanazi

THE labour dispute between the government and members of the National Education Health and Allied Workers Union at the Diepkloof and Roodepoort mortuaries has been resolved

Gauteng Public Safety and Security MEC Ms Jessie Duarte said yesterday the labour problems which had been experienced in the past three weeks in which laboratory assistants refused to perform some of the duties beyond what was expected of them had been resolved

Duarte said the backlog which had been created as a result of the workers' action would be handled by other mortuaries within the Gauteng province

"We would like to apologise to all families that were affected by the situation and give them the assurance that every effort will be done to minimise the delays

"It is with regret that families who are at a stage of grief and anguish had to postpone funerals of their beloved ones because of the problems at mortuaries I would like to give my total commitment in making sure that such incidents will be averted in future," Duarte said

Sapa reported that Duarte promised a total commitment to make sure that such incidents were averted in future

She said discussions were taking place at national level to resolve the matter

At the time of going to press, Nehawu national spokesperson Mr Joe Lekola could not confirm whether his organisation had resolved the dispute with the government

Union 'was told in advance about workers' dismissals'

(266) (~~256~~) (~~152~~)

Bonile Ngqiyaza 20 28/8/97

NEWS of the impending dismissals of SA Municipal Workers' Union members involved in a wildcat strike in July 1993 was faxed by a council member to the local offices of the union two days before they took place, the Springs Magistrate's Court heard yesterday

Springs town secretary Johan Krog said under cross-examination the letter — faxed on a Friday in July 1993 — was a gesture of courtesy. It had advised union representative Silas Letsimo of the council's attitude, and informed him of what was to follow

Krog, who was deputy town secretary at the time, conceded that the letter did not imply the involvement of the union as a party in the dispute, nor was it meant to hold the union responsible for the conflict between the council and its employees If he had personal knowledge of official union involvement in the dispute, it would have been cited in a subsequent High Court dispute between 10 of the sacked workers and the council

Counsel for the union suggested that the council was using delaying tactics by involving Samwu regional organiser Letsimo late in the dispute when the demand was to refer the dispute for arbitration.

Krog conceded this.

"On the Friday, the workers were given their ultimatum, as it were, and I had hoped that during that weekend they would have a cooling off period, and on Monday they would be susceptible (to persuasion)," Krog told Magistrate Sannet du Plessis.

Adv Tim Brunders expressed disbelief that Krog could send a man he said was "a saviour and the last person who could restore normality" a faxed letter as a courtesy and advisement of the council's attitude

In his response, Krog said he respected Letsimo and still believed that if he were to explain a similar situation to workers, there would be a greater chance of an amicable solution.

Springs council workers — many of them with the council for more than 30 years — lost their long-term benefits after a wildcat strike over the sacking of four shop stewards Fifty-three workers have entered a claim against Samwu for lost wages

LABOUR *Municipal workers sue union for R5m, but union blames Springs council for losses*

Samwu task team to investigate allegations

CT 29/8/97

FRANK NXUMALO

Johannesburg — The central executive council of the South African Municipal Workers' Union (Samwu) has appointed a five-member task team to "directly investigate" the events leading to 583 Springs municipal workers suing it for more than R5 million in damages

The damages are to compensate for lost employee benefits after the union allegedly incited them to go on an unprotected strike in June 1993

The workers were fired but later re-employed after a protracted legal wrangle, but lost their long-term benefits in the process. Some of them had worked for the council for more than 30 years

Anna Weekes, the Samwu spokesman, said the team would look into allegations of intimidation against union members who were not supportive of the court action, and the apparent direct involvement of certain Springs Town Council officials

She said the task team would also investigate allegations that "some of the workers are not aware that they are suing the union" but were under the impression that they were suing the Springs Council

"The matter at hand is not so much about members of Samwu suing the union as it is another attempt by certain elements to destroy the union in Springs

"The action must be located within the attitude of local government employers in general towards Samwu when we first started organising in the sector, including the wholesale opposition to our registration"

She said "The strategy encompassed among other things, the widespread dismissal of workers during the dark days of apartheid and now in the era of enlightened industrial relations, the strategy seeks to turn workers against their own union"

The applicants' attorneys have requested that the case be postponed to January after three council officials, whom Weekes claimed were instrumental in the wrangle, conceded under cross-examination that "the union had not initiated the strike and that it had acted responsibly to resolve it"

A spokesman for the Springs town clerk declined to comment, saying "the matter was between the municipal workers and Samwu".

Paper union cries foul

CT(BR) 29/8/97

FRANK NXUMALO

Johannesburg — The Paper, Printing, Wood and Allied Workers' Union said yesterday efforts to set up a centralised bargaining process for the industry were being frustrated by "the lack of co-operation from the main companies organised by the union, including Sappi, SA Timbers and Republican Press".

The union said these companies had taken it upon themselves to "derail the progress about the establishment of the centralised bargaining".

Alfred Tshabalala, a union spokesman, said this had raised serious concerns as to whether these companies were committed to forging harmonious industrial relations at all.

Tshabalala said their apparent refusal to establish a bargaining chamber for the industry was the main cause of wage deadlocks, national strikes and poor worker-management relationships.

He said these companies were opposed to a central chamber because main agreements would benefit all the workers of a given grade regardless of race

"We believe the government has a duty to assist in enforcing at least part of the law in the whole scenario. We find it quite amazing that such companies should be allowed to operate in South Africa

"In our view they should be closed down because they belong to the old order of racism," Tshabalala said

But Anton Lombard, the Sappi Group industrial relations manager, denied that the company was opposed to the establishment of a centralised bargaining chamber "We are participating in the negotiations and we are not trying to prevent the establishment of a central bargaining chamber All we have asked for is that we should establish different models of bargaining chambers"

BD 2/9/97 (131)(1160)

DP attacks proposal on megacities

(266) BD 2/9/97

Deborah Fine

THE Democratic Party (DP) has attacked proposals by African National Congress (ANC) Gauteng deputy-chairman Matole Motshekga to transform Johannesburg and other metropolitan areas in Gauteng into centralised megacities.

A document released at the weekend by Motshekga, tipped to become the province's new premier, outlined his personal proposals for fewer municipal wards and local councils carrying out policies and strategies devised by a centralised metropolitan council.

His vision is to turn Johannesburg, Pretoria and Khayalami into megacities by dissolving their two-tier metropolitan council and local substructures system into a single-tier system. He said other political parties would be consulted before any new local government model was adopted.

DP councillor Frances Kendall said yesterday that the national green paper on local government models after 1999 was due later this month, and the final white paper by mid-October

"This gives the public little time to study the legislation. . It's quite apparent that offers to consult citizens are phoney. The ANC has made up its mind to centralise," she said

Reserves

Continued from Page 1

the forex market."

Roy said August had seen a payment of R700m for renegotiated debt under the debt standstill agreement, which would have dragged down the reserves figures.

One economist said talk among dealers had been that the Reserve Bank had been spending large amounts on some days to defend the rand in the currency markets.

ING Barings economist Nick Barnardt said the underlying pressure seen in the reserves in August could be due to a combination of factors, including the Bank winding down the forward book, imports, trade finance shifts and possibly other forms of exchange control relaxation Pressure on other emerging market currencies could also have played a role, if short-term money market funds had become nervous and moved out of SA.

Barnardt said the first half of the year had seen an "unusual" combination of huge capital inflows and a decrease in the current account deficit.

For the rest of the year he expected a "gradual unwinding of the bullishness of the first half, the current account deficit to widen a bit, capital inflows to become more jittery, possibly a little further pressure on the net reserves, but nothing severe".

He said the Bank's policy on the Bank rate was not excessively affected by the reserves figures, and he expected a small interest-rate cut towards the end of the year

PEANUTS

By Charles Schulz

Gauteng opposition parties angered by proposals for 'megacity'

(266) BD 3/9/97

Pule Molebeledi

GAUTENG opposition parties are up in arms over the outcome of a local government conference held at the weekend, distancing themselves from proposals advocating the creation of a megacity as a form of municipal governance for the province

The outcry follows yesterday's statement by Mathole Motshekga, chairman of the provincial development, planning and local government standing committee, that the conference was widely representative National Party (NP) spokesman Juli Killian said even though NP members all attended as delegates, the conference was dominated by African National Congress (ANC) members

Other stakeholders outside of local government, such unions, had also been present. "They were invited without us being consulted," Killian said

She said invitations were first given to chairmen of the executive committees and mayors, who were in 99% of the cases ANC members

The Democratic Party (DP) also expressed its unhappiness at not being invited "We were not invited at all. The people who attended from our party went there after I called them and informed them of the conference Our presence would have made little difference as Motshekga had a clear agenda," DP member Ian Davidson said.

Despite the opposition's complaints, Motshekga was flanked at a news conference in Johannesburg by representatives of the Pan Africanist Congress and the African Christian Democratic Party (ACDP), who endorsed the stance taken at the conference

Motshekga said the demarcation of the province into single-tier cities would be based on the promotion of effective local governance He said there was a need for a new concept of local government that embodied the developmental character of the new system and the philosophy of co-operative governance

Motshekga said the present "flawed" two-tier system of metropolitan government was not appropriate for developmental local government as it did not promote the redistribution of resources

Davidson refuted this view and called it "nonsense as it flew in the face of the message brought back from the recent international tour by the local government task team" that wherever local governmen was perceived to be in chaos, they were operating in uni-city structure

The NP distanced itself from Motshekga's state ments and accused him of enhancing his popularit for the premiership stakes The party alleged Mot shekga sought endorsement from the conference fo his "centrist, undemocratic Cuban model" he would impose on the province should he become premier

Megacity battle hots up as opposition parties claim lack of consultation and hidden agendas

By JACQUI REEVES

The battle being raged between opposition parties over the establishment of a megacity in Greater Johannesburg intensified this week as allegations of hidden agendas, insufficient discussion and even division within the ANC itself were bandied about the province's political circles.

The apparent divisions come at a crucial time, with a private referendum on the issue just two weeks away Opposition parties claim the megacity concept, discussed last weekend at a local-government conference in Johannesburg, is being bulldozed past councillors with only superficial consultation by the ANC.

This week, sources close to MEC for Development Planning and Local Government Sicelo Shiceka admitted he was becoming increasingly uneasy at the manner in which the chairman of the standing committee on local government, Mathole Motshekga, is handling the issue.

While Shiceka has in the recent past aligned himself with the megacity model, insiders say he is concerned that the matter is not being handled "sensitively enough"

In an interview with the *Saturday Star* this week, Motshekga denied the allegations of tensions between himself and Shiceka, saying the MEC was "part of the process" and had been invited to the conference He said Shiceka was also a co-author of the policy-options document released to the media this week.

Motshekga also came under fire this week from the National Party and Democratic Party, which claim not to have been given sufficient warning of the conference.

Frances Kendall of the DP said her party was notified only on the Thursday before the weekend conference. Motshekga challenged this allegation, saying the entire standing committee had been involved in the planning of the conference, and that the members should have relayed the details to their party.

"The whole standing committee was involved in the conference planning. We even made sure we did not hold the press conference on Sunday after the conference because we first wanted to consult with the other groups," he said

Julie Kilian of the NP said the conference was a farce that was manipulated to present Motshekga's own views.

Kendall also complained that insufficient notice was given for the two public participation workshops that were held recently on the megacity issue She claims that notice of the workshops was buried among a full-page of advertisements in one of the weekend newspapers

Motshekga defended the publicity given to the workshops, citing advertisements in both daily and weekend newspapers, as well as coverage on local radio stations

With the megacity referendum just two weeks away, the debate over the proposed centralisation of the current two-tier local government system has heated up, as time constraints become more pressing

Motshekga said this week the megacity issue would have to be finalised, in principle, by early next year to allow for enough preparation for the 1999 elections (2bb)

"Once national legislation has been passed on the issue of a single or two-tiered structure for provinces, will have to do the same For this reason, things are fairly urgent and we need to take the matter up directly," he said.

The policy-options document states that the present system of metropolitan government is not appropriate for "developmental local government".

It states that a single-tier system is the most appropriate structure for integrating budgets, rationalising municipalities and equalising society's many imbalances.

Motshekga did, however, say he believed that heated debate on the megacity concept was premature because the form of centralised power was still uncertain

"The megacity can take on many different forms, which still have to be debated, but no party need fear that the ANC will impose any system – we just wanted to open up the discussion"

Star 6/9/97

ANC in Gauteng in 'disinformation' row

By JIMMY SEEPE

N[illegible] row has broken out in the ANC in Gauteng over the actions of certain leaders in the Johannesburg region are conducting disinformation campaign mean[illegible] confuse branches

The NC's provincial executive council (PEC) yesterday decided much of its discussion how to contain this campaign

According to NC insiders the row sparked off this week by certain leaders in regional structures who called on branches not to implement the resolution taken by the PEC over the nomination of a chairperson and premier

These leaders are said to be calling on the Johannesburg region to be given a veto power over all matters concerning nominations

The process of nominating a new chairperson started last week following the PEC's decision to halt the nomination of a premier until a chairperson was democratically elected

Nominations for a new chairperson will continue until September 15 and at a special general council meeting on September 28 Tokyo Sexwale, the current chairperson, will resign his seat

Certain Johannesburg leaders are allegedly informing branches that the PEC's decision that whoever is elected as chairperson will automatically become a premier is going to be reversed

It is said that this is an attempt to try to confuse branch members about the purpose of the excercise

"Branches are being told by these leaders that the nomination of a premier is no longer going to be linked with an elected chairperson," said an insider

Meanwhile, it is understood that supporters of the Health MEC Amos Masondo, are frantically searching for a strong candidate to oppose the favourite ANC deputy chairperson, Advocate Mathole Motshekga The latest candidate to be suggested is the deputy minister of education, Rev Smangaliso Mkhatshwa Rev Frank Chikane was earlier nominated for the premiership but withdrew from the race The only other candidate nominated by branches is Gauteng Fiscal Commission chairperson Murphy Morobe

According to insiders, the nomination has heightened debate among those who had earlier supported Masondo as to whether they should continue to back him

Party insiders told City Press that although Mkhatshwa would have stood a good chance of being elected chairperson, his name had been been suggested too late

"Regional and branch leaders see the process as a call to them to change their nominated choice – Motshekga said on party leader

He said party leaders should not call on branch leaders to nominate Mkhatshwa as this could involve him in controversy

'Whoever gets elected – besides Motshekga will be looked on with suspicion and as an imposition from the Gauteng ANC leaders"

Gauteng shares out R11-m to improve local infrastructure

Star 8/9/97 (266)

BY THEMBA SEPOTOKELE

The Gauteng government has allocated R11-million to several local councils to develop their roads, improve their infrastructure and facilitate growth

The announcement was made on Friday, at the end of National Masakhane Focus Week, by Gauteng Transport MEC Paul Mashatile.

He said the funds were from the National Urban Transport Fund established in last year

He gave Lekoa-Vaal councillor Jeff Mokoto a R1,35-million cheque, and the mayor of Khayalami, Isaac Mahlangu, one for R3,6-million

The Greater Pretoria and Johannesburg metro councils were allocated R1,9-million and R4,4-million respectively

Plans to turn Gauteng into 'construction site'

(266)

R600-m earmarked for schools, hospitals, clinics and roads in bid to address infrastructure backlogs

Star 12/9/97

By Anso Thom

Gauteng has set aside an additional R600-million in the 1998/99 financial year to address the infrastructure backlogs faced by health, education and roads, Finance MEC Jabu Moleketi revealed yesterday.

He said the intention was "to turn the province into a construction site" over the next few years, to provide schools, hospitals, clinics and roads

Moleketi said the programme would ensure all schools had toilets, running water, windows and doors. It would also provide well-maintained hospitals

"We need to provide new schools and clinics that are accessible to the residents of Gauteng Just as important is the provision and maintenance of the road network, which is crucial to our economy and thus a priority," Moleketi said

The funds were set aside following a meeting in May which looked at budgets for the next three years.

He said a project team had been appointed to start the planning process. "It is our intention that, come April next year, the actual projects will commence "

Moleketi pointed out this was a major departure from previous practice, when planning began in earnest only once the budget had been tabled

He expected the processes, such as tendering, to be completed before April so that "mortar and brick hit the ground early in the new financial year"

The MEC said Gauteng faced serious fiscal constraints, with health and education clearly feeling the pinch

In the case of education, 85 000 new pupils had entered schools in Gauteng, an increase of more than 6% Similar pressures were being experienced in the health sector, where dwindling resources coupled with transformation imperatives had resulted in some difficult de- cisions being taken.

Moleketi said he was confident the province was on track for the financial year

A delegation including Gauteng Premier Tokyo Sexwale, Moleketi and 20 businessmen will leave tomorrow for Germany and France, where they will look at urban transport, social infrastructure investment and market opportunities

The delegation will focus specifically on high-speed train projects that could link Pretoria, Johannesburg and Midrand

Finding a solution to urban decay

(266) Star 13/9/97

For many Gautengers, the temptation to flip over this page without much of a glance must be fairly large Most citizens do not hold their breath for updates on local government news, and that they should not have to, is for many what local government is all about

Local councils are there to deliver services – it is their *raison d'être* to serve the community they represent with the ratepayers' money or the subsidies allocated to them.

But when that community is no longer being served – blown street globes aren't replaced, refuse removal slows to a snail's pace and broken sewerage pipes leak their contents – the public rightfully starts demanding to know why.

Generally speaking, metropolitan government is in a mess Lines of communication are unclear, powers and functions are theoretically defined but practically impossible to implement, and fiscal relationships between different structures are the stuff of nightmares

With this as a backdrop, moves by the ANC in the province to centralise local government into a large, single megacity have raised more than a few hackles among residents' associations and opposition parties

The result is South Africa's first private referendum next weekend, organised and funded by the citizens of Greater Johannesburg.

Gauteng's MEC for Development Planning and Local Government, Sicelo Shiceka, is quick to challenge the linking of the ANC with the idea

"The ANC has not taken a political view on the megacity issue All our people speak as individuals with dynamic and different viewpoints," he says This is also his counter to rumblings, in local councils as well as the legislature, that ANC divisions over the issue of centralisation run deep

This week, the ANC's Gauteng provincial secretary, Paul Mashatile, called on Johannesburg residents to boycott the megacity referendum. He said it was being organised on a racial basis and that black communities have not been consulted.

Mashatile's deputy, Obed Bapela, accused the organisers of using "apartheid-style tactics and spreading disinformation". As a result, he said, people voting in the referendum would probably be reacting to fear, rather than the real issues

The real outcome of the megacity debate will largely be guided by the recently completed green paper on local government It is hoped that a national white paper on the subject will be completed by next month, allowing for a national policy on local government before the end of the year Each province will then have to set its own laws in line with the national rulings, preferably before April.

Megacity proponents believe the plan will eliminate the current tensions between the metropolitan council and its four substructures in the north, east, south and west

Mathole Motshekga, chairman of the province's standing committee on local government, said recently that the current system leaves the two tiers of government "parallel to each other and competing for power". He used as examples the Eastern Substructure's recent inability to pass its latest budget, and the so-called "Pretoria ruling", which held that flat rates were unconstitutional.

Motshekga said these actions hamper the development of local government and could be avoided with a centralised system

A megacity would divide Greater Johannesburg into wards each represented by a ward councillor Administrative powers would then be decentralised, while local committees would oversee the delivery of services by the former substructures.

The first point of reference for the public would be the secretariats within the ward, which would also serve as the constituency office for the council Political power would, however, remain centralised within this "megacouncil"

Its supporters believe a megacity would more equitably distribute municipal resources, better integrate budgets, rationalise municipalities and ensure a high level of public participation in local government

This system, they say, would also allow for a more transparent and accountable form of government

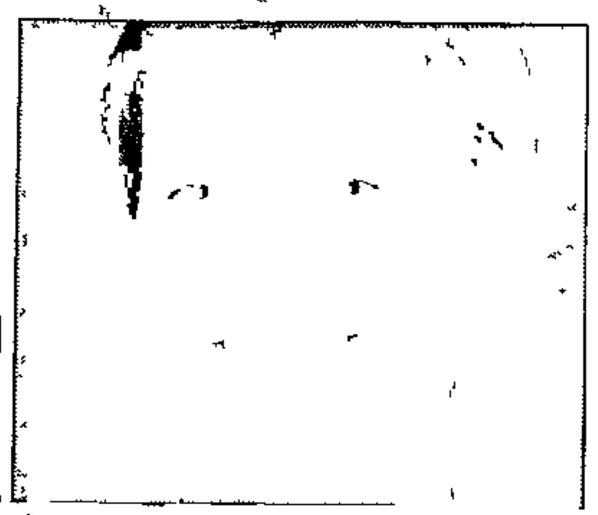
Opponents of a megacity claim that the arguments are fundamentally flawed.

The Democratic Party's Frances Kendall said the question on redistribution of wealth within the Greater Johannesburg area is not whether it should be done, but how best to do it.

In the US, centralised cities with more than 1 million residents employ four times as many officials and spend three times as much on services per 10 000 residents than cities of fewer than 50 000 people

Opponents also claim that as delivery costs increase in megacities, rates and tariffs will be hiked to compensate for those costs, or existing services will suffer

Russel Crystal, of the megacity steering committee, says many international examples have proved that cities achieve maximum efficiency at around 250 000 people, whereas a Johannesburg megacity would cater for more than 4 million



Street light bulbs that are not replaced and litter that pollutes the streets are signs that local government is in a mess in Johannesburg. But is the solution to this chaos the megacity mooted by the ANC, or will this create even more problems? JACQUI REEVES investigates

Many believe the primary advantage of local government is its closeness to the people and its ability to respond to diverse needs.

Those against the megacity say the present system allows for residents to vote with their feet when they are not being served and to move to another ward for better service This creates competition between councils to serve the needs of their community to protect their tax base. In a megacity, the opposition claims, this is all lost, creating drab uniformity where one set of policies are imposed on all.

In 1898, New York consolidated into a single unit By 1960, neighbourhoods were complaining vociferously about the city administrators' inability to carry out basic functions such as keeping the city clean, refuse collection, and crime and traffic control.

"How long will it take for one stop-sign in Orange Farm to be replaced when you will have to track down one individual in this huge bureaucracy in Braamfontein who has to deal with stop-signs for 4 million people?" asks Peter Harmsen of the steering committee.

Similar megacity projects have failed in the United Kingdom, with the most prominent the centralisation of the Greater London council in 1965, and its subsequent decentralisation into 32 boroughs in 1981

The system has also failed in Sao Paulo, where a megacity representing 11 million people employs 142 000, of whom 22 000 are retired but receive full inflation-indexed salaries for life.

The National Party's Johan Kilian has joined the battle against the megacity by accusing the ANC of trying to gerrymander wards in a way that will guarantee the ANC domination and sideline the NP and DP

Shiceka throws this argument right back at those who employ it.

"The argument of the DP is because they invested and put all their resources into winning the east. They fear that if the system is centralised, their investment will go down the drain, so their opposition is less about the issue than it is a simple fight for their own survival."

He says the ANC has no intention of sidelining any party, because he considers them essential for "real democracy", but he says a way forward would has to be paved.

The megacity's staunchest opposition may, however, come from powers much higher than street committees and residents' associations The creation of huge, well-resourced cities with centralised political power is seen by many to be a looming threat to provincial government. With a handful of these powerful cities across Gauteng, the legislative process of the provincial government could be brought into question.

Sources within the legislature say the megacity punters will be hotly contested, both within the legislature and the ANC caucus itself, when the issue comes to the fore

The megacity residents' referendum will be held across the Greater Johannesburg area next weekend. More than 80 shopping centres will have voting stations manned by members of the steering committee and other representatives of residents' organisations The Electoral Institute of South Africa will be observing the process along with observers from the Rhema Church Businesses across the area and residents' associations have funded the voting

Voters will have to sign a roll, stating their name and address, have their hand marked with invisible ink, and will then cast their secret vote Only residents of the Greater Johannesburg are requested to cast a vote

Having heard both sides of the argument the public should, however, be aware that the issue of centralisation goes beyond words such as "megacities" or "unicities".

What it boils down to is the fundamental inability of the current local government structures to efficiently deliver services and basic improvements to the communities they serve. While many of the flaws are structural, the problem cannot simply be put down to that alone.

In some local councils around Johannesburg, party-political one-upmanship constantly suffocates any hope of development, while relations between sectors of the local councils and the metropolitan council in Braamfontein are acrimonious.

The powers that be might believe they have devised a panacea for the management problems of the Greater Johannesburg – but these are the issues that plan will have to resolve.

Johannesburg should learn the harsh lessons of centralised power

Megacities the world over are a dismal failure and create problems which lead to rapid decay and rising crime

Star 15/9/97 (266)

By Frances Kendall

Throughout the world megacities have proven a dismal failure Yet, as local government legislation moves towards finalisation, senior ANC politicians have made it clear they intend scrapping Greater Johannesburg's four local councils and centralising all power in a single, megacity municipality

Should this happen, the citizens of Johannesburg can expect their city to spiral rapidly downwards into decay

A comprehensive study of the cost of public services in cities in the US show that services in big cities cost three times as much as small cities The same basket of municipal services ranges from R788 per capita for populations of less than 50 000 to R2 082 per capita for cities of over a million (US Bureau of the Census, 1977, 1982)

Part of the reason services cost more is that big cities breed bloated bureaucracies which absorb a greater proportion of the budget In the US the Bureau of the Census study found the number of officials employed increases in tandem with city size, and cities of over one million employ four times as many staff per 10 000 people as cities with under 50 000 Salaries also increase with bigger populations

The same pattern is apparent in Gauteng where Greater Johannesburg's highly centralised metro (GJTMC) increased its share of the city's budget from 48% in 1996 to 56% in 1997 and employs 14 000 staff.

The GJTMC finds numerous ways to pump up salaries with perks For example, although its poor financial circumstances oblige it to borrow money at over 17%, the TMC has loaned R25-million to staff to buy motor vehicles at an interest rate of 8% The 97/98 TMC budget included an item of R23-million for "Allowances Other" Councillors were informed that "other" includes personal allowance; standby allowance; Rates Public allowance (for the severe stress of serving customers in the rates hall); and tool allowance.

Greater Johannesburg's operating expenditure is 85% more per capita than that of Pretoria's decentralised metro (Johannesburg R1 663 vs Pretoria R914) Johannesburg employs 30% more officials per 100 citizens than Pretoria With national limits on the growth of municipal budgets, as more money is absorbed by the growing bureaucracy, less will be available for services

Big administrations breed bloated bureaucracies, especially in the public sector, because of perverse incentives If government managers reduce costs they are not rewarded with higher wages, but when they increase the size of their departments they spread the work and gain power and prestige.

Dis-economies-of-scale occur when an organisation becomes too large to maintain managerial control Maximum efficiency for capital intensive services such as sewerage infrastructure is achieved at under 250 000 people, whereas labour intensive services such as refuse collection can be produced effectively for populations as small as 5 000 and dis-economies set in by 100 000.

The reason two-tier metro systems were introduced was to capture economies of scale at the metro level, while providing "soft" labour intensive services close to communities in local councils

A Johannesburg megacity would cater for over four million – far too many to achieve economies of scale and a size which ignores all the research and thinking that has gone into laying foundations for workable local government during the past five years

The assumption that centralised decision-making will lead to increased efficiency has been disproved over and over again, not only in the US but also in Europe.

During the late 60s and early 70s metropolitan local authorities were centralised in England, Germany, Belgium, the Netherlands and Scandinavia. Within a decade studies showed the failure of reform to produce the expected increases in efficiency In the third world megacities fail even more dismally

The advantage of local government is its ability to respond to diverse local needs.

With several municipalities the competition forces councils to focus on the needs of residents and learn from each other's successes

All of these advantages are lost in a megacity where one set of policies is imposed on all, regardless of local differences.

When governments are smaller it is easier for people to monitor the activities of their representatives and speak out against abuse Johannesburg's four local councils are very large, but not beyond the size where residents can relate budgets and expenditure to levels of service delivery

By contrast, in the sprawling TMC, it is difficult for councillors, let alone ratepayers and journalists, to track down officials, or quantify waste and maladministration

What little transparency there is regarding municipal expenditure in Johannesburg will be lost in a megacity At present we all know that the East subsidises the TMC, the South and the West to the tune of R400-million In a megacity all income will disappear into one pot A large malexpenditure represents a tiny percentage of a giant budget, whereas in a small budget it sticks out like a sore thumb

Advocates of a Johannesburg megacity maintain these problems can be avoided if administration is decentralised However, there no precedents for centralised political decision-making linked to an effectively decentralised administration Moreover, there are no signs of decentralisation in the current TMC administration

Other metros are working well because they clearly define the powers and functions of the two levels In Johannesburg the division between the metro and substructures is fuzzy, and consequently they are locked in a power struggle causing duplication and paralysis

One way to resolve this conflict is to create a megacity and have a new set of worse problems

More sensibly, the TMC could be limited to a purely redistributive role requiring a handful of officials, as occurs in the Kyalami metro. Alternatively the TMC could be scrapped completely, with redistribution handled by province as happens in other countries

With over one million residents each, the four local councils are perfectly capable of supplying their own bulk services Their core administrations are those of the old Sandton, Randburg, Roodepoort and Johannesburg municipalities which functioned well as independent councils in the past Although badly decimated they can be restored and do not require an overarching body Where necessary the local councils can co-operate, as do the 37 London boroughs, for matters of common interest

Most reasonable people agree wealth needs to be redistributed within Greater Johannesburg in order to achieve proper urban infrastructure and efficient services for all The question is only how best to achieve this

If Johannesburg becomes a megacity we can expect it to follow the pattern of megacities world-wide

As rates and tariffs rise, services will deteriorate causing a vicious circle of disinvestment, economic decline and third-world decay linked to soaring crime

■ *Frances Kendall is the author of Heart of the nation Regional and community government in the new South Africa*

A city divided? ... there are those who warn that the formation of a megacity would see Johannesburg spiral into decay.

Major row brewing over megacity debate

The ANC has challenged the DP, the NP and ratepayers' associations to get involved in the debate over a megacity and to stop calling for a referendum.

Opposition parties opposed to the megacity have called for a referendum to test people's support for it

ANC provincial secretary Paul Mashatile said last week the call was racist, because the opinions of "previously disadvantaged" communities were not canvassed

The organisation called on Johannesburg residents to boycott the referendum. The megacity was not ANC policy, let alone a policy of the Government, although some ANC members were in favour of the proposal, he said

A referendum would ask people to make up their minds about an issue before it had been publicly examined, he said.

But the DP commended the residents for their initiative in conducting a referendum, and said Mashatile's "playing of the race card showed the ANC to be politically bankrupt".

The DP said the ANC's decision on a megacity indicated its desire to maintain control in Greater Johannesburg – Staff Reporter

Megacity referendum pooh-poohed

Public told to comment after green paper debating model for local councils is published in October

Star 16/9/97 (266)

BY LEE-ANN ALFREDS AND ANNA COX
City Desk

Only democratically elected forums would have a say concerning Johannesburg's local government – and this weekend's private referendum on a megacity was merely a paper exercise, local government spokesman Mpho Mosimane said yesterday.

"It's just a private citizens' exercise. We can't make policy on the basis of surveys," he said.

The referendum, which has been organised by the Megacity Referendum Steering Committee, will be held on Saturday and Sunday to gauge support for a megacity.

A megacity would merge Greater Johannesburg's existing metropolitan council and four local councils into one – with the former substructures responsible only for services. Decision-making would reside with the megacity structure.

Mosimane said the model for local government – which would ultimately be implemented nationally – was being debated with a green paper (draft policy), to be published in October.

Members of the public would be allowed to comment on the draft policy once it had been published.

"Those who are concerned should use these forums. If they want to bring these views on board, they should bring that through the white paper (the actual policy) process," Mosimane said.

He said the green paper did not propose a "definite" model for local government but outlined the advantages and disadvantages of the different models.

> **"We can't make policy on the basis of surveys"**

The group charged with drafting the policy had visited the US, Germany, India, Ghana and the UK and had also researched local government in other countries, Mosimane said.

While the ANC has not decided on a model, several party members have publicly expressed support for a megacity, saying it would make local government more accessible.

The party has also called for residents to boycott the referendum, calling it racist.

The DP and the steering committee are arguing that the adoption of a megacity model would lead to an increase in rates and other charges and cause a flight of business from Johannesburg, resulting in the city's collapse.

The committee has claimed that several major shopping centres – including Southgate, at which many Soweto residents were expected to vote – are refusing to allow polling booths on their premises.

This decision was made as a result of the ANC's calls for a boycott, the committee says.

Committee chairman Peter Harmsen said it was regrettable that the ANC was making the decision for its supporters.

Southgate shopping centre manager Johan Venter said the owners, a consortium of pension funds, had decided not to grant permission because of the political sensitivity of the matter. "We want to keep the centre apolitical," he said.

Is bigger better for Jo'burg local govt?

As the megacity debate comes to the boil, municipal affairs reporter **Deborah Fine** looks at some of the issues involved

DD 18/9/97 (266)

WIDE debate has arisen over systems of governance at local level, and over which models can most effectively meet the expectations of previously disadvantaged communities by improving their living standards and levels of municipal service delivery within the shortest time

The system which has generated the most attention in recent months has been the "megacity", model, which favours centralisation of all municipal powers and functions in a metropolitan area in a single decision-making body.

The model has been advocated as the only means of addressing social inequalities by several high-ranking African National Congress (ANC) officials in Gauteng, including the party's provincial deputy-chairman Mathole Motshekga

It should be noted from the outset, however, that the model has not been endorsed by the ANC as a whole, and that various elements within the party have expressed strong disagreement with Motshekga's proposals

The megacity concept has generated fierce criticism from opposition parties and also flies in the face of an international commitment towards increased decentralisation in local government as underlined by the final declaration of the 33rd International Union of Local Authorities Conference, held in April this year, and to which SA is a signatory

Why then does Motshekga claim the present two-tier metropolitan system — which allows for the substantial devolution of powers and functions to local councils — cannot uplift disadvantaged communities and, at the same time, maintain effective service delivery?

The metropolitan model has been used in many densely populated urban areas to integrate separate town councils in close geographical proximity by means of a co-ordinating, umbrella metropolitan council.

Touted as an effective means of securing cost-savings through the joint provision of services, the elimination of duplication and the sharing of resources, the model has also been used as an effective means of redistributing resources from wealthier to poorer areas

Redistribution occurs where the metropolitan council is given the power to impose levies or reconstruction taxes on the surplus revenues of more affluent councils within the region, which are then transferred to balance the budgetary deficits of poorer municipalities and to assist with capital projects

The central body also plays a role in co-ordinating development in the region to prevent residential, commercial and industrial development becoming concentrated in isolated pockets, thus promoting balanced socioeconomic development across the region

Citing greater Johannesburg as an example, megacity proponents have claimed that breaking cities and surrounding suburbs into separate municipal districts denies the region's true identity as a single, integrated urban economy

The greater Johannesburg metropolitan region is presently divided into four local councils representing the eastern, western, northern and southern areas of the city, co-ordinated by the umbrella Greater Johannesburg Metropolitan Council

Megacity proponents claim "artificial" separation into local municipalities and a metropolitan council have caused these structures to ignore their functional and economic interdependence.

Instead they had become engaged in a destructive struggle for finances, and decision-making powers and functions, and had pursued competing economic agendas to the detriment of the city as a whole, and of the less affluent municipal structures and communities in the west and south in particular

Redistribution took a back seat as councils squabbled over the drawing up of budgets and the size of redistribution levies, they say.

The argument is not without foundation Uncertainty over responsibilities and a lack of co-operation between the two tiers have jeopardised efficient service delivery and resulted in administrative difficulties across the city for the past two years.

Living standards have not improved dramatically for many Soweto ratepayers and informal settlement dwellers in the city's southern and western areas.

Neither has the commercial and industrial development needed to expand revenue bases and promote job creation in these areas materialised. Investors have instead continued to pour funds into the city's eastern and northern areas which are perceived as more attractive.

Motshekga has argued that even where a strong metropolitan council model with most decision-making powers and functions being clearly vested in the central body is employed, the model would still fail because of unavoidable power struggles between the tiers and a natural tendency for local councils to attempt to undermine adjacent areas

A megacity, on the other hand, would unite the region into a single entity, with a single budget, by vesting all municipal decision-making powers and functions into a single, central regional body.

The present local councils would be converted into administrative arms through which to deliver services in line with central policy.

The all-powerful central body would then shift development to where it was needed most by virtue of its exclusive town-planning powers, and allocate finances to areas according to a central fiscal policy, thus alleviating the need for controversial reconstruction levies

While conceding that strategic co-ordination is best achieved by centralised rather than decentralised models which require extensive consultation and consensus-seeking, megacity critics Ian Davidson of the Democratic Party and the National Party's Johan Killian have expressed great concern, however, about the susceptibility of the megacity to the abuse of majority power

The men, both of whom sit on the local government standing committee in the Gauteng legislature, have pointed out that the centralisation of greater Johannesburg would inevitably guarantee the ANC virtual political domination of the city

Having returned recently from an extensive tour abroad to examine forms of local governance at the request of Gauteng local government MEC Sicelo Shiceka, Davidson and Killian have reported that the megacity model is most appropriate in mature democracies with a well-entrenched tradition of strong opposition parties to impose checks and balances on the ruling party

This was not the case in SA's new democracy, they claim

Other concerns have been raised by DP councillor Frances Kendall and Gauteng local government director Bamba Ndwandwe, both of whom cite international experience as indicating that centralisation would have disastrous consequences for community participation in the local government process

As a result of the sheer size and complexity of the megacity body, they have argued that communities would find the workings of the body incomprehensible and alienating In addition, large bureaucracies with massive, convoluted and complicated budgets did not augur well for accountability and transparency in expenditure

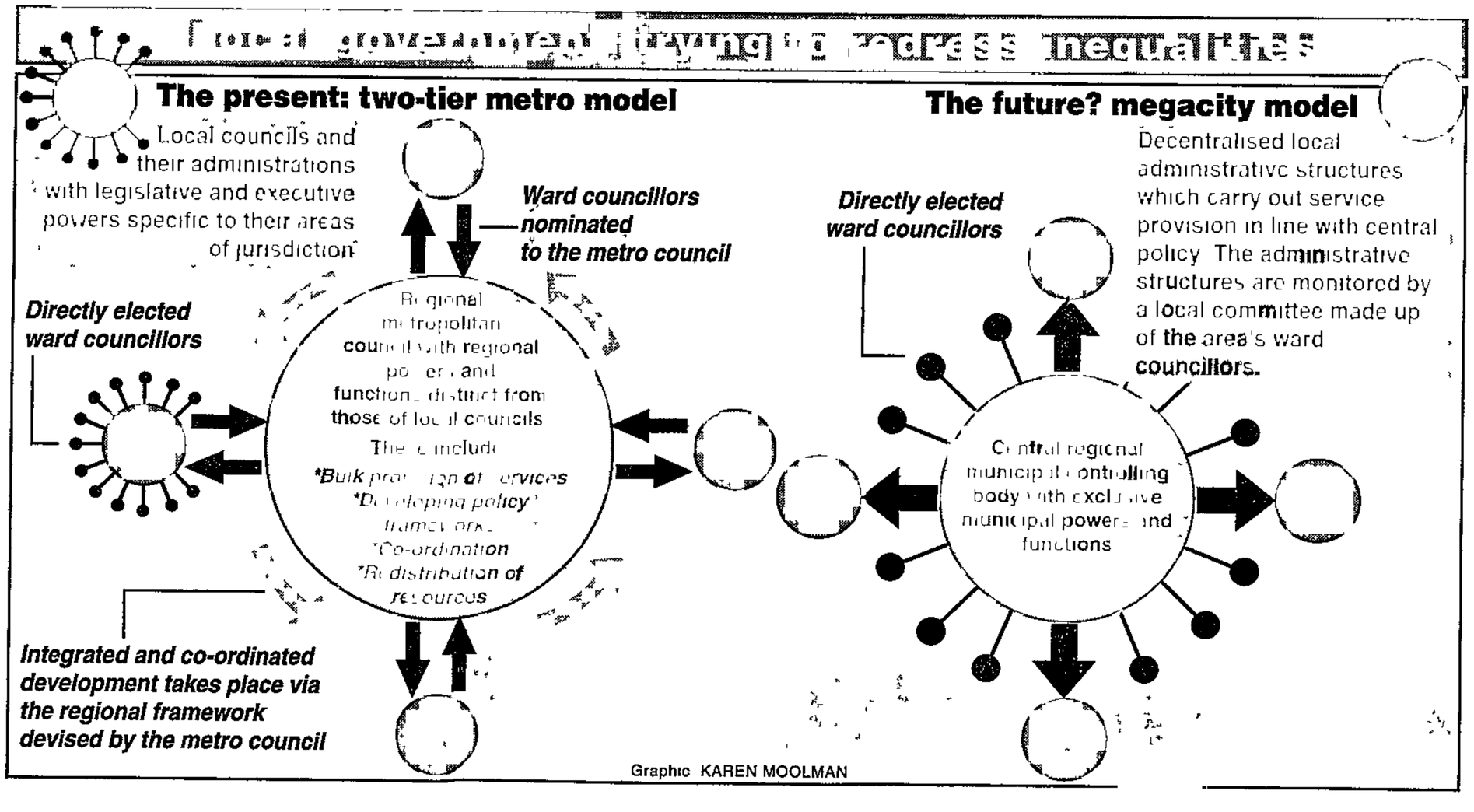
What then is the answer? Given SA's history of past abuses of power by a single political party and the dangers inherent in allowing a fledgling democracy to slide towards a system of one-party rule, it might be wise to favour a model which allows for greater multiparty participation

The possible negative implications of a small group of councillors and, ultimately, an even smaller executive committee, gaining unchecked and exclusive control of Johannesburg's combined budget of R7bn a year, are frightening The road to hell is paved with good intentions

In any event, it has shown that civic responsibility and payment for municipal services are maximised when communities are directly involved in the local processes governing their lives The imposition of any centralised model could jeopardise this fledgling participation

Ndwandwe has suggested that Johannesburg's problems lie not in the metropolitan model itself, but in the lack of local government legislation definitively spelling out divisions of powers and functions between the two tiers

Proper legislation, he has said, would re-establish the interdependence and interfunctional relationship between the tiers, creating a metropolitan arrangement capable of successfully redistributing resources and maintaining acceptable standards of service provision



Graphic KAREN MOOLMAN

Private sector co-operation reaping reward

Star 18/9/97 (266)

Midrand has maintained the lowest crime rate in Gauteng for longer than a year in spite of 80% of the community being disadvantaged.

Our Masakhane campaign has been hailed as the success story of the country, taking payment of services from 3% in August 1996 to 70% in August 1997.

When provincial and national government were not prepared to assist Midrand with traffic congestion along the Ben Schoeman, Midrand, together with the private sector, decided to build the most innovative interchange in the country with a traffic capacity well into the 21st century. This project is currently being completed.

A green city project is also being implemented. This will enable local legislation to ensure that environmentally sustainable principles are applied in all development projects. Natural resources are being conserved, protected and enhanced to be shared in an equitable way. Waste source reduction, low-cost thermally efficient housing, energy efficient office buildings, sustainable transport, urban agriculture, the management of water usage, protection and development of open green spaces and environmental awareness is being enhanced in education and training

Pretoria is limited by its inner-city planning and it is imperative that their existing open space be preserved at all costs. Pretoria is one of the most highly polluted cities in the country and desperately needs to address its sustainability in the next century.

Explosive growth in Midrand has implemented a shift from manufacturing technology to IT technology. Already community members, teachers and scholars are undergoing training in the Midrand community computer centre and the Rabie Ridge community centre. Plans to further extend these facilities are under way. To succeed in the 21st century, we need to eliminate technological barriers which separate the traditionally disadvantaged and advantaged communities. Once we have mastered the basics of technology, we will be well-placed to take advantage of innovation, development and the advancement that is intrinsic to the RDP at the heart of the new South Africa.

In a concerted effort to rectify the racial and economic divide created by apartheid, the Midrand Local Council, in 1996, established a Section 21 company, Middev, to promote projects or activities intended to raise the living standards of disadvantaged communities. Middev, a non-profit company is a partnership between government, business and the community and further focuses on the integration of Ivory Park and Rabie Ridge into the Midrand commercial development, which lies at the centre of this 21st century metropolis

In less than a year, Middev can boast direct employment and empowerment through housing and infrastructure projects, assistance in the start-up of small businesses, securing over R1-million from international donors for training purposes, and establishing partnerships with major local business leaders. In one project, for instance, Eskom, Caltex Oil and Johnnic came together to facilitate the building of 17 000 thermally efficient, low-cost houses over the next four years using a local labour force.

A city for an efficient government

Why Midrand?

- Parliament in Midrand can be used as a catalyst for the urban development of this pivotal area so that disadvantaged communities can be stitched into the urban mainstream, thereby creating a framework for South Africa's first socially, economically and environmentally sustainable city
- Midrand enables effective government and teamwork within state departments by locating the administrative and legislative functions in close proximity to one another
- Midrand plays a direct role in stabilising Gauteng and thereby impacts on the entire South African economy
- By consolidating a capital region, Midrand addresses government expenditure, efficiency, effectiveness and productivity
- Only Midrand achieves a series of objectives assisting the transformation process, not just relocation.
- No other city provides freedom from racial preconceptions
- No other city provides the visible opportunity for national rebirth.
- Only Midrand offers a parliament integrated with sustainable urban planning
- Only in Midrand can a new parliament act as a developmental initiative creating jobs and stimulating growth.
- Midrand has the lowest crime rate in Gauteng
- Midrand is the only city which does not rely on the Government to finance the new Parliament and is therefore the most cost-effective option.
- The Midrand Local Council, with it's innovative approach to town planning, is ensuring that infrastructural development is moving towards the creation of a unique integrated urban environment offering a quality of life
- As a model city in the new century, South Africa can inspire the world and become a highly competitive player on the global market
- Midrand wholly embraces *Laphumikwezi* – the dawning of a new era – our new country, new flag, new government.

Rapid transport system would benefit everyone

A city of 20 million people cannot possibly function without a rapid transit system. Limitations of road transport, apart from pollution and expense of maintenance, caters only for those who can afford a car

Gauteng is currently made up of dislocated pockets of economic and disadvantaged communities .The existing rail system is designed to link industrial and not residential areas.

Midrand's rapid transit plan is in accordance with the Gauteng green paper and would result in all areas, disadvantaged and advantaged, being incorporated

Situated between Johannesburg and Pretoria, Midrand is crucial to the successful implementation of an integrated public transport system – in fact, the recently completed K101 road through Midrand centre has already been built with sufficient space allocated for a rapid rail line.

This public transit line would directly impact on Johannesburg and Pretoria's imbalances, and the whole economy could only benefit from the growth that would spill out along the main transit route.

'Midrand win would stabilise Gauteng'

(266) Star 18/9/97

The debate about the future location of Parliament should come to a head soon Midrand entered the bidding process in July last year along with Cape Town, Pretoria and Bloemfontein Why should Midrand be considered as the seat for Parliament? Jenny Lehr, chairperson of the Midrand Parliamentary Committee, explains

Gauteng is facing an awesome future – presently some nine million people live in the province. By 2010, we will have 20 million people

The region is the focus of subcontinental migration which will result in the formation of one city made up of Johannesburg, Midrand and Pretoria.

Gauteng must therefore be made to perform better and its position as a major player in the subcontinental economic system must be reaffirmed

The region will become heavily reliant on sustainable urban development and planning Government's Development Facilitation Act which stresses the need for "extraordinary measures" being taken to address urban disparities, lack of integration and excessive commuting, must be applied

This is where Midrand can provide the solution.

By virtue of its location and developmental potential, Midrand is at the epicentre of the Gauteng metropolis and can unlock the potential of the region and ensure its ongoing vitality

> **"No such thing as a 'normal' city in this land"**

A corridor between Johannesburg, the economic centre, Midrand, the legislature, and Pretoria, the administrative centre, would provide an ideal "spine" for this metropolis

In 1989, the Midrand Metropolitan Local Council recognised the necessity to confront its role in the 21st century and identified the need to build an effective "bridge" between Johannesburg and Pretoria.

The imperatives of Gauteng proved identical to those of Midrand. to create a strong urban economy, shape a future city pattern that integrates disadvantaged communities into the urban mainstream and to reduce excessive commuting

No other bidding city can be described as "healthy" as there is no such thing as a normal city in South Africa – they were all built around the needs of 20% of the mobile elite and the 80% of disadvantaged were marginalised

To survive in the next century and to address a sustainable urban dynamic, residential, commercial and recreational space must be integrated Midrand embraces these principles wholeheartedly

With the new government in place, there is a window of opportunity to begin healing the apartheid legacies in our existing cities.

Midrand is comfortable in addressing these disparities and is thereby beginning to play a vital role in "normalising" Gauteng as quickly as possible.

The role Parliament can play

Midrand is not simply looking at "relocating Parliament", but at the actual siting of the first democratic parliament in our nation's history

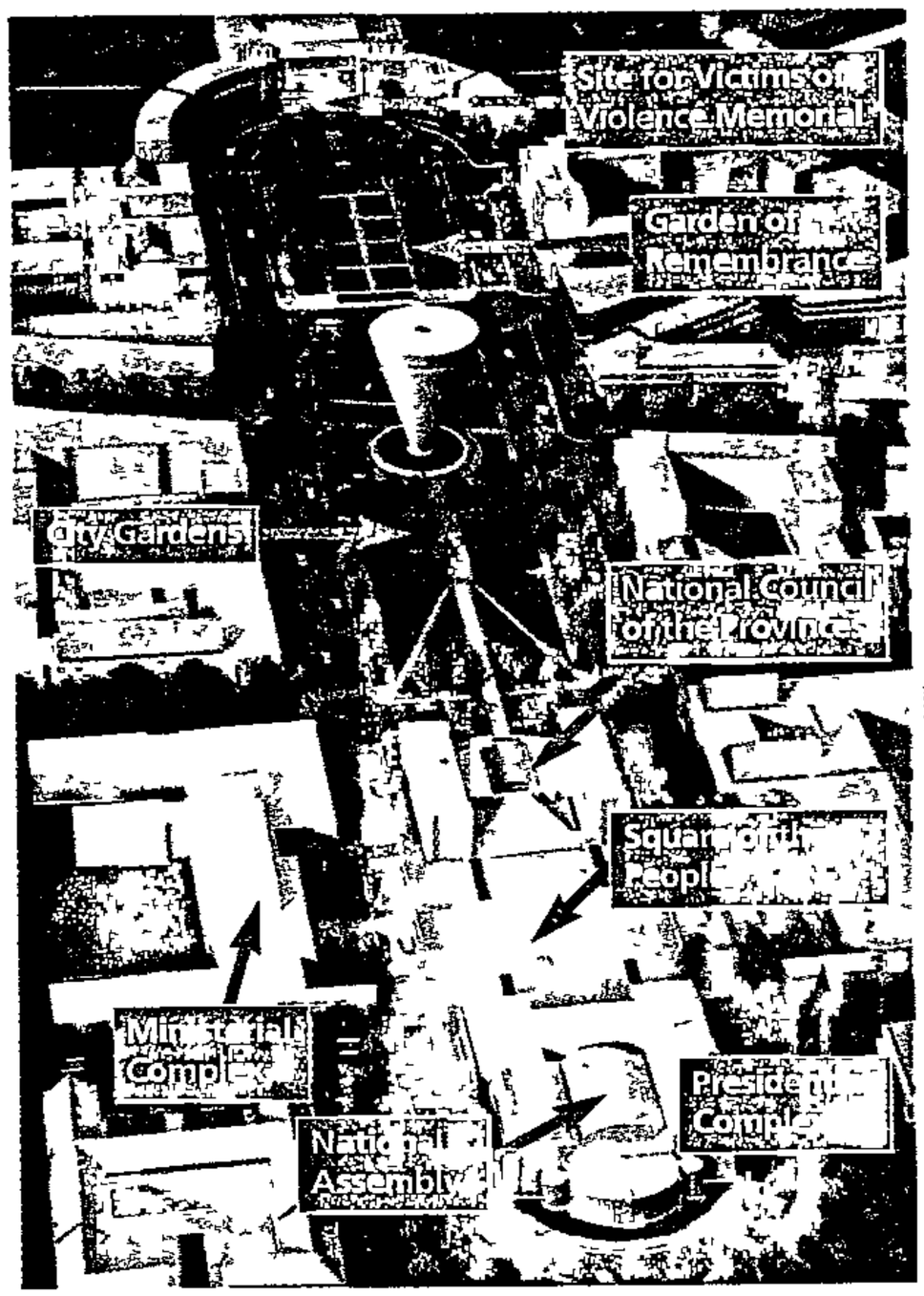
Such a momentous decision must be used to achieve as many objectives as possible – long-term sustainability is essential and far more rational than simply the filling up of existing empty buildings

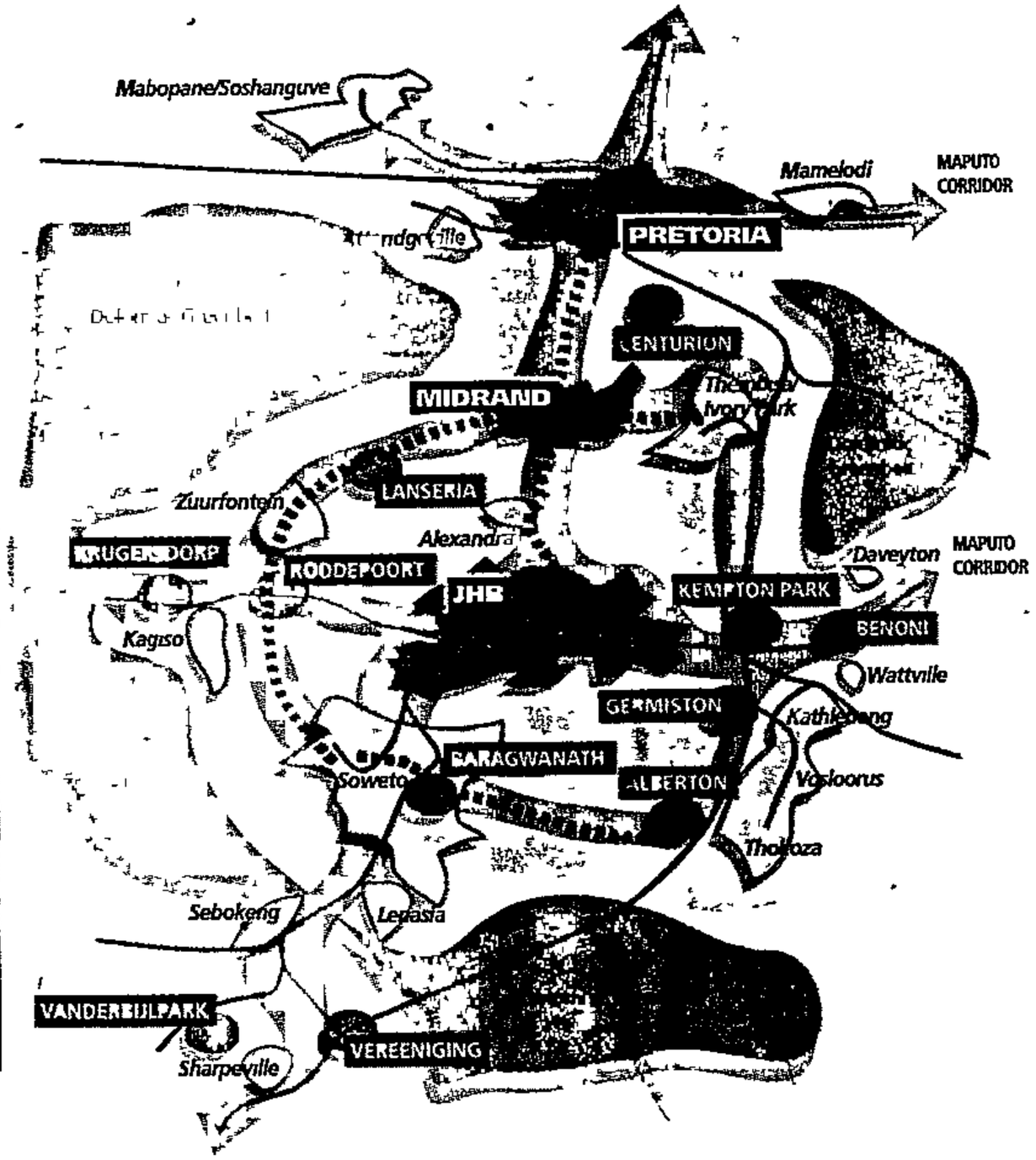
The functions of a democratic parliament are basically threefold. to represent the people, make the decisions and to govern.

To operate at maximum efficiency it should be within easy reach of the majority of the people and it needs to exude a friendly, accessible yet authoritative ambience. From the Government's point of view, effectiveness, efficiency and productivity are the guts of it.

Midrand's parliamentary precinct is situated directly in the new city centre, with the 65ha Old Mutual *Zonk'izizwe* development on its northern side, the parliamentary village on its southern side and Grand Central airport to its north.

This makes it equally accessible to all Gauteng residents from Mamelodi to Sharpeville, from Kagiso to Daveyton





Efficient . an artist's impression (above) of the parliamentary precinct, which will allow for the creation of public squares, memorials and libraries. The rapid transit plan (right) will incorporate all areas and integrate marginalised areas into the urban mainstream

It also addresses the need for integrated accommodation, work and recreation to encourage efficiency and harmony among MPs and leaders.

The decision as to where to site parliament is an ideal opportunity to apply and deliver the land development objectives and key themes like RDP, economic growth, job creation, social and urban infrastructure and participation on all levels.

History has proven that Parliament in itself does not create an economy (in that it offers fewer than 1 000 direct jobs), but can act as a catalyst if positioned in an area where the private sector has an initiative to follow Midrand provides that initiative.

Parliament is a project that can assist Midrand in consolidating a capital region which can form part of a process of stitching marginalised and disadvantaged communities into the urban mainstream and thereby providing access to opportunity and choices

A Midrand parliament is the perfect anchor in such an environment to assist in meeting these post-apartheid challenges.

If transformation is the true aspiration of our country, then siting parliament in either Cape Town or Pretoria makes little contribution to the nation – it doesn't even assist disadvantaged communities which remain marginalised.

If Midrand gets a sustainable and healthy infrastructure in place, it will directly impact on the stabilising of Gauteng.

This in turn will directly impact on the economic heart of the nation and so the ripple effect will continue. Midrand has the potential (and objective) to become the Renaissance City of Africa, which could spearhead an African continental renaissance.

Central for 60 MPs living in Jo'burg and 63 in Pretoria

Star 18/9/97 (266)

In order to minimise the cost, both financial and social, parliament needs to be located in the centre of the majority of parliamentarians (and thereby the people).

Currently, Midrand is directly central to 60 MPs living in Johannesburg, 63 MPs in Pretoria and several in Midrand itself In fact, 76% of all MPs live within 600km of Midrand

Grand Central airport can link MPs directly to their constituencies, no matter how far

The relevance of travel for MPs, however, is not a decisive issue, but a short-term one.

The current reality is that administration is scattered all over Pretoria, and it is already necessary for MPs to get into their cars in order to travel from one ministry to the other or a new parliament in the city centre.

The rapid-rail vision and future infrastructural-structural development in the Midrand region can only improve on the current travelling time between Midrand and the various administration buildings in Pretoria.

However, travel conditions within Pretoria can only worsen

The transformation process cannot depend on government alone, we need to be creative and proactive in addressing the funding of such a project.

The long-term decision must prove its sustainability beyond the 21st century and cannot be addressed within short-term parameters

The financial plan, namely the People's Company, proposed in locating parliament to Midrand is both viable and elegant In fact, it eliminates the cost factor of a new parliament becoming an economic issue.

Important however, is the fact that the millions of rands currently being spent on maintaining Cape Town and Pretoria will be saved.

The People's Company raises the necessary cash (up to R1,5-billion guaranteed) to achieve the building of a new parliamentary precinct by taking the burden off the taxpayer and therefore, the Government as well.

UAL Merchant Bank is on standby to put a consortium of smaller merchant banks and black empowerment groups together to create a people's company (PC) through which the capital will be raised

The PC will be a Section 21 company that will give a stake in Midrand's parliament buildings through people's participation parliamentary notes (PPPNs). It is a creative yet straightforward system

PPPNs offer all South Africans a chance to participate directly in the development of the new parliamentary precinct and the issue of PPPNs will be fully underwritten by UAL Merchant Bank

PPPNs will be sold on the retail market, mainly to individuals; however, corporate investors and clubs such as stokvels will also be encouraged to participate The PPPNs will be issued in units of R100 each and will attract 10% interest per annum on the note value

People will be able to buy and redeem the PPPNs at Nedbank, Permanent Bank and People's Bank.

In addition to earning interest, PPPN holders will automatically qualify in monthly bonus draws which will represent 5% of the fund's value.

The PC will not have any profit motive but will generate substantial cash surpluses over the period required to construct parliament.

It is envisaged that these surpluses will be made available for RDP projects at the termination of the PC.

This concept creates a voluntary investment environment accessible to all South Africans – a true people's parliament.

Recently, South African President Nelson Mandela indicated his preference for a single capital

Pretoria, Midrand and Johannesburg, by natural demographic development will in any case, become one city

> 66
> **Decision must prove sustainability beyond 21st century**
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SOWETAN Friday September 19 1997

Megacity referendum racist, says MEC

(266) Sowetan 19/9/97 ~~262~~ ~~267~~

By Joshua Raboroko

THE Gauteng government and its 52 local authorities have disassociated themselves from the "megacity referendum" to take place this weekend, calling it an attack on and the undermining of a legitimate and democratically elected government

At a Press conference in Johannesburg yesterday, Gauteng MEC for development planning and local government Mr Sicelo Shiceka said "We believe this referendum has no legal status, as it is organised by certain individuals

"It is there to undermine the redistribution of resources We will not consider any outcome of this racist referendum Referendums are normally organised by government"

He said a referendum was supposed to involve all, particularly the organisations that represented the people of the province

The Gauteng government was not consulted and "we believe this racist campaign is aimed at preserving riches accumulated during apartheid"

Shiceka said a major conference on local government was scheduled for October 23 and 24 It would, among other things, focus on modules, developmental role, service delivery and rationalising of local government

"We call upon all law-abiding citizens to support this democratic programme that will determine the future of local government"

According to reports, a megacity system would merge Greater Johannesburg's existing metropolitan council and four local councils into one, with the former substructures responsible only for services Decision-making would reside with the megacity structure

Zapiro's leader page cartoon will appear from Tuesday to Friday from next week.

The megacity divide

Sowetan 19/9/97 (266)

The debate over which administrative model will best suit Johannesburg's needs is an emotive issue which has left people divided. **Amrit Manga** explains why ...

DEBATE sparked off by the search for an appropriate local government model for Johannesburg has inflamed emotions, split opinion and now threatens to divide South Africa's richest metropole

This weekend, Johannesburg residents are being asked to vote on the model of their choice Their decision will not be easy

The intensely complex debate essentially reflects two divergent positions – whether to fragment the city into small local authorities or unite them into a single megacity

The options appear straightforward But the motivations are complex and emotive

On the one hand, opponents of the the megacity option argue that it will lead to a centralisation of political power and the formation of a bloated, wasteful and inefficient bureaucracy

Rates and tariffs, they say will soar Quality of services will drop and property values will plummet Local government accountability will be a definite casualty Mismanagement will follow

On the other side of the divide, proponents of the megacity say It will eliminate duplication, yield leaner administrative structures, integrate provision of services and, in the process, generate large savings

Most important of all, though, they see the megacity model as an effective tool in the redistribution of resources from rich and mainly white suburbs to poor black townships Racial and fiscal disparities entrenched under apartheid would then be eliminated

Compelling justification

This is compelling justification for the megacity option when examined against the backdrop of the underdevelopment in the south-west of Johannesburg

And if a choice had to be made on purely moral grounds, the megacity option would be the obvious preference But the split in opinion is not as neat as it appears on the surface

The anti-megacity lobby is not convinced that the expected cost savings will materialise In fact, it argues that costs will increase if public service delivery systems are centralised

Democratic Party councillor Frances Kendall, a vocal proponent of decentralised governance, cites international experience to prove that bigger cities are not necessarily cheaper

Quoting studies conducted in the United States, she shows that cities of less than 50 000 residents are the cheapest when rated in terms of service costs per person

By comparison, cities of over a million residents are the most expensive Johannesburg would have to cater for up to four million

But not even Kendall can deny that conditions in townships have not improved dramatically since the democratisation of local government

Alexandra township ... megacity proponents argue that the absence of development here and elsewhere is because local councils are in conflict over resources for pursuing their independent developmental agendas.

Advocates of the megacity option blame this on a refusal of local councils to acknowledge their economic interdependence Instead, they have engaged in unproductive battles for resources in pursuit of independent developmental agendas

This has caused conflict and confusion The result has been disjointed development initiatives

Townships like Alexandra and those in the south-western region of Johannesburg have lagged behind in the reconstruction drive

African National Congress (ANC) proponents of a centralised megacity cite this as the main reason to reduce the four local councils to no more than administrative arms of a centralised megacity Their responsibility would then be to deliver services in line with policy determined at a central level

A central body would also eliminate unproductive competition for resources between local authorities and more successfully direct development to townships, where it is most needed

Redistribution of wealth

Kendall, however says the question is not whether wealth needs to be redistributed, but how

Her supporters argue that bigger cities tend to consume more resources per resident and therefore leave less for redistribution

"Wherever there is a large pool of money for public expenditure, interest groups gather around elected politicians and lobby for spending that favours their constituencies," Kendall says

Those in greatest need, she says are generally unorganised and under-represented and are therefore overlooked when funds are allocated

She has evidence to support her claims Referring to the 1996-97 budget, only R70 million was budgeted for new infrastructure in Alexandra, compared to R29,5 million for the Civic Theatre

Reprioritisation of spending in line with developmental priorities, however, also has a lot to do with accountability of local government

That is a feature, ANC councillors argue, which will certainly be enhanced through the centralisation of authority

Residents are currently confused about which authority should be held responsible for local conditions This confusion arises because different authorities are responsible for revenue collection and service provision on the one hand and expenditure on infrastructural development on the other

With only one authority, this confusion would be eliminated Residents will know exactly who to hold accountable for lack of delivery

That may well be true But even some ANC councillors would agree that smaller local authorities enhance accessibility to elected councillors and therefore accountability

In what is evidently a very complex debate, civic activists say one important point is missed – and that relates to a separation of long and short-to-medium term objectives Many remain convinced that centralisation of local government seems the only sure way of steering development to where it is most needed

Apartheid, they argue, ensured that the bulk of Johannesburg's wealth remains in white hands There are no guarantees that they will endorse its redistribution in favour of equitable development

Johannesburg broke, cuts spending

Star 19/9/97 (~~187~~) (266)

By Anna Cox

Johannesburg's metro council has been unable to pay its bulk electricity supply bill for two consecutive months, prompting a multiparty agreement yesterday to drastically scale back the metro's running costs.

The debt to Eskom for electricity supplied during June and July, estimated at R8,6-million, is only one of several hundred debts which the metro has yet to settle with creditors.

Eskom media spokesman Peter Adams told The Star: "We are taking the problem in a very serious light because both June and July accounts have not been paid.

"There will not be cutoffs; we will pursue the normal thorough procedures of negotiation and reminders."

The council, which is made up of all the parties represented in Johannesburg's four local councils as well as representatives of the metro council itself, conceded it was facing serious financial problems.

Motor dealers, office equipment suppliers and car hire firms are among the metro's creditors, The Star was told. They are refusing to do further business with the metro until the debts are settled

In an unusual move yesterday, the ANC, which has a majority in all five councils, joined with the opposition parties in

R8,6-m owed to Eskom for electricity is just one debt

agreeing to cut the metro's budget by R121-million.

The ANC, the NP, the IFP and the DP also voted to raise local and foreign loans totalling R1-billion .The bulk of the loan will go towards capital projects.

The parties have instructed Johannesburg's chief executive officer, Nicky Padayachee, to disclose the full extent of the metro's indebtedness, to find steps to permanently rectify the financial problems and to report publicly on initiatives taken to solve them.

The meeting also agreed to immediate steps to curtail expenditure by departments.

These include: limiting expenditure to what is absolutely necessary to the daily delivery of services, capital expenditure to be limited to contractually committed projects only, the active collection of debts, an end to "soft loans" for employees, and a freeze on vacancies other than "critical posts".

Finance head Lucas Opperman said the R1-billion loan would enable the council to continue its capital projects as scheduled. It would not cost the ratepayer anything because it had been budgeted for, he said.

The seriousness of the crisis was underscored by the ANC's support for the financial rescue deal proposed by the DP, but the DP then voted against the motion because of the ANC amendments.

Gauteng govt to ignore referendum

Star 19/9/97 (266)

STAFF REPORTERS

The Gauteng government and its local authorities have distanced themselves from a referendum to be held tomorrow on the desirability of a megacity in Greater Johannesburg

Local government and development planning MEC Sicelo Shiceka said yesterday the referendum "undermined a legitimate and democratically elected government"

A megacity will merge Greater Johannesburg's four local councils and one metro council into one with all power vested in the one, large council.

"We will not consider any outcome of this racist referendum. Referendums are normally organised by the Government," he said

Shiceka said consultations with "civil society" on the central Government's green paper were under way and the public would have a chance to comment on the draft policy before a decision was taken

Meanwhile, **Anna Cox** reports that preparations for the referendum are on target

More than 3 000 volunteers from residents' associations will run polling stations and the Electoral Institute of South Africa will monitor the voting

The ballot paper – which will be in English, Zulu and Sotho – will contain the question: "Are you in favour of centralising all power in Greater Johannesburg to form a single megacity council?" Voters can tick either Yes or No

■ Centre for Policy Studies executive director Steven Friedman, said that while there were disadvantages to a megacity, there were "trade-offs in any model".

"Let's be frank, People in Sandton don't want to pay for Soweto, but you're not going to escape"

Visions of Johannesburg's future

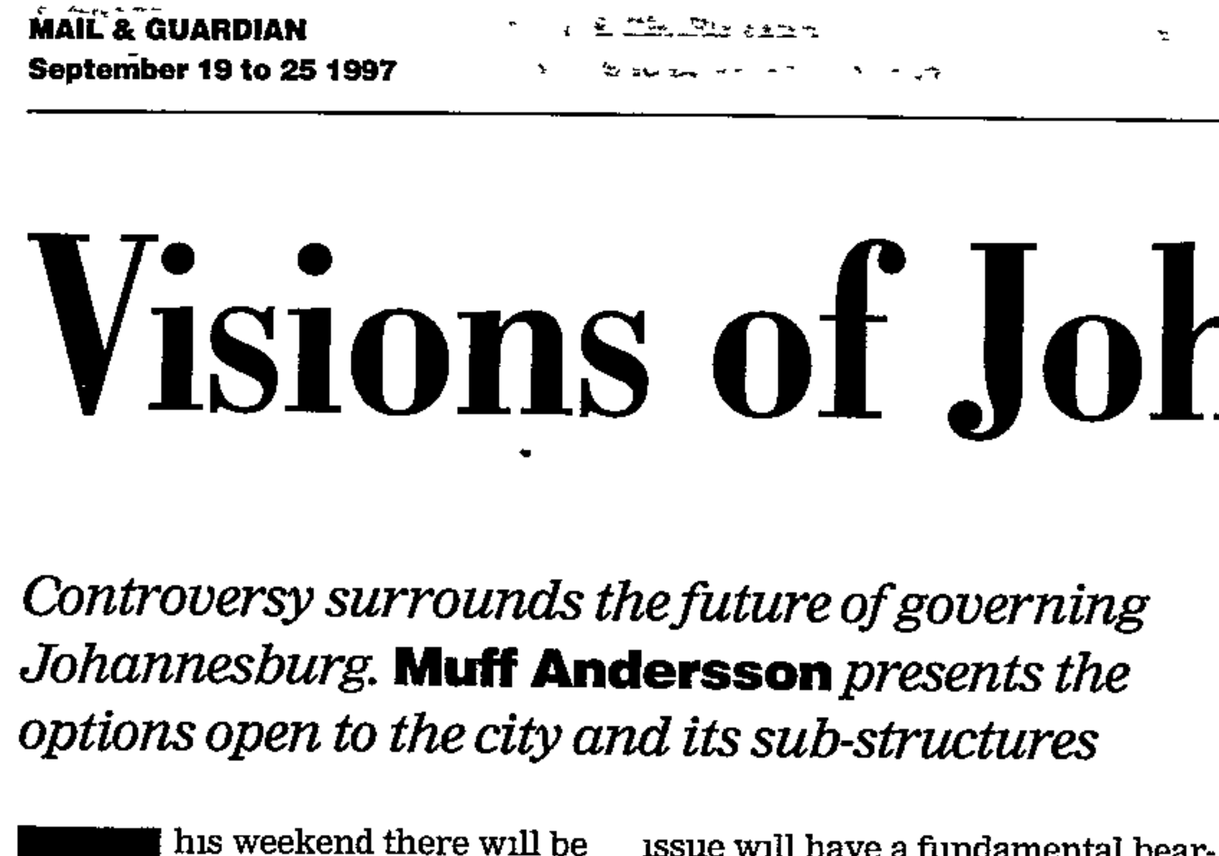
(26b) M+G 19-25/9/97

Controversy surrounds the future of governing Johannesburg. **Muff Andersson** *presents the options open to the city and its sub-structures*

This weekend there will be a private referendum in the white suburbs to determine whether residents of Johannesburg believe the city should remain governed by four separate sub-structures or be merged into one giant megacity

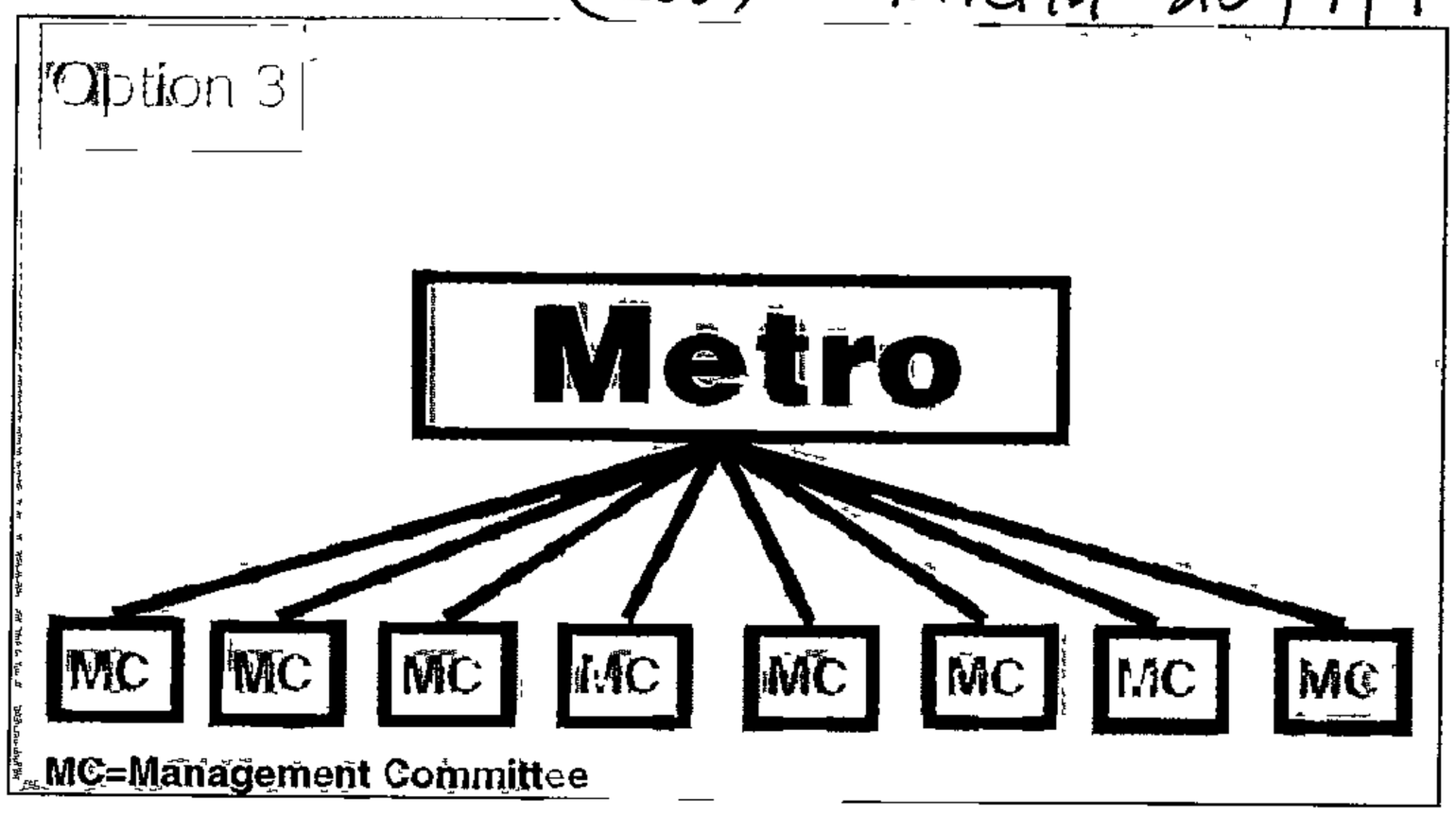
Regardless of the referendum, the issue will have a fundamental bearing on the future shape of local government in South Africa.

The South, a newspaper to be published this month by the Southern metropolitan local council, has assembled the four scenarios that are presently being considered, analysing their strengths and weaknesses



Option 1: Two-tier system

to a world city Although the current



Option 3: One-tier system: Unicity or mega-city model

The central authority would be one metro council. Under it would be several metropolitan management communities (MMCs) with powers and functions delegated (by agreement, not by legislation) to local level

There would be a smaller number of both directly elected (ward councillors) and PR councillors (elected to metro level only)

There would be a larger number of smaller MMCs made up of four to five wards and a maximum of 100 000 voters per MMC

An option being considered is to city if there was one decision-making body only

- We would maximise economies of scale in delivery of services We could provide high-quality services and avoid duplication, waste and uncertainty in the administration
- We would bring participative democracy to the people of Johannesburg
- Through the mega-city approach we could create a single vibrant metropolitan economy as well as a high quality of life for all We would be poised to develop our vision as the leading city in Africa

Critics say:

- It would not be cheaper to

tiatives would be dropped In megacities throughout the world it is clear that the development priorities change We might end up having a highly developed inner city and little or nothing to speak of in the informal and previously black areas

- If the current system is slow with five councils sharing the burden, how would a single council cope? Imagine the bureaucratic bottlenecks
- The proposed system is precisely what we moved away from when we destroyed the old apartheid structures People on the ground will not tolerate management committees
- This system will not bring "par-

Keeping the status quo as it is, a metro with four autonomous local councils Existing political representation would stay, and the current administration and geographical demarcation

Enthusiasts say:

The metro system has gone a long way to making local government accessible to the citizens of Johannesburg It is a democratic system, and it has a local economic development focus which is the only way an unevenly developed city such as Greater Johannesburg will be able to grow in-

are now familiar with them

Critics say:

The metro and four local councils are a circus Functions are duplicated The cost of maintaining five councils is exorbitant It would be cheaper to have only one set of people performing these functions Under the present system, there are different priorities, which is confusing for residents For example, the Sandton rates boycott in the east messes up things for other residents, because of cross-subsidisation If there was only one council, this wouldn't happen

metro council and ward-level community elections, held separately as a separate event, for community representatives on the MMC Community leaders would have advisory authority only on the MMCs

Principles of demarcation are still to be investigated and agreed upon

Enthusiasts say:

● It would be cheaper to have fewer councillors and one metro council with a central streamlined administration

● Events like the Eastern rates boycott wouldn't affect the rest of the

change would make expenditure spin out of all proportion There is no way that overnight the work of five councils would be reduced to that of a single council It is likely that another structure, a super-structure, would be created to oversee the transition This will be very costly

● In the process of changing systems, projects would go by the wayside and current development ini-

democracy distant from the people

● It is no use proposing a structural solution to a political problem

● If Johannesburg is to be rezoned, and if these major changes are to be made, its citizens will have to know about it There are two costs to be considered the financial cost of reinventing the wheel and the cost in terms of credibility in saying, "We're starting again"

Option 2: Two-tier system

Both the metro and local powers would have legislated powers and functions However, there would be a smaller number of councillors and a larger number of smaller local councils made up of four to five wards and a maximum of 100 000 voters per local council

Ward councillors on a metro list would represent citizens at local council and metro council Ward councillors on a local council list would represent citizens at local council only Local councils would take care of functions and services of relevance to citizens at local level

All the big stuff — finance policy, land-use planning and economic development — would be decided by the metro

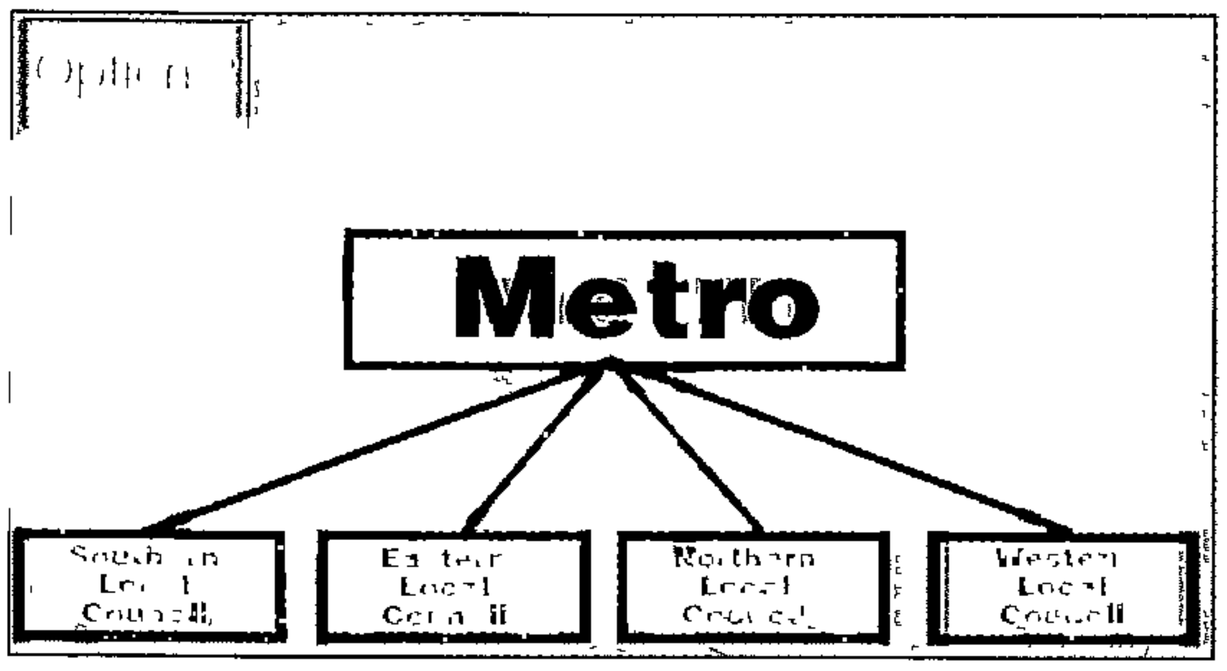
Enthusiasts say:

Independence by local councils in metropolitan areas over development policy and over land-use planning and regulations will lead to local councils avoiding these problems

It is, therefore, proposed that metropolitan-wide policy and land-use planning as well as land-use regulation or control must be a metropolitan function

Critics say:

What is not explained here is why



there is this assumption A view often given is that local councils are too close to the ground to get a perspective ("the big picture") of their development policies and land-use planning programmes

Yet the opposite could be argued Because of the proximity of local councils to their constituencies, they are better poised to take correct development and land-use planning decisions

Enthusiasts say:

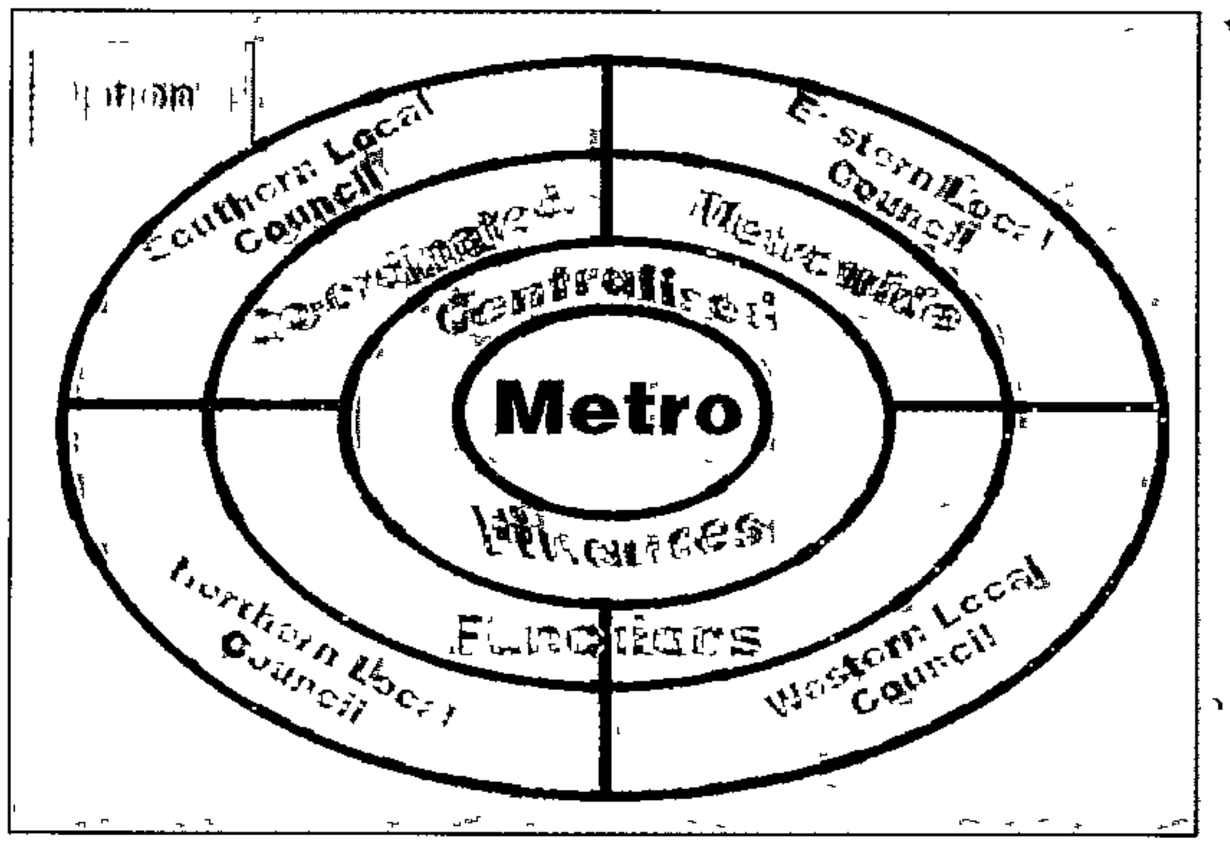
We want decisions on what use land is put to be informed by local community interests set off against longer term metropolitan-wide in-

terest in securing the vision for the metropole We propose that economic development functions, other than those which relate to implementation, such as hawkers, should be metropolitan functions

Critics say:

● Once again there is a suggestion that a body several stages away from the community should decide on behalf of that community what is in their interest And again, the opposite argument might be more convincing

● If all the key functions are being taken away, what is the point of having local councils?



Option 4: Two-tier system

In structure, Option 1 would remain In function, the finance and budget processes would be centralised and controlled by the metro, which would distribute finances equitably according to the capital project commitments of each metropolitan local council (MLC) and in keeping with overall metro-wide strategies of developing previously underdeveloped and neglected areas of the city. In this way, whatever the East does will not affect the other MLCs

Enthusiasts say:

● It solves the problems without the upheaval and the cost

● Aspects of a mega-city can be put in place without overturning the entire apple-cart That way everybody gets to understand what centralised functions mean in reality

Critics say:

If you go this route you might as well go the whole hog Where there is a problem with finances now, later there will be one with economic development and that function will have to be centralised Ditto human resources, ditto corporate service, ditto social development So why not plan for one centralised city economy from the beginning?

Megacity: a battle of interests

Star 19/9/97 (266)

Parties are divided over the best way to provide services to all in Johannesburg

BY LEE-ANN ALFREDS

The ballot for this weekend's private referendum asks "Are you in favour of centralising all power in Greater Johannesburg to form a single megacity council?"

The answer is a simple "yes" or "no".

But the two words clarify little about a debate in which the ANC has accused the DP of racism and in its turn has been accused of trying to do away with any opposition

For what is at stake is not simply a new model of local government.

Support from the ANC

Rather it is how to provide the disadvantaged with the services they were denied in the past, while at the same time protecting the interests of the privileged

Political parties agree that while Johannesburg was a de facto megacity in the interim phase between April 1994 and December 1995, there are no existing examples of a megacity in South Africa today

Although the ANC has not taken a decision, key figures have argued that levelling the playing field can best be done through a megacity – merging Greater Johannesburg's five councils into one which would be responsible for policies, delivering services, maintaining amenities and allocating resources. Its proponents argue that a megacity is the best model for redistribution, and will concentrate skills and improve efficiency

"Creating a metro government will enable us to pool all the resources in the metro area and redistribute them according to the needs of the community," ANC provincial legislator Mathole Motshekga said

But the DP and NP and several ratepayers' associations argue that a better option is to set up several autonomous local councils to make their own decisions

This would force councils to be more accountable, mean smaller government and lead to better services It would also lead to competition, which meant residents would have an option

Both the NP and DP argue that a megacity would cause rates and charges to increase, services to deteriorate, and businesses and wealthy people to flee to councils where they receive better value for their money. A megacity would also lead to councils being less accountable.

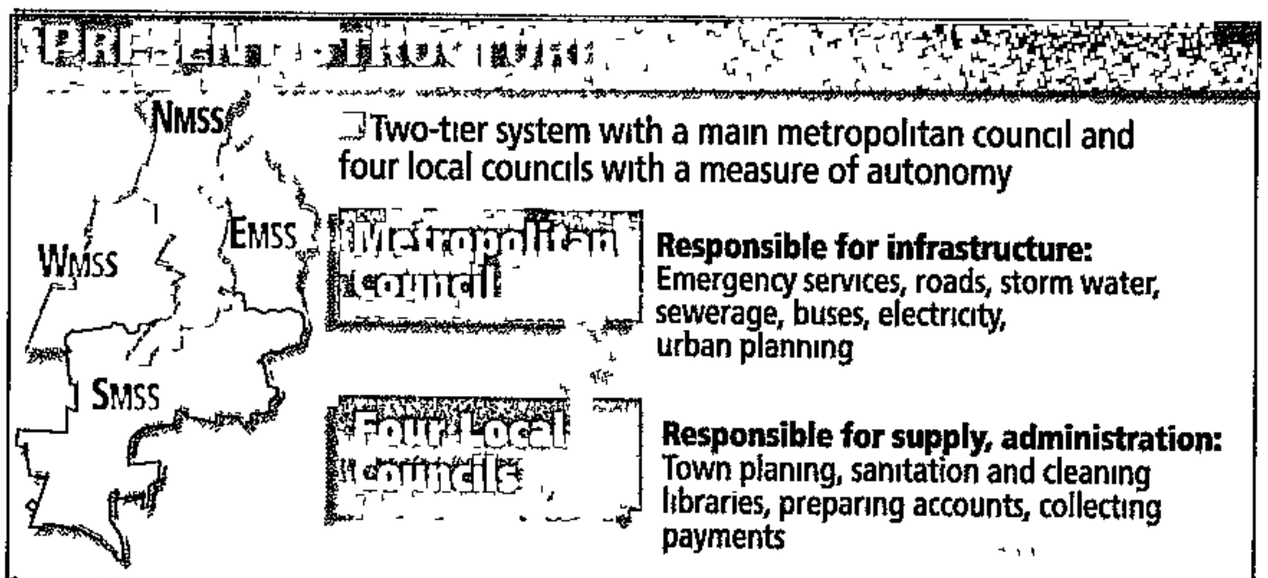
"In a megacity, property values are likely to fall dramatically. As they drop, Johannesburg's rates base will shrink, services will deteriorate and all will suffer, especially the poor who have no escape and no alternative resources," DP spokesman Frances Kendall said.

"The megacity is purely a political centralisation of power rather than the objective of efficient, cost-effective government," NP spokesman Yakoob Makda said

DP, NP oppose the idea

"There are as many studies for a megacity as against It's really what you start from, what your priorities are," said a local government consultant who did not want to be named.

He said Johannesburg was facing a severe constraint, with the number of residents almost doubling to about 4 million while staff had been reduced from 35 000 to about 26 000 This would affect how well the council could manage a new system



(266)

Alternative plans so that all can vote on megacity

RULE IN BOARD

Star 20/9/97

By JACQUI REEVES

Organisers of today's megacity referendum claim to have made alternative plans to accommodate voters in the south and west of Johannesburg, where two major shopping centres have refused to allow polling booths Organisers said no residents would be left without polling stations

Late yesterday afternoon, the offices of the megacity steering committee was said to have been receiving hundreds of calls requesting information on where to place their votes. Russel Crystal, of the megacity steering committee, said numerous faxes from residents who would be away from Johannesburg over the weekend, but who wished to make their vote, had also been received

This week the referendum was challenged by MEC for Development Planning and Local Government Sicelo Shiceka, who said it undermined "legitimate and democratically elected government"

He said referenda were supposed to involve all, particularly organisations that represent the people of the province, and that the government had not been consulted on this action

Manipulating

Shiceka said the tactics being employed by the organisers of the referendum were aimed at manipulating public opinion.

"They are already channelling the views of the people before the public have even been given a chance to really know what the issue is all about," he said

Mathole Motshekga, chairman of the standing committee on local government, this week addressed businessmen on the issue, highlighting the need for an improved form of local government, which he described as being in dire straits

"We cannot let local government crash, we need to shape a system that will best fulfil the needs of the people of Gauteng"

He said the future of local government would be debated at public hearings

Yesterday the National Party challenged Johannesburg's metropolitan council to distribute ballot papers, together with non-partisan information, with all electricity accounts next month

NP member Juli Kilian said the proposal would be both a representative and accurate way to test the water on the merits or otherwise of a megacity

Dark horses wooed in Gauteng premiership stakes in effort

(266) Star 20/9/97

By JACQUI REEVES

As the race for the premiership of Gauteng enters its final week, insiders say furious lobbying among branches of the ANC is reaching fever pitch, but that the outcome is far from certain

Dark horses in Dr Frank Chikane, director-general in the office of the deputy president, Gauteng MEC for Economic Affairs Jabu Moleketi, and the head of the Financial and Fiscal Services Commission, Murphy Morobe, may be on the start line

Although speculation is rife over the list of candidates, the ANC began informing the members of their nominations only on Thursday, requesting them to consider whether they will agree to join the race

By yesterday afternoon, the ANC's headquarters in Johannesburg had received nominations from 109 branches.

ANC spokesman Reuben Standers said the list of members who had accepted their nomnations would be released next week.

Allegations that gerrymandering of regions, aimed at dividing leading candidate Mathole Motshekga's support base, had resulted in a mushrooming of new branches were denied by Standers, who said the ANC was constantly establishing new branches countrywide.

"Branches are launched all the time and there have not been any changes to that over recent weeks We go out regularly and sign up new members, and as soon as we have more than 100 we are then able to establish another branch," he said.

One newcomer to the premiership race is Gauteng MEC for Safety and Security Jessie Duarte Although her high profile and no-nonsense character have won her many supporters among the public, sources within the legislature say she is not a prime candidate

"She has a tough job that has not won her many friends, and although she may be well liked by some of the public, she does not have enough support within the provincial government to pull something like this off," a source said.

Those loyal to Motshekga believe the new names are simply an attempt by the executive of the ANC to find a popular candidate who could, realistically, challenge the large grassroots support base Motshekga enjoys.

"The executive has lost faith in their man (Health MEC Amos) Masondo and are trying to find new ways to make sure that Motshekga does not get the position," the source said.

It is believed that the ANC Women's League and Youth League have once again thrown their weight behind Motshekga, along with the Vaal region.

Speaking to a group of local businessmen this week, Motshekga said he had absolute faith in the nominations and election procedures of the ANC, saying that all was "on track".

Although all nominations should be with the ANC by early next week, Standers said the deadline was simply there to aid administration, and it was the norm to keep nominations open until the day of the conference

"It is an administrative hassle to receive nominations on the conference day, but we have to accept all those who do come in, as some may decline their nominations and force branches to choose a different person"

to stop Motshekga

81 000 voters reject plan for Jo'burg to become a megacity

(266) Star 22/9/97

CITY REPORTERS AND SAPA

More than 80 000 people turned out at polling stations in shopping malls at the weekend to register their opposition to a megacity being established in Greater Johannesburg.

The votes were polled in a private referendum organised by a group of residents' associations under the auspices of the Megacity Referendum Steering Committee.

Releasing the results early today, Democratic councillor Mike Moriarty said a total of 84 324 votes were cast in the referendum. The total number of votes cast against the "megacity" plan was 81 684. The total number of votes cast in favour of the plan was 2 464. There were 176 spoilt ballots.

In the 1995 local government elections 1,5-million people registered as voters throughout the metro and about 600 000 of these voted.

Moriarty said a majority of 96,9% of the voters in the referendum had gone against transforming Johannesburg into a megacity, a centralised form of local government that will concentrate power in one large council and downgrade the power of the four sub-structures The Johannesburg metro council would be solely responsible for delivering services, collecting payments, charging rates and policy.

In the referendum, residents over the age of 18 were asked whether they supported the establishment of a megacity. Voting took place at shopping centres across the metro area

The referendum, according to the national and provincial governments, has no official status Organisers have been criticised for allowing it to take place without informing the electorate accurately about what they were voting for.

Local Government white paper chairman Pravin Gordhan said the megacity referendum was premature The green paper, which is to be tabled in Cabinet within the next few weeks, will gives indications of various "models" of local government.

The effect of the referendum was to allow "emotions to decide the fate of our future cities".

But the Democratic Party claimed victory last night for what it termed "a triumph for people's initiative"

DP councillor Frances Kendall said: "This weekend, ordinary South Africans showed they are ready for real democratic participation, and despite the ANC's efforts to discourage voters and intimidate shopping centres for allowing polling station, tens of thousands of Johannesburg citizens from all communities participated in the referendum "

Moriarty said the referendum had at least made people aware that there was a white paper process. They would use the results to inform the white paper process and lobby government around megacity issues.

Megacity referendum committee chairman Peter Harmsen said. "This is a credible number of voters. It is a significant body of people who do not wish to be ignored. Their stated preference, whatever the outcome of the count, cannot be disregarded."

Harmsen said he believed if voting had been allowed at several shopping centres that had refused permission for balloting, an extra 20 000 votes could have been garnered.

The ANC said the low turnout showed an overwhelming number of Johannesburgers had rejected the referendum.

Gauteng local government spokesman Prince Hamnca said the turnout was a drop in the ocean.

"We believe that this was a futile exercise and premature The white paper process has already put democratic structures in place for people to make their positions known," he said

Referendum was futile, says Shiceka

Deborah Fine

BD 23/9/97 (266)

THE private referendum in which 81 000 greater Johannesburg residents voted against the centralisation of municipal powers in the city had been "an exercise in futility", Gauteng local government MEC Sicelo Shiceka said yesterday.

Opposition parties and the megacity referendum steering committee, the umbrella body for the ratepayers' associations which organised the referendum, have warned that 81 000 residents were "too significant a number" to disregard

Dismissing the exercise as a "waste of time and money", Shiceka said the African National Congress (ANC)-dominated provincial government and its local authorities would not acknowledge the poll as it was based on "political and emotional criteria" rather than scientific evaluations. He said the Democratic Party (DP) and National Party (NP) had manipulated residents by presenting them with a skewed, negative view of the megacity model.

The provincial government could not, therefore, accept the poll as valid participation in the national white paper process on the transformation of local government because residents had not been able to make a properly informed choice In addition, the number of residents who voiced opinion was "a drop in the ocean" compared to greater Johannesburg's total population of 3,5-million.

Megacity committee spokesman and DP member Russell Crystal said it would be "extremely arrogant" of the ANC to ignore the outcome. The result would be analysed by independent experts and submitted as part of the white paper process

Gauteng legislature NP local government standing committee member Johan Killian said the ANC's attempts to ignore the number of residents who took part in the referendum was an indication of the party's "lack of understanding and political insight" Johannesburg's sound financial management "largely depends on the continued payments of those who participated in the referendum", he warned.

Shiceka said the referendum was part of a campaign to prevent the redistribution of resources accumulated by a privileged minority during the apartheid era.

Comment: Page 15

Anglo technicians continue strike

Vuyo Mvoko

ANGLO American Research Laboratories' offer of a 12% wage increase failed yesterday to persuade its more than 60 striking technicians to return to work.

The workers, affiliated to the National Union of Mineworkers (NUM), had demanded 15% and began their strike on September 18

NUM spokesman Ben Molapo said they would consider management's offer. However, the fact that management remained silent on the contentious issue of wage parity between black and white workers could still stand in the way of progress

Workers had alleged that whites were paid far more than their black counterparts, and that whites were appointed to senior positions even though there were blacks who were more skilled and experienced

Workers were also demanding a transport allowance

BD 23/9/97

Anglo American Corporation of SA's Linda Dorrington said research work was "continuing normally"

The company had made attempts to resolve the "protracted strike", including one through the Commission for Conciliation, Mediation and Arbitration

As the parties were scheduled to meet again today, management did not consider it appropriate to divulge details regarding negotiations at this stage, she said.

Prisons

Continued from Page 1

Riot helmets and shields emitting electric shocks would be issued.

CMax prisoners were not be allowed to smoke, making it the first smoke-free prison in the country. All services to inmates would be rendered on an individual basis, meals would be served inside cells, prisoners would always be cuffed when outside their cells and they would be allowed three non-contact visits a month.

"Special cages have been erected in the shower section where inmates will be locked in individually when taking a shower," Venter said

Education by correspondence courses would be allowed Inmates would have no television, money, valuables or electrical appliances They would be allowed a maximum of 10 minutes of telephone calls a week

They would be evaluated every three months to determine whether they could be sent to a ordinary maximum security prisons, Venter said

Mzimela said planning the housing of prisoners on ships was continuing. However, they would be used only for awaiting-trial prisoners.

Natwest

Continued from Page 1

said he was uncertain what would happen to BoE Natwest.

"Somewhere along the line, the little pieces of the puzzle in SA will fit in But right now we don't know where. The only discussions that have taken

"There is no indication that they are not going to be here; certainly we are not talking to them about any disinvestment, that is definitive", he said

The UK bank's strategy had been discussed at the board meeting "because it is of considerable concern to us Yes we are talking to them about where we are going, but can't be more positive than to say they are not disinvesting from this part of the world"

Megacity vote 'too early as debate on local govt set to start'

(266) Star 23/9/97

MEC claims poll organised by 'coterie who want to preserve apartheid privileges'

STAFF REPORTERS

The Gauteng government has dismissed the megacity referendum – held at the weekend to test the opinion of Johannesburg residents on centralising local government – as "premature" and "unnecessary".

Both Gauteng local government MEC Sicelo Shiceka and local government white paper committee chairman Pravin Gordhan rejected the findings of the privately organised poll.

A total of 84 324 votes were cast with 81 684 votes against the megacity concept, 2 464 in favour and 176 spoilt ballots.

While referendum organisers hailed the vote as proof of strong opposition to the megacity proposals, the government says it will ignore the exercise.

Shiceka said the referendum was a waste of time and money and accused organisers of attacking the democratically elected government.

Shiceka said the referendum was premature because government was still involved in the white paper process and those who voted had preconceived ideas about the models.

"It was a referendum from a coterie of people who want to preserve the privileges of apartheid," Shiceka said

People could make submissions to the white paper on local government at a conference on October 23 and 24 in Gauteng, Shiceka added.

Gordhan said the megacity referendum had created more heat than light about the issues.

"The referendum resulted in unnecessary emotions being raised about matters which should be calmly spoken about with an eye on the 21st century. Local governments are complex entities and its dynamic should be reflected in debate.

"Rather than let emotions decide the fate of our future cities, we need to lay a constructive foundation for South African local government for the next 50 to 100 years," Gordhan said.

The green paper discussion document is to be put on the cabinet cycle within a week and, once approved, will be debated by the public. It is likely the approval will come through in the first two weeks of October.

"The object is to create a new vision for the local government system, its role, its institutions and its financial base," Gordhan said.

Gordhan said the green paper will define the new developmental role for local government in four key areas:

- Define the kinds of municipal structures local authorities will comprise. Most debate has been at this level.
- Suggest a political system for local government. Issues around elections, wards, popular participation, roles of councillors, mayors and committees will be clarified
- Define the types of administrative systems to enable municipalities to implement an effective service culture.
- And suggest changes to the financial regime, initiate a system of checks and balances, initiate financial management systems and look into new sources of revenue.

In the process of drawing up the green paper, the committee received about 170 submissions from province, local authorities, NGOs and individuals, and between 30 and 40 research papers were written. These included investigations into South Africa's present system. On the basis of this research, the green paper will suggest several models for municipalities.

Human rights body berates Abacha's govt

Lagos – The National Human Rights Commission (NHRC), inaugurated in July 1996 by the military government, has berated General Sani Abacha's government over the poor administration of criminal justice.

Commission chairman, Justice Patrick Nwokedi, said at a symposium in Abuja that the NHRC was amazed to find that more than half of awaiting trial prisoners have been in jail for five years and more.

"Hundreds of suspects have languished in jail for years without trial," he said

The NHRC would address the government on the issue, and he urged those whose rights had been violated to petition the commission. – Star Foreign Service

(266) Star 23/9/97

ANC leaders favour Chikane as premier

BD 25/9/97 (266)

Vuyo Mvoko

CHURCHMAN Frank Chikane is emerging as the favoured candidate of national and provincial leaders of the African National Congress (ANC) for the premiership of Gauteng.

Chikane, chief of staff in the office of Deputy President Thabo Mbeki, has accepted nomination for the job of Gauteng ANC chairman after refusing to stand as a candidate for the premiership The Gauteng ANC meets on Sunday to elect a new chairman, and the successful candidate is almost certain to succeed Tokyo Sexwale as premier

Chikane would not confirm or deny that the ANC's national leadership had asked him to stand, saying only that "comrades came from different sectors (to persuade him to stand) It was a broad-based call People on the ground said 'you must, you must' "

Chikane's main opponent would be provincial deputy chairman Mathole Motshekga, who commands strong branch support but is not seen as premiership material by ANC leaders

The party's leadership has clearly decided that its original choice, provincial treasurer Amos Masondo, cannot stop Motshekga

A party source said the leadership believed Chikane could reunite the Gauteng region, which is deeply split on the premiership issue He was associated with neither the pro- nor anti-Motshekga faction and had the required political credibility

It was also thought that Chikane might be able to win over some of Motshekga's branch supporters

Yesterday one of the other nominees, Jabu Moleketi, provincial SA Communist Party secretary and finance and economic affairs MEC, threw his weight behind Chikane

Moleketi said "The only person I won't stand against is Chikane He will keep us unified He has an image that reflects honesty, integrity, reason and acceptable moral values "

There is a possibility that other candidates may stand aside to unite opponents of Motshekga around Chikane Another nominee, deputy education minister Smangaliso Mkhatshwa, said he could step down and support another candidate "in the interests of unity and reconciliation"

Motshekga confirmed yesterday he would still contest the party leadership "In any democratic process people are free to stand or withdraw I have no mandate to change The people have nominated me," he said

Among the other nominees are safety and security MEC Jessie Duarte, Deputy Environment Minister Peter Mokaba and finance and fiscal commission chairman Murphy Morobe

ANC provincial secretary Paul Mashatile said the 535 delegates scheduled to attend this weekend's general council meeting would vote only once, with the person obtaining the highest number of votes being declared the winner.

Chikane leads race for post of Premier (266)

Star 25/9/97

Mbeki releases his special adviser to stand for the position: seven nominees may stand down to block Motshekga

By Anso Thom and Lee-Ann Alfreds

After months of in-fighting and intense lobbying among Gauteng's ANC leadership, Frank Chikane, Deputy President Thabo Mbeki's special adviser, is emerging as a frontrunner in the nine-person battle for the province's premiership

Chikane was nominated for the position in July but withdrew because Mbeki could not afford to lose him

The Star understands that Mbeki is now willing to release Chikane, and that the seven other nominees are likely to step down and put their weight behind him to prevent their own provincial deputy chairman, Dr Mathole Motshekga, from becoming premier

Motshekga has steadfastly refused to withdraw from the race, preferring instead to let the electorate decide.

According to a source, Gauteng safety and security MEC Jessie Duarte, Environmental Affairs and Tourism Deputy Minister Peter Mokaba, Financial and Fiscal Commission chairman Murphy Morobe, Gauteng health MEC Amos Masondo, Deputy Education Minister Father Smangaliso Mkhatshwa, and Gauteng economic affairs and finance MEC Jabu Moleketi plan to step down by Saturday at the latest.

There is uncertainty about the last candidate, the Gauteng standing committees' chairman Steward Ngwenya, who is presently overseas.

If the other candidates withdraw, the ANC's rank-and-file members are likely to reconsider their overwhelming support for Motshekga because Chikane, particularly after his nomination for the second time, is a stronger contender than Masondo, the provincial executive committee's initial choice.

Top provincial ANC officials were involved in a working committee this morning to discuss the ANC leadership and premiership race.

Sources said although Motshekga has enjoyed strong support from East Rand and Pretoria branches, Chikane is perceived as a person who can unite the organisation.

In a protracted, bruising battle which began when Premier Tokyo Sexwale announced in June that he would quit politics next year, the ANC's Gauteng leadership

- Announced that a new premier would be named in August, but then created a task team to combat infighting and to oversee the election process.
- Failed to reach consensus on a single candidate after Motshekga and Masondo emerged as contenders, and asked Sexwale to relinquish the premiership but retain his post as provincial chairman until the end of next year
- Failed again to resolve the issue and to vote in a new chairman and premier at a provincial general council, and later announced that nominations for chairman would reopen and the ANC's national congress would decide on the election procedure for a new premier.

This is when Chikane, Motshekga, Masondo and the others were nominated for the party's provincial chairmanship

Sexwale's successor will be elected at a special provincial general council on Sunday, and several candidates were expected to meet the ANC provincial executive last night to expedite the process.

Frontrunner ... Frank Chikane (46), now heads a list of nine.

ANC race hots up

Sowetan 26/9/97 (J66)

Chikane emerges as major player to replace Sexwale

By Pamela Dube
Political Reporter

INTENSE lobbying was under way yesterday as the race to replace Mr Tokyo Sexwale as premier and chairman of the African National Congress (ANC) in Gauteng entered its final stretch.

As eight of the nine candidates accepted nominations and one declined, prominent ANC leaders were marshalling support for the Reverend Frank Chikane in what could be a two-man duel — with Advocate Mathole Motshekga.

Up to now Motshekga was the frontrunner with support from six of the seven ANC regions. Now he virtually stands alone against seven candidates. However, all other candidates, except Chikane, are expected to stand down either tomorrow or on Sunday morning to throw their support behind the former South African Council of Churches general secretary Chikane is now director-general in Deputy President Thabo Mbeki's office.

Yesterday several of the ANC leaders nominated for the Gauteng chairmanship – to be decided by the provincial general council on Sunday – declared their support for Chikane.

Reports were that safety and security MEC Ms Jessie Duarte, Deputy Minister of Environmental Affairs Mr Peter Mokaba, Deputy Education Minister Father Smangaliso Mkhatshwa, Gauteng economic affairs MEC Mr Jabu Moleketi, health MEC Mr Amos Masondo and chairman of financial and fiscal policy Mr Murphy Morobe intended supporting Chikane in his bid against Motshekga.

Moleketi was quoted as saying he was withdrawing from the race because Chikane "was the better candidate". He also said that Chikane "is the candidate that can achieve unity and fulfil the ANC's promises".

Public support

But the ANC leaders' public support for Chikane may still prove detrimental to the cleric, insiders say.

They argue that any suggestion that Chikane has the support of other leaders, "particularly those suspected of campaigning against Motshekga", would ensure his losing to Motshekga.

"It is such suggestions (of support from ANC leaders) that have had people losing positions, not because they lack the necessary skills but to defy the leadership," one ANC leader in Gauteng said.

He said the ANC leaders should have learnt a lesson from the Northern Province fiasco last year.

Premier Ngoako Ramatlhodi lost the chairmanship to relatively unknown Mr George Mashamba — because of "perceived support for the premier from the national leadership".

"I wouldn't be surprised if Gauteng casts a defiance vote in favour of Comrade Mathole," he said.

A South African Communist Party (SACP) leader said while his organisation was not necessarily "buying into the Chikane fever", they were concerned at the public support shown by Moleketi (a provincial SACP secretary). His support for the cleric "can be seen as SACP support for Chikane, which is not necessarily the universal view of the party".

"We (the SACP) are seen as the culprits in the bid to block Motshekga and we cannot afford to continue being perceived in that way," he said.

An ANC national executive committee member said "some of the very leaders who suddenly find it necessary to support Chikane do not in reality want him They are now giving the impression that he is being supported to block Motshekga".

● See page 6.

Morobe quits premier race

Star 27/9/97 (26)

By PETA KROST

Finance and Fiscal Commission chairman Murphy Morobe last night pulled out of the Gauteng premiership race, strengthening the position of former church leader Frank Chikane as the ANC provincial leadership's choice for the top job

Chikane is being promoted by many of the party's heavyweights against populist Mathole Motshekga, who has refused to pull out of the race despite pressure from several key leadership figures

Morobe told the *Saturday Star* that after knowing Chikane for more than 25 years and having "long and comradely discussions with Chikane . . I have absolutely—no—hesitation in standing down in favour of him"

He said Chikane was someone "not driven by the self but by what he can do to unite our organisation" Morobe, considered one of the stronger new candidates to enter the race earlier this month after nominations were reopened, is the first of the six confirmed nominees to withdraw ahead of the crucial provincial general council tomorrow.

Senior ANC sources indicated that others would follow Aside from Chikane and Motshekga, those still in the premiership race are Safety and Security MEC Jessie Duarte, Health MEC Amos Masondo and Finance MEC Jabu Moleketi Three other nominees declined to stand and two others have yet to confirm their candidacies.

A senior ANC leader in the Chikane camp explained that a strong, united ANC was essential in the run-up to the 1999 general election, campaigning for which will start in January next year

"Neither Masondo nor Motshekga will do this," he said, whereas he felt Chikane would "We are not against the person but we need to have someone reliable, who is above factionalism, to unite the ANC "

The source lashed out at outgoing premier Tokyo Sexwale, saying there was "a hell of a lot of anger against him" for quitting his post a year before the next election

Lessons learnt from poll over megacity

The recent referendum on a Johannesburg megacity proposal was an object lesson on how minorities should not tackle issues in the new SA, writes **Steven Friedman**

BD 29/9/97 (266)

BELONGING to a minority in a society in which race matters can be difficult But there is no reason why minorities need to make it impossible

An object lesson in how minorities should not tackle issues in the new SA was, arguably, offered by the Johannesburg megacity referendum The reasons the ballot was counterproductive raise interesting issues about race and politics in our post-1994 order

The referendum was a reaction to a proposal by senior African National Congress (ANC) Gauteng leaders It enjoys substantial support in the provincial ANC and may well be implemented

Yet support for it in the ANC — and among academics sympathetic to it — is not universal These opponents share the view that more needs to be done to serve the black former townships, but do not believe a megacity is the way to go

In SA now, this fact is crucial as it created at least the possibility of a serious debate within Johannesburg on the megacity idea The reasons lie in some realities which are fairly obvious but which seem to be missed by some politicians and commentators

Whatever the constitution might say, this is not a society in which race is irrelevant (whether there are nonracial societies in that sense anywhere is open to question) On the contrary, and for reasons which hardly bear explaining, race matters a great deal, particularly in politics

Since the majority of the SA population is black, this means (at least outside the Western Cape) that no political cause is likely to prevail unless it has substantial black support It also means that, where a proposal has been mooted by black political leadership, and is opposed almost exclusively by whites, the proposal is likely to win the day

Mainly white interest groups who wish to influence politics, thus need substantial black backing for their ideas And that probably means too that their campaigns need to be black-led Given ANC predominance among the electorate, it obviously helps a great deal if allies are available within the ANC

In the Johannesburg case, that meant a successful antimegacity campaign would need to be led by the proposal's black opponents, with white critics playing a supporting role With commendable civic enthusiasm but a deep lack of foresight, the referendum organisers ignored all that.

The initiative was entirely white-led this inevitably meant the organisers' hope that black people would participate was doomed from the outset.

In the event, it seems safe to assume that all, or just about all, of those who voted were white Organisers of the poll will no doubt respond, with some justification, that they were prevented from offering township people a chance to vote by strong-arm tactics (or the fear of them) But, even if they had free reign to campaign there, the idea that a group of white suburbanites could successfully mobilise black opposition to anything is ludicrous

The result was inevitable ANC advocates of the megacity are now able to paint opposition to it as a whinge by the white privileged classes It may now be very hard for black opponents of the idea, especially within the ANC, to raise their heads above the parapet

It seems likely now that we will not have a serious debate about the megacity The issue will be polarised, largely along racial lines Advocates of the megacity will present themselves as supporters of black aspirations, battling the defenders of white apartheid-created privilege — despite the fact that the issue is far more complicated than that

Is this unfair? Yes, although no less so than the refusal to consider black views before 1990 Yet realities cannot be changed by denouncing them as unfair And those who want to change the tendency by ANC politicians to win issues by playing the race card when opposed, need to take reality into account

However, surely the megacity's white opponents had no other option? Not at all they could have actively sought an alliance with megacity opponents across the racial and political divide That would certainly have been difficult. But there is no evidence that it was tried before they mobilised a protest statement

Are alliances across race lines possible, given realities sketched here? There is some evidence that they are — and that their potential has not been fully explored.

During the Sarafina 2 scandal, government claims that Health Minister Nkosazana Zuma was being targeted by white racists conveniently ignored the fact that several of her most outspoken critics were black theatre figures

More generally, surveys confirm many black people do not regard corruption in post-1994 public life as a canard invented by whites they are deeply worried about it.

Crime is another issue transcending racial barriers — white anticrime campaigners often tend to forget that most of its victims are black.

There are other examples The possibilities are not limitless People fight for or against proposals if they feel their interests are under threat and there are issues on which the race divide may be unbridgeable black backing for the view white householders should not pay for better township services is, of course, highly unlikely

However there are more than enough issues on which (some) blacks and (some) whites have common interests to make alliances possible The megacity may have been one, since black voters may feel their interests better served by local governments which are closer to the ground

This does not mean — and probably will not mean for a long time — that nonracial politics is possible in the polling booth, people do tend to vote their racial identities This is not surprising as general elections in particular are about the "big picture", about people's aspirations

The fact that interest-based alliances may be possible does not alter the fact that, on the broad question of where the society is going and who ought to lead it, the gulf — along largely racial lines — remains great.

The point will be tested — and, perhaps, illustrated — by the weekend formation of a party bringing together Roelf Meyer, Bantu Holomisa and their supporters

It will take time before we know how nonracial the new party is to be This will depend on whether the two sets of supporters are able to work with each other, how positions are shared out within the party and so on

Yet even if that bridge is crossed, the odds remain weighted against the party attracting substantial black support Some analysts believe that, as our first post-1994 party, it can convince a significant minority of black and white voters that it represents the future This is unlikely its two leaders played prominent roles in the past, and voter identification with parties and concerns which stem from the past stays strong

If nonracial alliances are to emerge, therefore, they will not occur in the party-political arena. Which means, of course, that successful co-operation will be led by interest groups, not by parties As this column has noted before, the obstacles to nonracial politics do limit democracy, especially for minority group members

That does not necessarily mean, though, that members of minorities — those who do not choose to identify with the majority party — are condemned to sit out the future on the sidelines

Fortunately, social and political issues are not decided by parties alone There may be more opportunities for minorities to ally themselves with members of the majority group on key issues than we imagine

It may be crucial for the society's future that they are explored to the full

□ *Friedman is director of the Centre for Policy Studies*

Voters in the Johannesburg megacity referendum in Sandton

Picture TYRONE ARTHUR

Motshekga landslide in ANC Gauteng poll

BD 29/9/97 (266)

Vuyo Mvoko

RESILIENT Gauteng African National Congress leader Mathole Motshekga trounced ANC leadership favourite Frank Chikane yesterday by 164 votes and became the party's provincial chairman and likely candidate for Gauteng premier

Chikane, who is director-general in the deputy president's office, was brought in by the leadership after it became apparent that their preferred candidate, health MEC Amos Masondo, would not be able to put up a worthy challenge to the popular Motshekga

Only 179 voted for Chikane and 343 for Motshekga

In a dramatic move before voting began the other candidates — Gauteng finance MEC Jabu Moleketi, Deputy Environment Minister Peter Mokaba, Deputy Education Minister Smangaliso Mkhatshwa, Finance and Fiscal Commission chairman Murphy Morobe and Gauteng safety and security MEC Jessie Duarte — stepped down and urged their supporters to back Chikane

In his acceptance speech, the 48-year-old advocate declared· "In this election there was no loser because there was no competition"

Gauteng premier Tokyo Sexwale emphasised that, as had been decided at the last provincial general council meeting last month, Motshekga would become Gauteng premier when he stepped down in January

However, ANC national spokesman Ronnie Mamoepa said the question of whether or not to combine a provincial chairmanship with that of the premiership "will have to be discussed or debated" by the ANC national congress in December He said he was not referring specifically to Gauteng Provincial ANC secretary Paul Mashatile said Motshekga's election as premier was "not automatic but preferred"

Mamoepa said the election of Motshekga was a victory for the democratic process within the organisation

A Gauteng MP, who was regarded as the mastermind behind Motshekga's victory, said the much talked-about fear that Motshekga would "axe the dead wood" in his cabinet when he became premier "is certainly not part of the deal" However, he was expected to exert pressure on those who did not deliver or who were not accountable If certain people did not perform desirably, "then God knows what will happen to them"

Motshekga said the "traditional leadership" would not be entrenched, as the youth needed to be positioned as leaders of the next millennium

Motshekga said "The ANC does not consist of the regional and provincial executive councils but of its members" who must all be given tasks to do for their own organisation He indicated he would not tolerate people who did not do their jobs

Chikane said "It is critical for the party to respect a democratic process" He praised Motshekga and said he was committed to ANC unity

Moleketi, who had been vehement in his opposition to Motshekga, said: "We need to respect the democratic processes of the organisation, notwithstanding what you feel as an individual The best we can do now is to ensure that the decision that has been taken is supported and implemented"

He said any attempts to block Motshekga from becoming premier would divide the party

See Page 2

CAPE TIMES
MONDAY, SEPTEMBER 29, 1997 ★

ANC COUNCIL CHAIRMAN TO BECOME PREMIER

Motshekga to lead Gauteng

CT 29/9/97 (26b)

JOHANNESBURG: The election of Mr Mathole Motshekga as ANC Gauteng chairman means he will succeed Tokyo Sexwale as premier.

NEW BOSS: Mathole Motshekga (left) is congratulated by Frank Chikane yesterday after being elected chairman of the ANC in Gauteng, while outgoing Gauteng Premier Tokyo Sexwale looks on *PICTURE: THE STAR*

GAUTENG Premier Mr Tokyo Sexwale said yesterday it had been decided during an ANC provincial council meeting that whoever was chosen to lead the council would become premier in January, paving the way for Mr Mathole Motshekga.

Sexwale stepped down as ANC chairman and Motshekga was elected ANC Gauteng chairman at yesterday's meeting.

Sexwale vacates his post as Gauteng premier in January 1998 to enter the private sector.

However, ANC national spokesman Mr Ronnie Mamoepa said the party's national conference would discuss the principled position of whether the post of premier and chairman should be combined or separated

Mamoepa said that the election of Motshekga was a victory for the democratic process in the ANC

Motshekga, after being elected ahead of Dr Frank Chikane, said "In this election, there were no losers."

He said the process of choosing a leader had mistakes, but it was a success for democracy because party members made themselves available for elections.

Chikane praised Motshekga, saying the election process should be respected —Sapa

'People power' carries Motshekga home

(266) Star 29/9/97

Grassroots members reject candidates and wishes of the ANC in a resounding endorsement of their man

By Hopewell Radebe
Political Reporter

Mathole Motshekga's election as Gauteng ANC chairman and premier-elect yesterday has been heralded by his grassroots supporters as a victory for democracy

"It is not Motshekga who won, it's the people.

"The process has actually united the province and strengthened the branches to speak with one voice," said Khayalami delegate Bheki Khumalo

After surviving a concerted campaign led by the provincial executive of the ANC to prevent him from becoming premier, Motshekga won 343 out of 522 votes at a special provincial general council yesterday, leaving Frank Chikane, Deputy President Thabo Mbeki's special adviser, with 179 votes

Motshekga, who was Gauteng deputy chairman, was upbeat about his victory and appealed to those who campaigned against him to put the unity of the organisation above their individual ambitions

"I have no hard feelings against individuals who campaigned against me," he said from his home after the meeting. "I have no hard feelings for people who might have preferred a different candidate They acted within their rights to campaign as hard as they could for a candidate of their choice."

After it was announced that delegates had stuck to their original choice of Motshekga, it took outgoing chairman Tokyo Sexwale, who stepped down yesterday, about 10 minutes to restore order

The contest for the chairmanship became, as predicted last week, a two-horse race between Chikane and Motshekga

Six other nominees, including high-profile ANC national figures like Deputy Education Minister Father Smangaliso Mkhatshwa and Deputy Tourism Minister Peter Mokaba, withdrew Hopes had been that Chikane's community support and charisma would see him through

Sexwale, who relinquishes his post as premier at the end of the year, said Motshekga would definitely be the next premier

He said it had been decided during an ANC provincial council meeting that whoever was chosen to lead the council would become premier in January and he urged the province to give its unconditional support to Motshekga.

In addition, ANC spokesman Ronnie Mamoepa said that even if the ANC decided to split the positions of provincial chairman and premier, Gauteng had decided for itself who the next premier should be and that decision would stand.

Accepting his new position, Motshekga thanked Sexwale for building Gauteng's government from scratch and making it "the best-managed and run province in the country"

"I am privileged to be deployed to continue your already outstanding work and to lead such a mature leadership," Motshekga said

He also said people should not view his election as a victory against Chikane because there was neither competition nor animosity between them

Chikane assured Motshekga that because the province's success was important to him, and he (Chikane) was a Diepkloof branch member, he would be available to serve and assist

The South African National Civics Organisations and the SACP have pledged their support for Motshekga

The SACP said: "His election was the outcome of a democratic process and the SACP looks forward to working with him during his term of office."

Sanco general secretary Siphiwe Thusi said the organisation was committing itself to working with him in all developmental programmes.

DP spokesman Peter Leon said he appreciated Motshekga's "sharp intellect" and his contribution to local government development, and looked forward to working with him

But the NP expressed doubts about Motshekga's capacity as a premier.

"As premier of Gauteng, Mr Motshekga will have to rise above sectional interests of his populist support base and accept the massive challenges to unlock the real potential of the province," NP spokesman Johan Kilian said

▶ What the people think

JODI BIEBER

Motshekga committed to megacity

Vuyo Mvoko

GAUTENG premier-designate and African National Congress (ANC) provincial chairman Mathole Motshekga yesterday reaffirmed his commitment to "megacity" rule in Johannesburg in place of the two-tier system

In his first public address since becoming ANC Gauteng chief on Sunday, Motshekga told a Vista University students' rally that minority parties were abusing the ANC's principle of a "government of local unity" at municipal level by exploiting "unfounded fears".

He cited as a recent example of "abuse" the blocking of the provisional 1997/98 budget of the Johannesburg eastern metropolitan council by the minority parties and independents.

The council's budget, Motshekga said, was meant to address poverty and homelessness Minority parties in the city, backed by lawyers and business, enjoyed talking about these issues but did nothing to address them.

Motshekga said the ANC was not married to the term "megacity". The bottom line was to create "a united government" that would do something about the poor and homeless

Those who objected to the megacity idea would be given a chance to bring forward "viable alternatives"

Referring to the conflict-ridden contest for the premiership, Motshekga said the ANC had been founded on the principles of democracy and participation of the public

The only processes the ANC had in place were those for the election of its office bearers and not of government officials such as premiers A new process had been put in place for the election of a successor to Tokyo Sexwale. "We thought we would reach consensus without much ado."

The procedure had not been successful, and because nothing stopped people from lobbying for a candidate, "an impression was created" that certain people, including the ANC's provincial leadership, wanted to block his election The leaders in their individual capacities had the right to lobby and elect whom they wanted

"Suggestions that the national leadership was part of the conspiracy to block (his election) were unfounded," he said, but noted· "We should not blame the press for their analysis We believe in the right of people to know"

Motshekga said the purpose of the struggle against apartheid was "to transform the state and not to replace white with black faces"

BD 1110/97 (266)

'Mismanagement cause of Jo'burg financial crisis'

BD 3/10/97 (266)

Deborah Fine

GREATER Johannesburg's financial difficulties were symptoms of "neglect and mismanagement" which had accumulated in the city's municipal administrations over a number of years, the African National Congress's Johannesburg regional secretary, Parks Tau, said yesterday.

The ANC earlier this week called for urgent national and provincial government intervention to assist the greater Johannesburg metropolitan council in establishing "the root causes" of the city's cash-squeeze which has resulted in rising unpaid debts to creditors and a deterioration in certain municipal services

Nonpayment for services and an inability to secure capital funding, primarily as a result of increasing municipal debts and the accompanying perception that councils could default on loan repayments, have been cited as the cause of the city's financial woes.

Faced with insufficient revenues to finance both its current and capital obligations, the metropolitan council has been forced to finance its capital projects through operating revenues and the partial nonpayment of operating creditors.

Tau said suspicions of mismanagement had arisen following recent attempts to recover the millions of rands owing to municipalities in payment arrears Credit control action had been hampered by severely inadequate, incorrect and incomplete credit records

He said the ANC believed the crisis could have been addressed sooner if the problems with credit records and other difficulties had been highlighted earlier. The national intervention should thus include an investigation as to when the problems had begun and who was responsible, he said

Intervention could also involve legislative changes which would enable municipalities to take nonpayment into account in drawing up budgets At present, councils were legally obliged to produce budgets based on payment levels of 100% when the average payment level for the city was 80%.

The national and provincial governments should further provide technical support to assist in the organisational changes and overhauling of financial systems

Metropolitan council finance head Lucas Opperman confirmed yesterday that the Development Bank of Southern Africa would be considering the council's application for a R500m loan next week

If secured, the loan would be paid into the council's capital funds which would in turn reimburse the operating account and enable the payment of outstanding creditors.

Meanwhile, Democratic Party councillor Mike Moriarty said he had been contacted by creditors who claimed the metropolitan council still owed R780 000 in outstanding payments for motor vehicles, R1,9m for portable toilets in informal settlements, R820 000 for computer software and R132 000 for alcohol purchases

We've not been paid overtime – angry workers

(266) Star 3/10/97

By Lee-Ann Alfreds
City Desk

Hundreds of Southern council employees are refusing to work overtime after not being paid for doing extra jobs last month – seriously hampering efforts to keep streets and dumping sites in the CBD and southern Johannesburg clean.

A disgruntled worker told The Star the employees' decision had left the Avalon, Southdale and Selby refuse removal depots "in a mess" and the streets in Johannesburg's southern suburbs and townships and the CBD littered with rubbish

The employee, who did not want to be named, said workers had not been informed that they would not be receiving their overtime pay

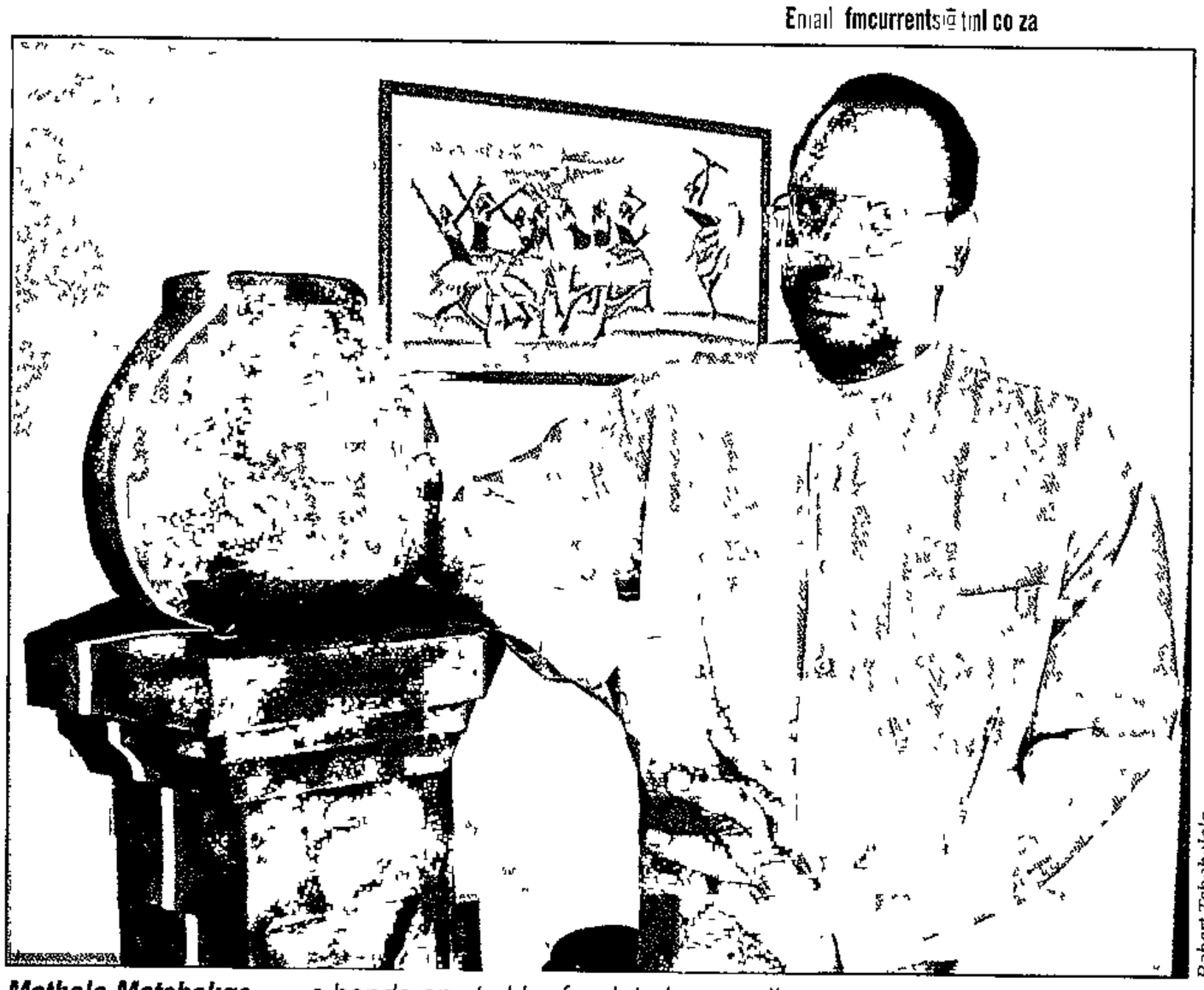
"Some workers work about eight hours every Saturday and Sunday," he said

He claimed about 3 000 workers were affected

However, Southern council spokesman Liam Clarke said while "more than 200" workers were affected, 3 000 workers did not work overtime on a regular basis

Clarke said the overtime pay had been suspended to allow the council to review the system after a couple of seemingly "excessive" claims were submitted

"We are doing it to ensure the overtime being claimed is appropriate," he said



Mathole Motshekga *a hands-on stickler for detail, say colleagues*

Robert Tshabalala

GAUTENG PREMIERSHIP

(266) fm 3/10/97

Motshekga has plans for cabinet reshuffle

Less flamboyant than his charismatic predecessor, Gauteng's premier-to-be also has different ideas about government

Gauteng ANC leaders are bracing for a likely provincial cabinet reshuffle early next year, after the shock win by the unfavoured Mathole Motshekga in the ANC's provincial leadership race last weekend — which virtually guarantees he will become premier of the province

The win by the little-known Motshekga left political pundits and ANC leaders wondering what the fallout will be after a bitter and divisive contest for the premiership

ANC leaders admit that the race, thrown open by premier Tokyo Sexwale's decision to enter business next year, has left the province deeply divided

"The challenge now is to ensure that the rifts are healed and that the new premier receives as much support as possible," says provincial ANC secretary and Transport MEC Paul Mashatile

Virtually the whole provincial cabinet, including Mashatile, threw its weight openly behind Motshekga's rival, the Rev Frank Chikane, saying he was "the only man capable of uniting the party"

Their open hostility in the past three months to Motshekga's candidacy has fuelled speculation that the new leader, largely unknown outside ANC local government circles, would reduce the provincial cabinet or fire certain MECs

In interviews this week Motshekga took a conciliatory line, saying he had no reason to believe a reshuffle would be necessary But sources close to the Midrand-based lawyer says he has definite plans to bring new faces into the executive after he is confirmed as premier in January

One likely inclusion in the provincial executive is the national parliament's health portfolio committee chairman Abe Nkomo, a long-serving UDF activist and Pretoria medical practitioner Another is long-time ANC activist Ben Turok, a member of parliament's finance committee

Senior provincial figures said this week pressure has been building for months for certain Gauteng MECs to be axed — a major reason for their opposition to his candidacy for the premiership

Among those expected to go are Sport, Recreation, Arts & Culture MEC Peter Skhosana and Environment MEC Nomvula Mokonyane Health MEC Amos Masondo, for several weeks Motshekga's main rival in the premiership race, may also be axed

"Given that the 1999 elections are just around the corner, and it has been evident that certain people do not deserve to be in the (provincial) cabinet, he may just be the push that was necessary to act on the sentiments," says one leader

A provincial legislator, and a principal architect of Motshekga's victory, says "the question of a reshuffle is an inevitable one in any government We do not want to be vindictive or be seen to be that way

"Motshekga will first check whether government can deliver with the present team If it can, then we will not need to look at individuals But if there is no overall plan and if we cannot work with certain people, then something will have to be done"

Mashatile says Sexwale was supported by a strong team, hence the relative success of the province This, he says, will happen again with Motshekga "We have only lost one member of the team, and that is Tokyo We will decide, collectively, next year what happens next"

Motshekga's win heralds a new era in the politics of the province He takes over from a man whose charm and style are loved by the media, but who has been slammed as all show and little substance

Motshekga's supporters say he is more hands-on and is a stickler for detail, where his predecessors looked at the big picture and forgot the nuts and bolts "Motshekga combines vision with detail He takes a holistic look rather than just one side," says an ANC provincial leader

Mashatile says Sexwale may be more charismatic, but "Mathole will come with his own different approach — just as Tokyo's predecessor Kgalema Motlanthe had a subdued style"

Motshekga's resumé says he received a junior law and LLB degrees from the University of South Africa through correspondence while working as a clerk He has taught and conducted research at Germany's Max Planck Institute, and holds a masters degree, with distinction, in UN law from Harvard University He is a past president of the National Association of Democratic Lawyers, and has been an active member of the ANC since 1986 **Justice Malala**

A man of the people steps into Tokyo's shoes

ANC powerbrokers don't like it, but Motshekga is new king of Gauteng

(266)

ARG 4/10/97

OWN CORRESPONDENT

Johannesburg – When Mathole Motshekga was announced as the new Gauteng premier on Sunday, gasps were heard around the province, especially from within the ANC hierarchy

He was clearly a thorn in the side of many top ANC officials, who would have preferred almost any other candidate to have won. But as his personal bodyguard said on Tuesday on a drive around Gauteng: "Mothole won the premiership on a vote of defiance from the people who did not want the ANC big guys meddling."

He is clearly a highly intelligent, intensely serious and educated man who says he is dedicated to the ANC and its doctrines. He is also a workaholic, and when he lets up on one project, he always seems to have something else waiting in the wings. In between going from one project to the next, or whenever he has a free moment, he buries his head in books. His latest passion is ancient civilisations and he carries at least one book on the subject with him wherever he goes.

> ***'No hard feelings against anyone who supported another candidate'***

Mr Motshekga sits in his metallic grey BMW casually dressed, his lap covered in newspapers. He could not look less like a premier. He is on his way to Soweto's Vista University, where he will address the SA Students' Congress conference. All the way there, he speaks on the phone, allaying fears of what his premiership would mean.

"Thank you for your contribution to the defence of democracy," he says more than once. His diplomacy and ability to convince people of his opinions is truly impressive.

At Vista, Mr Motshekga is treated like a pop idol. He is swamped by students asking for his autograph, to be photographed with him and just wanting to hug him and wish him luck. They refer to him proudly as "a comrade on our side".

Clearly these youngsters represent a portion of his support base. He takes them very seriously. As they toyi-toyi and sing songs, he joins in, shouting their slogans and praising their movement. He has no prepared speech. He says: "I do not have to invent anything, just articulate what my organisation stands for and my own experiences and challenges."

Mr Motshekga is clearly trying to keep everyone happy. He tries to give time to all the student leaders, and other journalists who want to interview him. He always has an answer for you, even if it does not quite fit your question.

From Vista, it's back to Midrand where Mr Motshekga is a partner in a firm of attorneys. On the way, he explains that he is from Bolobedu in Northern Province, which he emphasises as being the home of Modjadji, the rain queen.

He does this, he says, because he has "lived under women's government all my life and I respect their ability to rule".

Both his parents died when he was a child and he was housed and put through school by his older brother and sister. When he matriculated, Mr Motshekga went to work because his siblings could hardly make ends meet. By day he worked as a registry clerk at the University of the North, by night he studied for a Bachelor of Law degree through Unisa. He graduated within four years, he says, and then enrolled for his LLB and joined a Pretoria law firm. "I chose law as it was a weapon I could use to help people fight injustice," he says.

THE STAR

High roller: Mathole Motshekga and supporters celebrate after the ANC candidate's surprise election to the highest position in Gauteng

He saw his father facing constant discrimination and then later, he got his own taste of racism and apartheid as less-qualified white senior staffers would humiliate him.

Although he went on to study further through scholarships to a German university and then Harvard in the United States, the seeds of life as a political activist were planted. Overseas, he got involved in anti apartheid organisations and returned in 1986 and used the platform of lawyers' organisations to fight for the rights of the oppressed.

Interestingly, while Mr Motshekga may lash out at other parties for various reasons, since his election he is exceptionally careful to bend over backwards in support of the ANC – even those he knows are against him.

"We are not enemies and it was never personal," he says. "I have no hard feelings against anyone who exercised their democratic right to support another candidate."

While there has been talk within the Gauteng legislature of his opponents' jobs being threatened, he promises this is not the case.

"They do not owe their position to me and they are not at my mercy."

Mr Motshekga admits filling the shoes of the charismatic Tokyo Sexwale is a challenge.

"As for the clear asset of charisma, I will negotiate with Tokyo before the end of the year to impart some of it on me," Mr Motshekga jokes.

He is not going to follow Mr Sexwale and President Mandela to plush Houghton, although he is at pains to stipulate he does not see anything wrong with doing so.

He will stay in his wife's Midrand home, which is being renovated. If he had a choice, he says, he would move back to his four roomed home in Mamelodi which he was "forced out of in 1986" when his life was threatened by the apartheid government's security police.

He moved to Thembisa, and was then forced to leave after more death threats. He later sent his children to boarding school and relatives and moved in with his wife, Angie, at the student residence behind Baragwaneth Hospital. After the elections, his wife bought the Midrand property. "I miss the township life but participating in grassroots political structures helps me deal with this."

It's certain his family will miss him too because he seldom gets to spend time with them. He is a father of nine children, all of whom are at university or boarding school.

Mr Motshekga admits he "neglected" his children. "I wake early and return home late and work seven days a week. They are outspoken and challenge me often and bring articles and books I have written on children's rights and tease me about pretending to be a children's rights activist when I don't even have time for my own children."

> ***'As for charisma, I will negotiate with Tokyo to impart some of it to me'***

He says he even chose a wife who was as committed to the struggle as he was. "I met someone who, like me, was more interested in pursuing the struggle than her own needs."

He says he considers winning the premiership race, "a deployment" – not an honour.

While Mr Motshekga appears dedicated to his new task, there are a number of allegations he still has to answer. It is said that he is from a Pan African Congress background and still holds those views, and that he has been involved in mismanagement of funds.

Although these allegations clearly infuriate him, he denies them all with an air of calm. Although he admits to mixing with PAC members in Germany because they were the only other black South Africans there, he still "advocated ANC policy". He admits to being "an Africanist, not a racist", which he explains is in the ANC doctrine.

"If I appear to be more concerned with Africans, it's because I grew up in rural areas and townships where I saw Africans suffering in abject poverty and the people who were then meting out the injustice were white," he says. "This does not mean I am against all white people."

While he denies the mismanagement allegations and claims top auditors were satisfied there was no misappropriation, he adds. "I want those people making these allegations to come forward and we would lay charges against them or it could be tested in the Truth and Reconciliation Commission. I am not surprised that people use gossip and rumours to fight political battles."

It was partly because of these allegations which surfaced in the last weeks of the election battle that Mr Motshekga switched off his cellphone, causing major frustrations in political and journalistic circles.

"The information journalists were getting was anonymous. Ethically I cannot respond to rumours or unidentified sources so I went underground," he says.

Since he switched his cellphone back on on Sunday, it has not stopped ringing. But then there has never been such contention over a premier before, and the controversy is surely not over yet.

The young and the oppressed are toyi-toying after the election of Tokyo Sexwale's successor in a vote of defiance against meddling from the big guns in the ANC

Motshekga, the people's premier

Star 4/10/97 (266)

The cellphone won't stop ringing for the slick politician who has an answer ready for everyone, including those who accuse him of mishandling funds or being too friendly with members of the Pan Africanist Congress

When Mathole Motshekga was announced as the new Gauteng premier on Sunday, gasps were heard around the province, especially from within the ANC hierarchy He was clearly a thorn in the side of many top ANC officials who would have preferred almost any other candidate to win.

But as his personal bodyguard said on Tuesday as we drove around Gauteng: "Mathole won the premiership on a vote of defiance from the people who did not want the ANC big guys meddling"

He is a highly intelligent, intensely serious and educated man who says he is dedicated to the ANC and its doctrines. He is also a workaholic, and when he lets up on one project, he always seems to have something else waiting in the wings

Between going from one project to the next, or whenever he has a free or apolitical moment, he buries himself in books.

He is also a voracious reader, and has a huge collection of books in his home in Mamelodi, Pretoria.

He is also a man of the people. He is seen as a hero by the youth, who refer to him proudly as "a comrade on our side".

Clearly these youngsters represent a substantial portion of his support base. He takes them very seriously, discussing policies with them and encouraging them to take part in community projects. When they start toyi-toying and singing, he joins in, shouting their slogans and praising their movement

He had no prepared speech. "I don't have to invent anything, just articulate what my organisation stands for and my own experiences and challenges."

He spoke from a few brief notes which he carried in his latest read-on-the-run book, Robert Bauval's *Keeper of Genesis*

Motshekga is trying to reassure the Gauteng legislature of his opponents' jobs being threatened, he assures me this is not the case. "They do not owe their position to me and they are not at my mercy"

Filling Tokyo Sexwale's shoes is a challenge, he admits. "As for the charisma, I will negotiate with Tokyo to impart some of it to me," he jokes.

He is not going to follow Sexwale and Nelson Mandela to plush Houghton, but is at pains to state he does not see anything wrong with it. He will stay in his wife's Midrand home, which is being renovated.

If he had a choice, he would move back to his four-roomed home in Mamelodi, which he was "forced out of in 1986" when his life was threatened by the security police He moved to Thembisa, but was forced to leave after more death threats.

He later sent his children to boarding school and relatives, and moved in with his wife

He regards winning the premiership race as "a deployment".

"It affords me an opportunity to pool my expertise and experience with all collectives within our movement for the purpose of transforming the society," he says

"If I sit back and say I will not accept the challenges because there are too many problems in Gauteng, then I am not only being irresponsible, but criminal."

Motshekga seems dedicated to his new task, but there are a number of accusations against him that he has been involved in mismanagement of funds, and that he is from a Pan Africanist Congress background and still holds similar views.

Although these allegations clearly infuriate the premier-elect, with an air of calm he denies them all.

He admits to mixing with PAC members in Germany, because they were the only other black South Africans there, but he still advocates ANC policy.

He concedes he is an Africanist – "not a racist" – which he explains is in the ANC doctrine, which states that "we should liberate black people in general and Africans in particular".

"If I appear to be more concerned with Africans, it's because I grew up in rural areas and townships where I saw Africans suffering in abject poverty, and

books. His latest non-political passion is ancient civilisations, and he carries at least one book on the subject with him wherever he goes When I jumped into his grey BMW at midday, his lap was covered in the day's newspapers He cleared them all and put his three books between us.

> *'My children tease me on pretending to be a children's rights activist when I don't even have time for my own children'*

Sitting in the back seat, dressed casually in a faded orange shirt, pants and a blue windbreaker and slip-on shoes, he could not have looked less like a premier.

We were on our way to Soweto's Vista University where he was to address the SA Students' Congress All the way there he spoke on the phone, allaying fears on the mega-city issue and what his premiership would mean.

"Thank you for your contribution to the defence of democracy," he said more than once His diplomacy and apparent ability to convince people of his opinions were impressive.

At Vista, Motshekga was treated like a pop idol. Students swamped him and asked for his autograph, to be photographed with him or just wanted to hug him They referred to

keep [illegible] one happy at this point He pays attention to the student leaders and other journalists and keeps assuring me I will get all the time I need.

Motshekga will always have an answer for you, even if it does not quite fit your question He is a politician, after all.

From Vista it's back to Midrand, where Motshekga is a partner in a firm of attorneys On the way he tells me he is from Bolobedu in Northern Province, which he stresses is the home of Modjadji the Rain Queen. He does this, he says, because he has "lived under women's government all my life and I respect their ability to rule"

Both his parents died when he was a child and he was put through school by his older brother and sister. When he matriculated, Motshekga went to work because his siblings could hardly make ends meet

By day he worked as a registry clerk at the University of the North, by night he studied for a law degree through Unisa. He graduated within four years and then enrolled for his LLB and joined a Pretoria law firm

"I chose law as it was a weapon I could use to help people fight injustice," Motshekga says

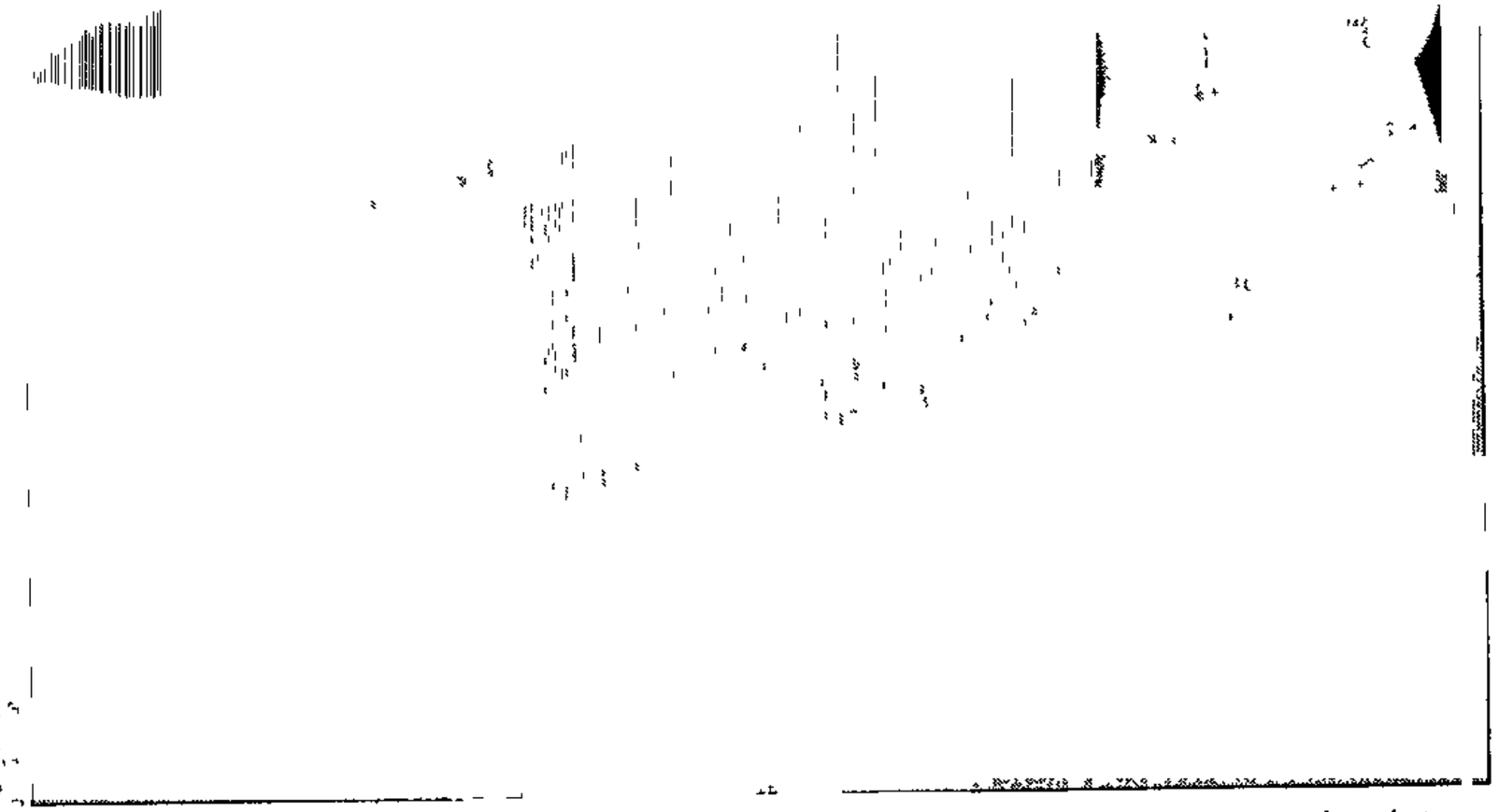
He had seen his father facing constant discrimination because of his skin colour and got his own taste of it when white senior staffers, who were less qualified than him, denigrated him.

He studied further through scholarships at a German university and then Harvard in the United States, but the seeds of a life as a political activist were planted He became involved overseas in anti-apartheid organisations and returned to South Africa in 1986 to become active in lawyers' organisations

Interestingly, while Motshekga may lash out at other parties for various reasons, since his election he has been bending over backwards in defence and support of those in the ANC he knew were against him.

"We are not enemies and it was never personal. I have no hard feelings against anyone who exercised their democratic right to support another candidate"

While there has been talk within



MATHOLE MOTSHEKGA: Misses the township life, but taking part in grassroots political structures "helps me deal with this" STAR 4/10/97 (26b) PHOTOGRAPH LINDSAY YOUNG

Angie, who was then living at the student residence behind Baragwanath Hospital.

"I miss the township life, but taking part in grassroots political structures helps me deal with this."

I am sure his family miss him too, because he seldom gets to spend time with them. He is a father of nine children, all of whom are at university or boarding school, and claims he neglected his children by "not giving them enough access" to himself.

"I wake early and return home late, and work seven days a week. We never take holidays," he says.

"They are outspoken and challenge me often, and bring articles and books I have written on children's rights and tease me about pretending to be a children's rights activist when I don't even have time for my own children"

He chose a wife who was as committed to the struggle as he was. "I met someone who, like me, was more interested in pursuing the struggle than her own needs"

> *'I want those who make allegations to come forward and we would lay charges or it could be tested in the Truth Commission'*

[illegible] were then meting out the injustice were white. This does not mean I am against all white people"

He also denies the mismanagement allegations and says top auditors were satisfied there had been no misappropriation.

"I want those people making these allegations to come forward and we would lay charges against them or it could be tested in the Truth and Reconciliation Commission," he says angrily. "I am not surprised that people use gossip and rumours to fight political battles"

The allegations in the last days of the election battle made Motshekga switch off his cellphone, causing major frustrations in political and journalistic quarters.

"The information that journalists were getting was anonymous Ethically I cannot respond to rumours or unidentified sources, so I went underground," he says

Since he switched on his cellphone on Sunday, it hasn't stopped ringing. And I doubt if it will for some time

Council workers in dispute over unpaid allowances

(26b)

Star 7/10/97

They claim they have not received overtime and other special payment

By Lee-Ann Alfreds and Themba Sepotokele

Workers at Greater Johannesburg's Southern council, many of whom are reportedly idling their days away because of a severe shortage of supplies, have declared a dispute with the council after not being paid overdue overtime, standby, night-shift and "acting" allowances

The workers, believed to number in the hundreds, did not receive their September allowances In individual cases, it is claimed, employees also did not receive wages

The affected workers, all of whom work in the technical services department, have refused to work overtime until they are paid, seriously hampering the cleaning of streets and maintenance of dumping sites in the city centre and southern Johannesburg

The council has, over the past week, given various reasons for the non-payment. Among them are a cash-flow crisis, "computer incompatibilities" stemming from redeployment of staff from the metro council to the local authorities, and a review of overtime pay

Many employees believe the serious cash-flow problem, which has seen the council scale down services, is the reason for non-payment They also claim they have been unable to work because there are no supplies

"They should be paid for work they do"

An Independent Municipal and Allied Trade Unions spokesman, who did not want to be named for fear of victimisation, said yesterday a dispute had been declared The dispute would be discussed by the Interim Industrial Court at the end of the month

In the meantime, the union would take the council to the Small Claims Court to recover the money. Workers had been advised not to work overtime

"It will take one or two months before people get paid out if we go the route of the Interim Industrial Court, so we will take the council to court to sue for the money," he said

He said employees were pushing for a strike to make sure their problems were properly addressed

SA Municipal Workers Union spokesman Caleb Mokoena said the union also intended submitting the matter to the Industrial Court

He said the union's lawyers were being consulted because the non-payment constituted a breach of conditions of service

"Even if there are problems, people should be paid for the work they do," Mokoena said

Contacted for comment yesterday, Southern council human resource strategic executive Dudu Maseko said the council had already issued 89 special cheques to pay salaries for employees last Monday

However, she acknowledged that the problem emanated from redeployment and cash-flow problems She said the council would focus strictly on performance management because some employees worked overtime without being given permission

"The council will check whether there are additional staff members who had not received their salaries so that we can pay them We are committed to ensuring that all staff members get their basic salaries first Allowances will be paid later

"We have no money, hence we are unable to pay them allowances because we must also pay our creditors," she said

Maseko said the council would keep in contact with employees on the ground about the developments

Southern council workers despair over pay

(266) Star 9/10/97

There's no money for overtime, allowances or increases from cash-strapped authority

By Themba Sepotokele
City Desk

Greater Johannesburg's Southern council employees are "devastated" by the gravity of the council's cash-flow problem, which has resulted in the council not paying overtime, standby, nightshift and other allowances.

Representatives of the Independent Municipal and Allied Union (Imatu) and the SA Municipal Workers' Union (Samwu) said yesterday that employees were extremely demoralised.

A worker who wished to remain anonymous said people who had been promoted had not been paid their upgraded salaries.

"They promote people but cannot talk of reimbursement. The council is in disgrace, and as soon as you open your mouth you are in trouble You have touched the tip of the iceberg," he said, referring to an article which appeared in The Star on Tuesday.

Imatu branch chairman Ben Kotze said employees were demoralised because they worked overtime or were on standby knowing they would not be paid

"The morale of the staff has been low after not being paid their allowances. We believe the council has financial difficulties, but they have promised that salaries will be paid every month. We will give them a chance as they are facing serious problems, and we hope that things will be better," Kotze said.

He said the council's chief executive officer, Chris Ngcobo, assured the union on Tuesday that workers would be paid their monthly salaries and would receive their allowances when possible

Samwu spokesman Caleb Mokoena said the council was undermining their role as a union by negotiating only Imatu.

"In terms of the chief executive officer's assurance, we are not aware of that. There is a communication problem in the south and they undermine the union. He speaks to the other unions and ignores us. We are a majority union," he said.

Although workers were demoralised, union members had agreed to fulfil their social responsibility by providing emergency services. They had agreed to work overtime and to be on standby, Mokoena added.

Ngcobo admitted that a number of staff members were unhappy since he introduced stiffer measures before paying overtime and other allowances Unlike before, he said, allowances were now issued only on merit.

"We have the money for salaries, and those who have not been paid are claiming overtime and acting allowances. It depends on me to approve or not. I am the only person with vested powers to approve overtime or not.

"Imatu phone me and I return their call. I don't want to ignore any party and will never fire a person for giving a story to the press," Ngcobo said

Tough terms to Jo'burg's R1-bn lifeboat

(266)

Metro Council 'didn't have much leeway' to negotiate stringent conditions set by the Development Bank

Star 9/10/97

By Lee-Ann Alfreds
City Desk

The Greater Johannesburg council has accepted the Development Bank's conditions for the granting of a R1-billion loan, paving the way for the signing of a deal that will bail out the cash-strapped council.

The loan was approved by the bank this week, but was "subject to the agreement of acceptable terms". It comes on the eve of an announcement by the provincial government of a 17-point plan to stabilise the municipality's finances

It is understood the metro council was unable to reject the conditions – which are to be made known later today – because "they didn't have much leeway".

The loan comes at a time when the council, beset by financial woes, has defaulted on electricity payments to Eskom for the past two months, has a growing list of creditors refusing to supply materials for routine maintenance and repairs; and has had to abandon some services in favour of others.

The council, which applied for the loan last month, indicated at the time that it had run out of cash because it had used cash from its operational budget to fund capital projects. The poor level of payment for services contributed to the crisis.

Almost half of the loan is expected to be used to pay off Eskom – which is believed to be owed more than R100-million – and the council's other creditors. Eskom spokesman Laetitia van Staden said yesterday the council informed her that it would notify her this morning if the loan had been approved.

The Gauteng local government department would not comment, saying the issue would be addressed at a press conference today along with the announcement of a "17-point plan of action to get things back to normal in the Greater Johannesburg council".

The plan details specific tasks and time-frames the local authority must adhere to to reverse its financial crisis.

■ The Eastern council has already paid out R81-million of its estimated 1997/98 R401-million surplus to the Greater Johannesburg council, while at the same time attempting to obtain a short-term loan of R225-million to cover its own capital expenses

Last year the council handed over a surplus of R438-million to the Greater Johannesburg council after a legal battle to keep the money.

The move has infuriated the DP, which says the Eastern council had to reprioritise its capital budget because of a shortage of funds. And if it did not have to pay out its surplus, it could probably finance its own capital projects.

"The other councils are simply sitting back and getting our money paid out to them each week while we battle financially and even our critical posts remain unfilled," said Eastern council DP leader Claire Quail.

Bank grants Johannesburg R580m loan

(266) BD 15/10/97

Deborah Fine

THE Development Bank of Southern Africa has approved a R585m capital loan for the greater Johannesburg council to help alleviate the city's financial squeeze.

Luther Mashaba, the bank's northern region manager, said yesterday the loan would be disbursed in tranches as and when the council complied with various steps set out in a recent proclamation by Gauteng local government MEC Sicelo Shiceka to remedy the city's financial predicament

These included the establishment of a 10-man political committee and technical task team to scale down the capital and operating budgets of the council and its four substructures in line with incoming revenues, the formulation of effective credit control policies and a range of other reform measures.

Mashaba said it was part of the bank's standard procedure to link conditions to loans Given the city's finan-

Continued on Page 2

Loan

Continued from Page 1

cial predicament, however, the bank had chosen to strengthen the conditions by linking them to compliance with the proclamation.

He said interest rates on the loan, security and the specifics steps following which tranches would be awarded would be finalised in a few days.

The council has been forced in recent months to borrow from its operating account to finance infrastructure projects as a result of decreased intergovernmental grants and an inability to secure capital funding

This, combined with stunted municipal services payment levels, has left the council with insufficient operating revenue to carry out all of its day-to-day operations and pay municipal creditors.

The loan, which will be used to fund sanitation, roads and electricity projects, is expected to free up revenue for operating purposes.

A portion will be paid into the capital account and then transferred into the operating account to reimburse funds advanced from it to finance capital projects.

The National Party and Democratic Party have expressed concern that the 10 committee members, headed by council deputy executive committee chairman Kenny Fihla, are all from the African National Congress

300 municipal workers lose pensions, medical aid

Confusion caused by redeployment of workers within the council

Star 17/10/97 p66

By Lee-Ann Alfreds
City Desk

Hundreds of municipal workers' pensions and medical aids have lapsed in Greater Johannesburg amid continued confusion arising from the redeployment of staff within the metropolitan council

The workers, at least 300 of them, have all paid their contributions to the funds

While many of the employees work for the Southern council, some at the metro council are also believed to be affected, according to the SA Municipal Workers' Union (Samwu)

The latest bout of trouble comes in the wake of reports last week that hundreds of workers in the South were refusing to work overtime because they had not received their overtime, nightshift, standby and "acting" allowances for September Several other council workers claimed they had not been paid at all

The cause of the non-payment, which has seriously hampered cleaning efforts in the South, was attributed by the Southern council to the redeployment and a review of overtime. The redeployment exercise involves the transfer of employees from the old municipalities to the metro and local councils

An employee who did not want to be named,told The Star he had only realised that his medical aid had lapsed this week when he went to the doctor for a checkup and was told that his medical aid was invalid.

He also realised that his pension had lapsed after receiving a letter last Friday ordering him to pay his premiums by October 7 or face being cut off

Several colleagues also received letters about their insurance and from hospitals demanding payment for treatment, he said.

"But for the past three months, money has been deducted for pensions and medical aid," he said

The employee said workers had met Samwu this week to lodge complaints

Samwu Johannesburg vice-chairman Caleb Mokoena said the union was waiting for a report on the matter and would take it up at the Interim Industrial Council at the end of the month

A source, who did not want to be named, said the problem was caused by redeployment He said only about "300 out of a workforce of 29 000" was affected

Southern council spokesman Jameel Chand said the problems were a result of the breakdown in communication between the various councils

He said the council was working to rectify the situation and would pay all lapsed policies.

"They won't have to re-apply . after this month, it should all be sorted out," he said

METROPOLITAN GOVERNMENT

FM 17/10/97

Efficiency demands integrated planning

Dividing cities into large substructures has failed. Now government adopts a different tack (266)

Sound metropolitan management may be on the horizon A forthcoming Green Paper on local government and a new metropolitan development plan for Johannesburg promise to coordinate public and private investment in capital infrastructure Both proposals are about a year from implementation

The Green Paper approved by Cabinet last week wants to abolish large local metropolitan councils Johannesburg's four such structures, some covering 1,5m people, could be replaced by numerous local councils under a "megacity" umbrella

The crucial issue of how powers should be divided between metro and local councils is yet to be decided The ANC favours a stronger metro to provide direction

Johannesburg transitional metro council's Thepiso Mashinini, strategic executive officer for urbanisation, planning and environment, says attempts to geographically integrate former white and black areas by creating four huge local areas "have failed"

Accompanying the Green Paper is a new plan passed by Johannesburg's transitional metro council executive committee on September 30 It aims, among other things, to manage and derive income from development, particularly in the northern economic corridor (see map) The metro envisions a series of financial incentives and disincentives aimed at encouraging a return to the CBD

Arnold Pronto

Whitehead *managing, not controlling, development*

Robbie Tshabalala

Mashinini *huge local areas don't work*

Metro executive officer for sustainable development planning Melissa Whitehead is the chief architect of the plan She stresses it is not statutory "but rather a broad-brush investment strategy which seeks to manage instead of control development" That will mean more central advice to town planning tribunals and co-ordination of their decisions

The widely supported local plan contains an important innovation, aimed at increasing municipal income from future development So far the size of a property and its distance from available infrastructure have had no relationship to levied charges, which has encouraged developers to spread ever northwards

From the end of 1998 when the plan comes into effect, property owners will pay proportionately more for larger and more distant properties from the city centre or other available infrastructure Owners of smaller, more developed and centrally located properties will pay less

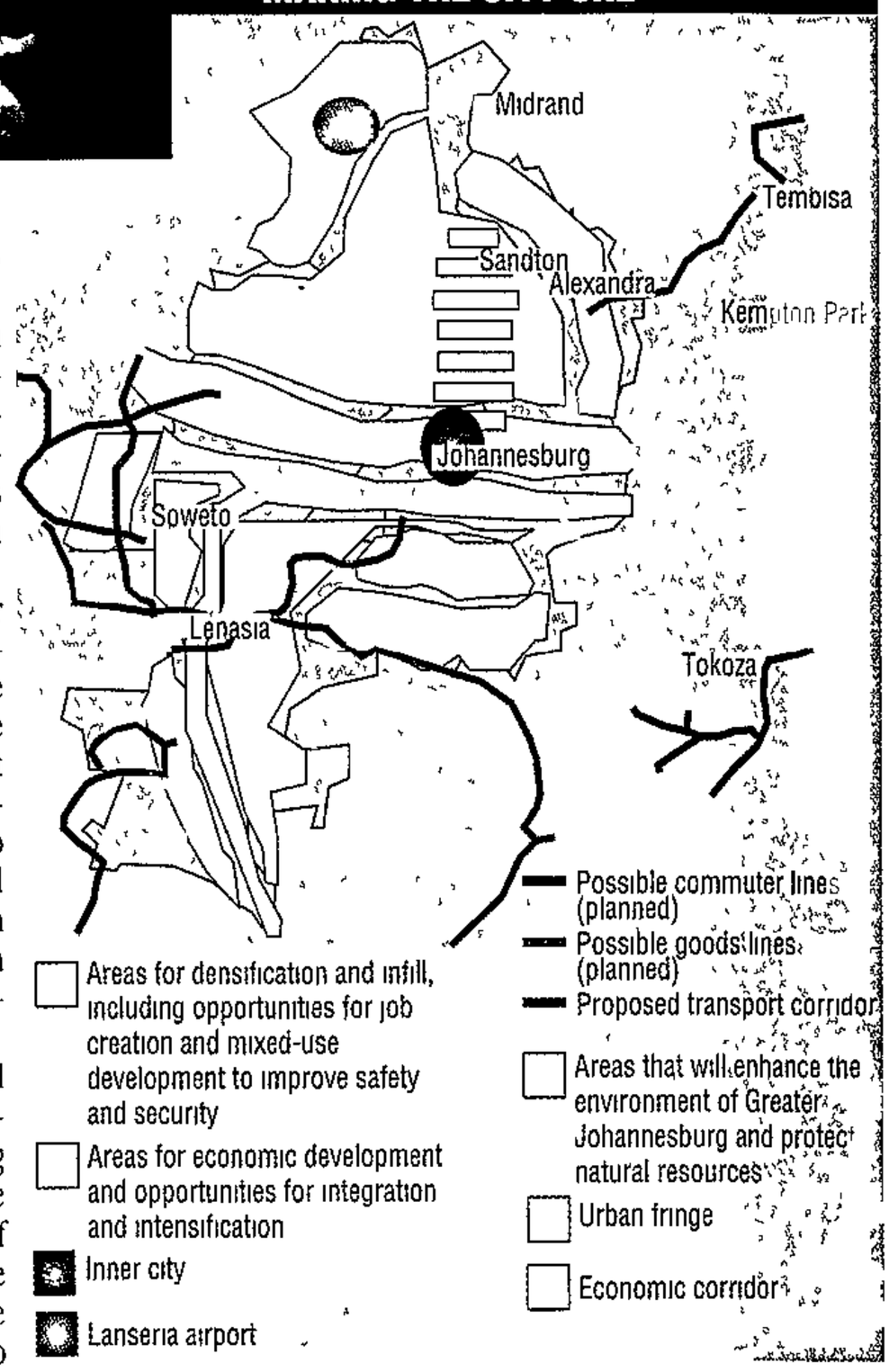
Johannesburg's future growth will be bounded by urban fringes to the west, south and northwest of the metropolitan area Development will be encouraged in the northeast, in the Lanseria airport area in the northwest, in the southwest and also eastwards in the area stretching towards Johannesburg International airport

Longer-term transportation plans, says Mashinini, will aim for circular public transport movement in the metropolitan area, accompanied by standard bus, rail and minibus fares Public corporations such as the SA Rail Commuter Corp are expected to foot much of the bill

There are no guarantees, but a more workable city could lead to better levels of rates payment

Alison Goldberg

MAKING THE CITY ONE



COMMERCIAL PROPERTY PRICES

Dream market for buyers

A glut of institutional properties sees prices tumble, yields soar

Buyers of commercial properties are rare now in a market teeming with good buys The yields at which deals are being struck — net income received in the first year as a percentage of the price paid — are moving towards the stratosphere

The latest *Rode Report* says yields on A grade offices in Johannesburg's CBD rose 0,9% in the second quarter of this year to 12,4%

They even rose by 0,3% to 10,6% in the Sandton CBD, despite its being the best place to invest for certain rental growth (another area is Claremont, Cape Town)

It's a classic market condition everybody is trying to sell (because they can make better investments than in property), nobody is buying

Colliers RMS has 250 institutional properties for sale on its books, says executive director Ferdie Meischke Barely a handful of buyers is sniffing around them

McCreedy Friedlander's Mark McCreedy says that at an average selling yield of 11,5%, his 100-plus institutional properties are worth nearly R4bn

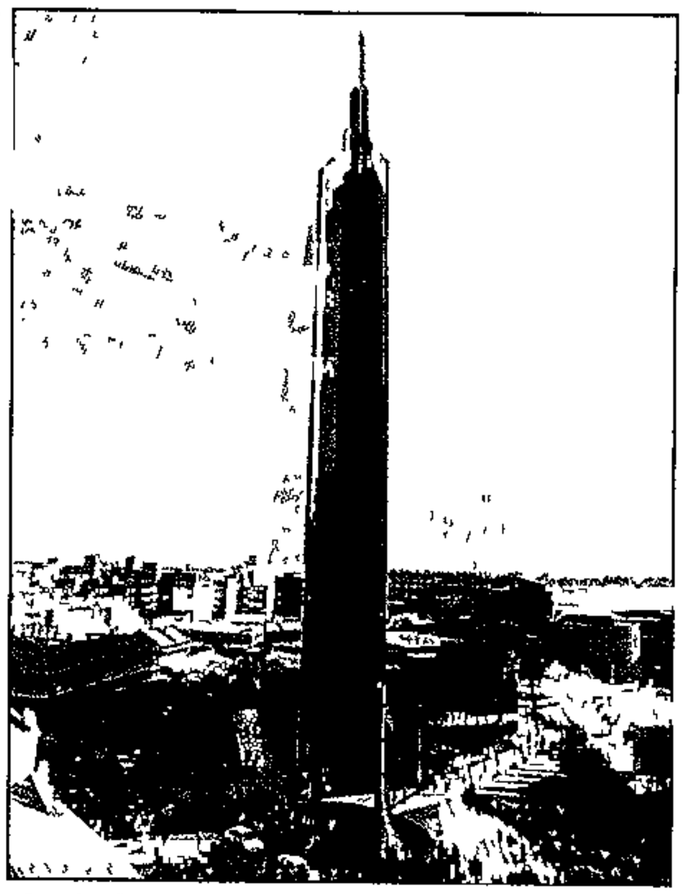
"The situation is healthy," says McCreedy "It's good that institutions are now trading their properties because at last it gives the private investor a look in on the market "

But faced with all this choice, smart investors have moved to the sidelines, waiting for prices to drop still further and yields to continue rising Meischke says one of his customers recently bought a Durban CBD property at 17% "He says he wouldn't buy it today at that yield " Because the market is even more glutted, the property could be purchased at a higher yield now, possibly 19%

A private buyer boasts of nearly doing a deal on a Johannesburg CBD flagship property at close to 30% In this market some people take him seriously

Meischke points out that investors can get 15% and more in the money market With property prices dropping, they would need substantially higher yields than that to sign a deal

And if institutions must drop prices another 20% to offer the right yields, the knock-on effect for private owners of less than prime properties is even worse



Anglo American's 11 Diagonal Street *a low price has yet to attract a buyer*

Some private owners who bought what they thought were prime properties three or four years ago complain that the market will not consider buying them at yields below 20%

Yet Rode advises owners to hang on Rents will go on rising, interest rates will drop, institutions will remove their properties from the market, yields will drop and prices will rise once more One day **Ian Fife**

FOURWAYS

Malaysians back mixed use

But enthusiasm could be dampened by grossly inadequate roads

Another major project has been announced for Fourways in Sandton Costing R350m and spread over 8,5 ha, it will comprise medium- and high-density residential areas, retail outlets, showrooms, offices, hotels, entertainment facilities and a private clinic

The development will be called Fourways Crossing Its backers are headed by listed Malaysian property group Sunrise Berhad, with 63% of the equity They are joined by Anglo American Corp subsidiary Pegasus (24,9%) and Maccon Investment Holdings (12,1%), which developed the Jack Nicklaus golf course at Hartbeespoort Dam Building will start before the end of the year, and the completed development will be managed by Ampros

Apart from the jobs it will provide for those living in the nearby informal settlements of Diepsloot and Zevenfontein, the most interesting aspect of the project is that, for the first time in Gauteng, a major mixed-use development will be created on previously undeveloped land

The mixed-use concept is highly favoured by the Eastern Metro Council, under which Fourways falls But earlier efforts to encourage its use in affluent, built-up areas, characterised by houses on large stands, have been vigorously opposed by residential property owners

Says Ivor Isaacs, head of the Eastern MSS tribunal which oversees property development proposals "We need to put some substance and effect into the compact-city notion and the benefits of greater densification That's why Fourways Crossing gets our blessing It has an acceptable residential component to it, at 15% of the total area, and we also welcome foreign investment We have ensured the developers will contribute to the landscaping, roads, pavements and beautification of the node "

Meanwhile, preliminary work continues on the proposed Tsogo Sun casino and mixed-use project at Fourways Zoning applications have been approved by the Eastern MSS, says Tsogo Sun public affairs manager Mzimkulu Malunga, and the company has launched environmental impact studies to allay residents' fears

It still isn't known, however, whether a casino licence will be granted to the project If it isn't, says Malunga, the development will continue, "but considerably downscaled" from its present 38 ha

That might not be a bad thing Fourways is already the fastest-growing area in Gauteng, observes Sanlam Properties general manager for asset management Fanie Lategan If Fourways is not to become one huge traffic jam, he reckons, its roads will need to be vastly upgraded **Margot Cohen**

Arnold Pronto

Isaacs and Sunrise CEO Michael Yam *a clear shot at mixed use*

Johannesburg Metro's lifeboat

Propping up the big domino

FM 17/10/97

Bank confident it will get its money back if city follows reform plan enforced by province

(266)

No self-respecting private bank would touch a long-term loan application from the crumbling Greater Johannesburg Metro Council Which raises the question of why the Development Bank of Southern Africa (DBSA) has agreed to a 20-year loan of R585m, at an extremely reasonable price (reportedly around 15%) After all, the bank has its triple-A credit rating to protect

Politics were not the motive, insists DBSA chief executive Ian Goldin

"This decision has been taken by the bank, with the board's approval Government, and particularly the Ministry of Finance, would be the last people to do anything likely to impinge on either the operational independence of the DBSA or our credit standing in the market

"The most important thing is for the bank to be able to continue to raise money cheaply That requires us to keep our triple-A status, and that means we don't do any lending for political reasons"

As far as financial reasons go, Goldin stresses, "this is a loan which has only become possible because we believe that Johannesburg is undertaking, and will undertake, fundamental reforms We would not be lending to Johannesburg if we didn't believe that was the case"

Where the bank's mandate is concerned, the DBSA is going where private banks fear to tread because, says Goldin, that's what a semi-State bank is supposed to do "We exist to take risks that are too big for the private sector Creating sustainable infrastructure by funding or co-funding investments which are not sufficiently attractive to the private sector is fundamental to our mandate"

The Johannesburg loan is very different from the loan granted to Durban in June In that case the bank was happy with the city's management style, and the only real condition to the loan was that it continue with the improvements it had started

In Johannesburg's case, fundamental reform is a condition of the loan The changes are encapsulated in the 14-point reform plan outlined recently by Gauteng local government MEC Sicelo Shiceka

Robert Tshabalala

Ian Goldin *taking risks too big for private sector*

The plan includes revising capital and operating budgets, amending institutional structures, formulating credit policies and practices, restructuring capital programmes, revamping information systems, establishing tariffs that will cover costs, improving accounting practices and possibly outsourcing certain functions

The plan has also stipulated the creation of a committee of 10 councillors drawn from the metro and its four local councils, and the establishment of a task team which will report to the committee and the MEC The task team's job will be to advise, monitor and implement the reforms

The vital question now is whether metro management, which has brought Johannesburg to the brink of bankruptcy, will deliver the goods Sceptics were quick to raise doubts, given the metro leadership's strong support for controversial proposals to turn Johannesburg into a megacity, which many predict would be financial suicide

But ultimately metro management has no option but to deliver The alternative is total breakdown — no electricity, no sewerage treatment, long-term damage to employment, investment, health, education and environment

But the loan agreement itself should create a strong inducement Provincial government and the DBSA will, in tandem, take a carrot and stick approach It will be up to the Gauteng government to use its legislative powers to ensure the reforms are implemented And the DBSA will release the R585m in instalments only when it is convinced that the necessary milestones have been reached In other words, no improvement, no money

The city's original application was for R930m The amount of R585m was based partly on the amount of risk exposure the DBSA was prepared to accept and partly on the bank's assessment of the city's repayment capacity "We haven't given the full amount, but we've given what is manageable and appropriate under the circumstances," says Goldin

He argues the loan was the responsible thing to do "It's no secret that Johannesburg was heading for a crisis, and that wouldn't be fair to citizens whose services dried up Ordinary people would be the real losers if the crisis were not resolved At the national level it would lead to a series of ripple effects that would damage local authorities and other institutions" It's not yet certain when the first payment will be made The milestones during the next year "will be associated with the establishment of the council and the task team, the revisions of the capital and operational budgets, and other reforms," says Goldin

Adrienne Roberts

CAPE TIMES
FRIDAY, OCTOBER 17, 1997

COUNCILLORS MAY BE SLASHED

Mega-city govt gaining favour (266)

CT 17/10/97

THE MEGA-CITY form of local government seems to be gaining favour in parliamentary circles after foreign advice that it could help uplift poorer areas. **DONWALD PRESSLY** reports.

A GOVERNMENT policy paper on local government has proposed slashing the number of town and city councillors countrywide "because more does not necessarily mean good"

The green paper, issued by Provincial Affairs and Constitutional Development Minister Mr Valli Moosa, also hints strongly at beefing up the powers of metropolitan governments.

While it does not rule out the current two-tier system of umbrella councils in each big city, with a number of smaller councils or substructures, the mega-city option appears to be gaining ground

The paper said given that South Africa currently had nearly 12 000 elected councillors in 843 municipalities, "it is unlikely that municipalities will be able to afford to provide basic logistical support" — such as access to telephone and other community facilities — "unless the current number of councillors is reduced"

The paper, which must still be discussed by the Constitutional Portfolio Committee of Parliament, said there were two approaches to determining an appropriate size for municipal councils

One was that there was a statistically correct number of councillors for any local community, the other was that the correct number varied from community to community

"However, the ratio of councillors to constituents varies internationally from 1:10 to over 1·150 000 and nationally from 1·10 to 1·29 929

The paper gives the green light to metropolitan government in the larger cities, although indications are that a centralised, directly elected system in Durban, Johannesburg, Pretoria, Vaal, Kyalami, and Cape Town is favoured.

Experts from Canada and the United States recently told parliamentarians they favoured direct election and urged South Africans to ensure that metropolitan cities were as big as possible and did not leave out wealthy areas from which poor areas could be subsidised.

The paper said the present mixed electoral system combining proportional representation with a ward system provided the best way of ensuring fairness, but decisions on appropriate electoral systems could not be finalised until there was clarity on the types of municipalities

Moosa said he favoured a direct system of ward representation.

Other important elements of the paper are:

- A proposed switch to a national rates system — rather than individual municipalities setting their own scales.
- The proposal to extend the rates base to previously excluded black areas
- An agricultural land tax is proposed even though it is acknowledged that it would only make a small contribution to the revenue base of rural municipalities—

Top accountant to head review of Greater Jo'burg council budgets

Star 21/10/97 (266)

By Lee-Ann Alfreds
City Desk

A chartered accountant from top firm Deloitte & Touche has been appointed to head the technical team tasked with revising the budgets of the Greater Johannesburg metropolitan council and its four local authorities.

Jeff van Rooyen (47), a partner with Deloitte & Touche, was appointed on Friday because of his "extensive managerial and financial experience", the council said.

The other members of the team are Dr Steve Durandt, a partner in Deloitte & Touche; Phil Sinnet, a Briton with the the Chartered Institute of Public Finance and Accountancy; and Willie Ramoshaba, chief executive officer of The Portfolio Group and a director of the Development Bank of South Africa.

The three were appointed yesterday after recommendations from Van Rooyen.

The task team has been established in accordance with a provincial government proclamation in order to stabilise the finances of the cash-strapped metro and its local authorities.

Bid to order finances of metro and substructures

In an interview yesterday, Van Rooyen said he had accepted the appointment because he "thrived on challenge. If you look at my résumé, you'll see this is the sort of thing I enjoy. It's a hell of a challenging assignment ...

"Apart from the personal challenge, I also feel that people in the private sector with skills not as readily available to the Government need to make ourselves available."

Van Rooyen said he had been involved in a number of specialist assignments in the Government over the past few years. Among others, he has worked with the ministries of finance and public enterprise and with the auditor-general's office.

He said he had selected Durandt, Ramoshaba and Sinnet because of their experience and the fact that they "worked hard".

Van Rooyen said one of his first moves would be to hear budget presentations from all five of the councils. This will take place today. He said he had also recommended that members from the councils' finance departments work with the task team.

Director-general 'to be investigated'

(266)

Vuyo Mvoko

BD 22/10/97

GAUTENG premier Tokyo Sexwale and his executive committee had decided to institute a commission of inquiry into "possible misconduct and mismanagement" by provincial director-general Vincent Mntambo, sources said yesterday

They said allegations revolved around "unresolved conflict" between Mntambo and certain MECs and staff members in the premier's office

Charges would include his alleged failure to act after being informed of suspected rampant corruption in the provincial safety and security department He would also be charged with letting the province incur "unnecessary expenses" by giving the go-ahead to housing and land affairs head Enos Ngutshane, who is under suspension, to attend a Stellenbosch conference

Sources said certain MECs would say Mntambo had undermined them and interfered with their work

Sexwale's spokesman Sefako Nyaka said the cabinet would deal with the matter today "It is an internal matter and has no bearing on anything outside government and cannot be blamed on political party cliques," Nyaka said

Mntambo refused to comment

The step follows a report last week which said a group within the African National Congress's Gauteng executive committee was making moves to have provincial ANC secretary-general and transport MEC Paul Mashatile appointed director-general in an attempt to "contain" premier-elect Mathole Motshekga It was claimed the motive was to enable Mashatile to keep a check on Motshekga and to "control his moves". This followed the failure of attempts by the provincial leadership of the ANC-led tripartite alliance to prevent Motshekga's election.

Among the names that had been put forward to lead the commission, sources said, were Khehla Shubane of the Wits University Centre for Policy Studies, public service commission chairman Stan Sangweni and business consultant Dawn Makhobo

Picture: Page 2

Commission to investigate Gauteng D-G

Star 22/10/97 (266)

BY RAMOTENA MABOTE
Political Reporter

Gauteng Premier Tokyo Sexwale has approved a provincial cabinet resolution for a commission of inquiry into allegations of misconduct and mismanagement by Gauteng director-general Vincent Mntambo

The Star has in its possession a document, approving the commission, which was circulated among members of the executive council (MECs). An announcement to this effect is expected today.

Kehla Shubane, co-chairman of the Local Government Election Task Group, is earmarked to head the commission and is likely to be joined by four prominent leaders and lawyers

According to cabinet sources, Mntambo has "trampled" on several MECs and is believed to lack the support of Sexwale and his cabinet. During a cabinet meeting on October 8, a number of complaints regarding alleged inefficiency and misconduct by Mntambo were made.

The allegations included Mntambo's failure to deal with allegations of corruption in the safety and security secretariat Sources said MEC Jessie Duarte had uncovered acts of corruption in the secretariat and made recommendations to Mntambo, but these were not carried out

Mntambo also allegedly interfered with the authority of housing MEC Dan Mofokeng by revoking the suspension of Housing Department head Enos Ngutshane by Mofokeng

Ngutshane was suspended on September 16 following allegations of mismanagement

According to Mofokeng, Mntambo contravened section 20 of the Public Service Act by advising Ngutshane to proceed to a conference in Stellenbosch despite his suspension

He is also believed to have interfered in or ignored the authority of several other MECs.

ANC 'playing megacity trick'

(266)

Deborah Fine

BD 23/10/97

THE African National Congress was trying to "deliberately mislead" the public by presenting the controversial megacity model of local governance as a type of metropolitan government in the recently released green paper on local government transformation

Democratic Party spokesman Ian Davidson said that the "single city metropolitan government" option described in the green paper was "a contradiction in terms". He said a single-city model meant a single political and administrative authority presided over an entire region A metropolitan government ensured decision-making powers were devolved, bringing government closer to communities

Responding to recent criticisms that the two-tier model employed by local authorities, including greater Johannesburg, had proved a failure, Davidson said the problem was the way in which it had been applied

The failed application could be "easily repaired" through definitions of the powers and functions of the metropolitan tiers and their local substructures.

Davidson believed in a single tax base for metropolitan areas, but local councils had the right to budget and manage their own finances, including the setting of rates and tariffs Redistribution to disadvantaged areas could take place through the imposition of levies and the disbursement of grants.

City confirms overspending, corruption

(266)

Bonile Ngqiyaza

BD 24/10/97

JOHANNESBURG's local councils experienced an estimated R130m shortfall in cash flow every month, the recently appointed committee of 10's technical task team reported yesterday

The team, responsible for revising the council's capital and expenditure, acknowledged for the first time the seriousness of the financial situation of its local councils, as a result of over-expenditure

Committee member Kenny Fihla said: "It has become apparent that the financial situation constitutes a crisis"

A preliminary report into the finances of Johannesburg's five local councils disclosed that unlawful contracts had been used to siphon funds out of the council and that certain officials had been involved in the irregularities as far back as 1993.

Fihla, however, declined to name the officials involved, saying the matter had been referred to the council's legal department and "appropriate action" —which may involve criminal and civil action — would be taken against the individuals.

The first phases of technical and financial task reports are expected to be presented to the committee on November 10, Fihla said

Corrective measures recommended by the task team include a team takeover of the convening of the finance coordinating committee and monitoring of weekly cashflow of all councils.

(26b) FM 24/10/97

JOHANNESBURG METROPOLITAN COUNCIL

Reprieved but not yet safe

Development Bank loan only the start of a slog to financial stability

The conditional granting of a R585m loan to the Greater Johannesburg Metropolitan Council (GJMC) by the Development Bank of Southern Africa has alleviated but far from solved the financial crisis facing the administrators of SA's largest city

The loan — which will be disbursed in instalments as specified objectives are met — covers debts incurred by the metro council in the past financial year, when it used funds from its operating budget to pay for capital projects But Andre Botha, acting strategic executive of GJMC financial affairs, says another R700m is needed to cover essential capital projects in the current 1997-1998 financial year

One symptom of the financial crisis has been the council's inability to pay creditors promptly These include Eskom and Rand Water The situation has hamstrung efficient administration of the metropolis and even endangered the safety of its citizens

According to records kept by Democratic Party leader in the GJMC Mike Moriarty, irate creditors have withheld vital supplies such as globes for traffic lights and chlorine for sewerage and public swimming baths pending payment of outstanding accounts

One creditor who complained to Moriarty is a major liquor company that is owed R132 000 by the GJMC, the debt is seen by opposition politicians as prima facie evidence that upper echelon members of the ruling ANC and/or high level bureaucrats continue to party at the expense of ratepayers as the city slithers into debt

The Development Bank (DBSA) loan is subject to the metro council fulfilling conditions which, DBSA chief executive Ian Goldin says, will be strictly monitored

The conditions — the finer details of which are still being negotiated — include the establishment of a "committee of 10 councillors" and a technical task team They will help revise capital and operating budgets with the aim of matching expenditure to income, formulate stricter credit control policies and practices for "financial stability," and outsource functions which are best handled by the private sector

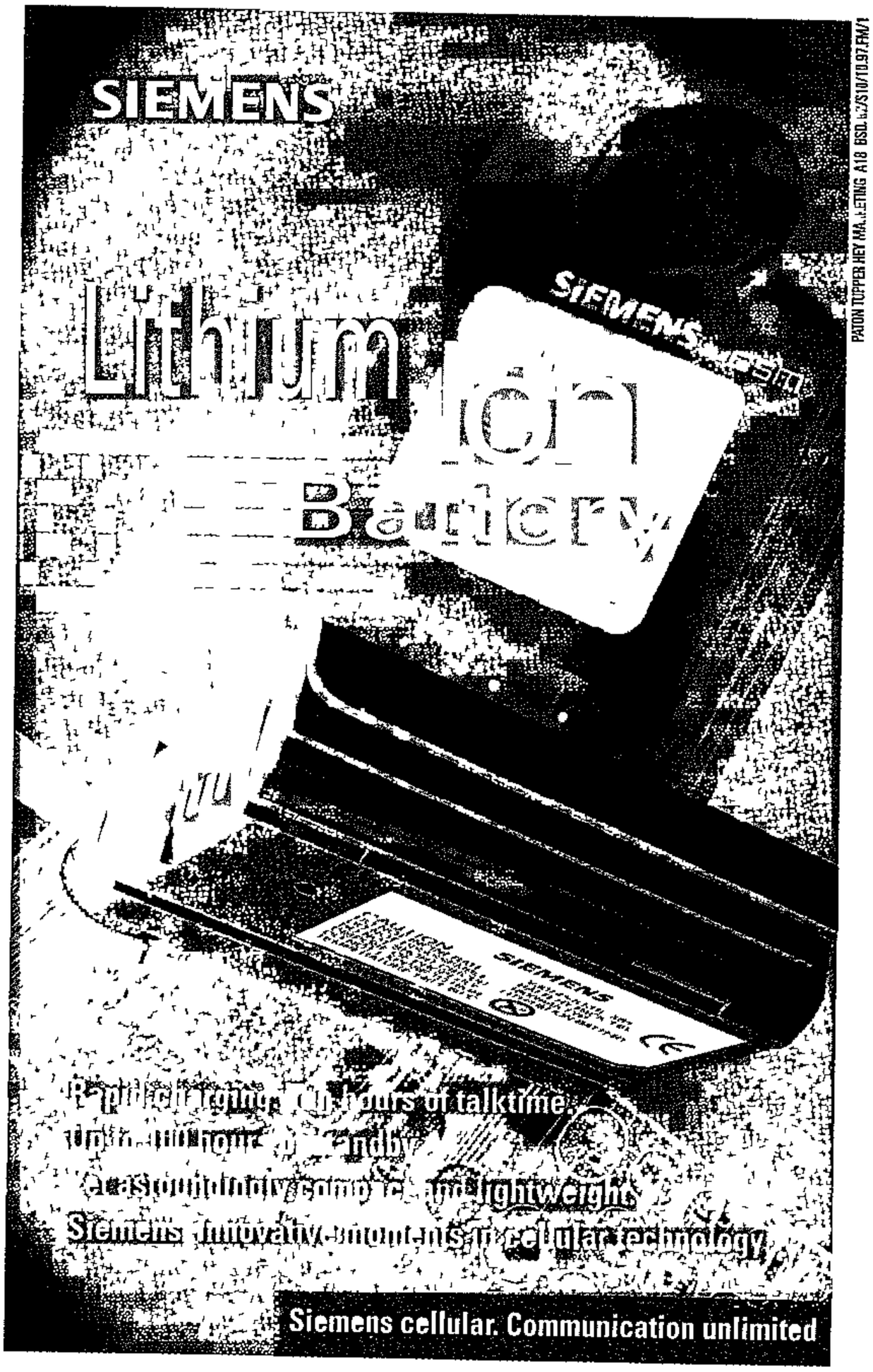
The first two "milestones" — as Goldin puts it — have been reached The committee of 10 has been established under the chairmanship of Kenny Fihla, deputy chairman of the GJMC executive committee, and a four-member technical task team has been set up under the chairmanship of Jeff van Rooyen, a partner with accounting firm Deloitte & Touche

One member of the technical task team is William Ramoshaba, a businessman and — significantly for monitoring fulfilment of loan conditions — a DBSA director

Outspoken DP councillor Claire Quail complains that all members of the committee of 10 are ANC councillors "They are sitting as judge and jury of their own financial mismanagement," she protests Fihla dismisses her complaint, saying the party monopoly is "just coincidental" He promises that there will be "regular briefings" on the progress made towards fulfilment of the conditions for the loan and that leaders of opposition parties will be invited to sit in on discussions

Moriarty is satisfied that the exclusively ANC committee will not be able to function in secret because its decisions will have to be debated in the GJMC and Johannesburg's four local councils before they can be implemented, he says That apart, the GJMC's major creditors are guaranteed to keep an eagle eye on proceedings There is too much at stake for them if the financial crisis is allowed to worsen

Patrick Laurence



judiciary was not a collective — each restricted by the sovereignty of Parlia-

Local govt conference prefers megacity model

BD 27/10/97

Deborah Fine (266)

THE single city, or megacity, was the preferred future local government model of the majority of the 357 delegates who attended the Gauteng provincial conference on local government transformation last week, Gauteng local government MEC Sicelo Shiceka said on Friday.

He stressed, however, that the process of choosing new models for local authorities was not yet completed, and that the megacity and other local government models would still be extensively debated at six separate regional conferences throughout the province later this year.

The other model most favoured by conference delegates was the two-tier metropolitan model with emphasis on a powerful umbrella metropolitan council with sufficient "teeth" to effectively redistribute municipal resources from more affluent to underprivileged areas and override any bylaws passed by local substructures conflicting with the broader interests of the metropolitan region, he said.

In line with this, the metropolitan council would control regional functions such as land use, transport and economic planning, financial management and municipal borrowings

Both models have been a source of concern to the Democratic, National and Inkatha Freedom Parties, who have rejected highly centralised models in favour of decentralisation and more powers and functions for localised municipal substructures.

The African National Congress has yet to formally support a particular model, although various voices within the party, including Gauteng premier-designate Mathole Motshekga, have come out strongly in favour of a megacity. The party is expected to express its preference after its national conference in December.

Shiceka said an important aspect that still had to be debated was the cost implications of the implementation of each of the various models proposed by the different parties. It was commonly agreed that the present system of local government was not cost-effective as there was substantial duplication of functions resulting in wasted resources and man hours.

Another resolution adopted was support for the establishment of a new "national equalisation fund" to assist smaller local authorities unable to borrow through normal market channels because of their size.

Doctor may be charged for abortions

BD 27/10/97

Taryn Lamberti (266)

A JOHANNESBURG doctor will hear this week if he will face prosecution on 19 counts of performing illegal abortions under the old Abortions and Sterilisation Act between 1987 and 1992

Counsel for Dr Phillip Nourse, of Johannesburg, requested magistrate CJ van Heerden to discharge the case against his client which has been on the Johannesburg Regional Court's roll since his arrest in March 1992.

Advocate B Farman said that the case against Nourse had been postponed 45 times.

Farman requested the case be discharged on the grounds that abortion was no longer illegal under the new constitution.

"Dr Nourse showed women compassion and saved lives by giving them an alternative to back-street abortions," Farman said.

Van Heerden will hand down judgment in the matter on Thursday

Nelspruit services privatisation opposed

BD 28/10/97 (266)

Deborah Fine

MEMBERS of the Congress of SA Trade Unions, the SA Municipal Workers' Union and the SA Communist Party (SACP) staged a march on the Nelspruit town council yesterday to protest against a recent council decision to allow a private consortium to deliver water and sanitation services in the area

The council announced last month that SA consortium Metsi A Sechaba, backed by British firm Biwater, was the preferred bidder for a 30-year water and sanitation concession in the greater Nelspruit area The exact nature of the services-delivery partnership between the council and the consortium was expected to be finalised by the end of the year

The council opted for the public/private sector partnership after it was decided that the council on its own could not deliver water and sanitation services to all of Nelspruit's' residents within a reasonable time period

The Nelspruit project has received financial and technical backing from the national provincial affairs and constitutional development department, as well as support from Mpumalanga premier Mathews Phosa

The trade unions and the SACP, however, have vowed to launch countrywide protests against the semiprivatisation of municipal services, claiming that the process will lead to job losses, massive increases in service tariffs and the perpetuation of services inequalities

In a memorandum handed to Nelspruit deputy-mayor Fatima Mabuza yesterday, about 400 marchers demanded the suspension of the concession process An urgent meeting between the council and the trade unions is expected to be held tomorrow

'R558m for Gauteng's coffers' (266

BD 10/11/97

Deborah Fine

THE new, no-nonsense revenue collection and credit control policies adopted by Greater Johannesburg's local authorities last week were expected to boost the cash-strapped city's coffers by R558m in the rest of the financial year

Leader of the Democratic Party in the greater Johannesburg metropolitan council Mike Moriarty said the figure was released at a special report-back session held by the council at the weekend Councillors were inform about the progress made by the special political and technical task teams set up three weeks ago to stabilise the city's cash-crisis

He said it was hoped the new measures would increase the city's overall average payment level from 88% to 93%

The city found itself in financial hot water when it was discovered earlier this month that its local authorities would face a R2bn budgetary shortfall if spending was not brought in line with incoming revenues

The incoming funds have been far below those budgeted for as a result of, amongst other factors, a continuing culture of nonpayment for municipal services

The political and technical task teams also announced at the report-back session that the city's consolidated operating and capital budgets would be cut back by R1,5bn to bring expenditure in line with income.

A R500m reduction in the operating budget included savings of R200m on general running costs and R165m on salaries by freezing existing posts Additional savings of R125m were expected on capital and interest charges as a result of reduced capital spendings The capital budget would be slashed from R1,7bn to R645m

Moriarty said that while the exclusively African National Congress political task team and the private sector technical team should be congratulated for their "very sensible approach", his party would continue to have certain "misgivings" until further details were released on exactly which general operating costs would be reduced and which capital projects would be postponed.

He also called on the councils to accrue further savings which could be used to resurrect the city's original capital programme by privatising the city's sewerage network, purification works and bus transport company.

The task teams would produce a full report on their findings and recommendations today.

GJMC suspends senior official

(266) Sowetan 17/11/97

By Joshua Raboroko

LESS than a week after the Greater Johannesburg Metropolitan Council warned that it would act on its financial losses, a senior adviser to the council, Mr Barry Smith, has been suspended in connection with irregularities amounting to R120 million

A disciplinary hearing was being held to look into Smith's role in the collection of the regional services council's levies, which amounted to R150 million in the last financial year

The chairman of the committee appointed to investigate the council's financial crisis, Mr Kenny Fihla, warned that the auditors' findings had revealed that officials had been involved in using unlawful contracts "to siphon funds from the council"

Fihla said the auditors' report indicated that the council had allegedly been overcharged as a result of the contracts with an agency responsible for the collection of rates

The audits of the levies had been done after Gauteng MEC for finance, Jabu Mokeki, had been alerted to the irregularities by the city's businesses

It is believed that the council lost about R30 million a year for the past four years as a result of irregularities in the collection of the levies

The levies are collected from Johannesburg businesses and used for the development of infrastructure

Fihla said that only one official was believed to be involved in the alleged fraud but the council was investigating the possibility of others also being involved

However, the council still had to determine how much had been lost because of the actions of employees or as a result of the alleged unlawful contract with the agency

Fihla said an agreement signed with the agency in 1993 was amended in 1994 without due processes being followed The tender procedures were not followed and the second agreement was null and void

As a result of the irregularity, the council has lost millions of rands Civil and criminal action would be taken if evidence of fraud was found, he said

"The council wants to recover money it thinks has been obtained illegally," Fihla added

Gauteng cost-cutting centres on health, teachers

BD 17/11/97

Farouk Chothia

THE Gauteng government had introduced wide-ranging cost-cutting measures in a bid to avert overexpenditure on its R14,5bn budget this financial year, Gauteng treasury chief director Pradeep Maharaj said yesterday.

Maharaj said current estimates of overexpenditure this financial year were about R1,1bn However, the figure would be reduced to between R150m and R200m once the national treasury transferred funds for public service salary increases which came into effect on July 1.

The transfers should take place next month, Maharaj said

He said overexpenditure was largely confined to the education and health departments, with the figures standing at about R600m and R580m respectively

The provincial government wanted teachers who went on lengthy leave next year not to be replaced with "substitute" teachers, as was the case in the past. An exception would be teachers who took maternity leave, Maharaj said

SA Democratic Teachers' Union (Sadtu) Gauteng deputy chairman Jabu Ngwenya said the education department tabled the issue in the provincial bargaining chamber last week, but the discussion was shelved because the department failed to give the required 17-days notice that it planned to raise the matter

The Mass Democratic Movement's provincial consultative forum would discuss the plan later this week, before it was again raised in the chamber, he said

The department wanted school governing bodies to take responsibility for employing substitute teachers, but Sadtu was opposed to this as only historically privileged schools would be able to afford payment

This would perpetuate inequities and result in higher teacher-pupil ratios in disadvantaged schools, Ngwenya said

Maharaj said this plan was separate from negotiations under way on the non-renewal of contracts of temporary teachers in various provinces Contract terminations were also likely in Gauteng

Maharaj said the health department was also looking into the issue of cutting costs by reducing stock levels at hospitals, without compromising health care.

"If there is, for example, a four-week buffer of stock, we are seeing whether we can bring it down to two or three weeks."

Maharaj said other decisions aimed at cost-cutting included a ban on new projects without the approval of the provincial cabinet and treasury and the requirement of treasury approval for any tender worth more than R2m. Only "absolutely critical" posts in the public service would be filled after treasury approval.

Maharaj said he expected the legislature to pass an adjustment appropriation bill before the end of the financial year that would shift funds from departments which had made savings to those that were overspending.

The measures would help ensure government broke even this financial year, he said National treasury officials would meet their Gauteng counterparts today as part of the continuing evaluation of provincial expenditure patterns

Jo'burg will have to cut its spending by R1,5-billion

Star 18/11/97 (266)

CITY REPORTER

A committee appointed to oversee the review of Greater Johannesburg's finances has approved a R1,5-billion paring of this year's budget.

Yesterday's approval by the "committee of 10", which was established in terms of a proclamation by Local Government MEC Sicelo Shiceka, followed recommendations from a technical task team last week.

Shiceka had ordered the committee to try to break the crippling cash crisis which had forced the metro council and its four local authorities to default on their payment to Eskom for three months and to abandon certain services in favour of others. The committee, which is composed of two executive members from each council, has been advised by a technical task team made up of independent accountants.

The revisions to the five budgets have to approved by the individual local authorities at council meetings in the next two weeks.

In terms of the revisions, the operating budget (used to pay salaries and materials) is to be cut by close on R500-million by freezing about 19 000 vacant posts; reducing the charges for capital projects; increasing the interest charged to residents; and cutting down on "entertainment allowances, consultants' fees, office furniture, printing and publicity, advertising and so on".

Committee of 10 chairman Kenny Fihla could not say by how much entertainment allowances and consultant fees would be cut, but said an additional R77-million would be gained by increasing interest rates.

The capital budget (used for buildings and infrastructure) will be cut by more than R1-billion to R645-million by funding only those projects which are already under way.

Fihla said the committee had also approved the establishment of a R493-million fund for debts that cannot be recovered.

The committee had also agreed that a large portion (R309-million) of a R585-million loan from the Development Bank of SA would be used to pay Eskom.

About R150-million will pay the council's overdraft facility at First National Bank, while R85-million will be invested.

Johannesburg budget 'more in line with income'

BD 18/11/97 (266)

Deborah Fine

GREATER Johannesburg's new consolidated budget was more realistic in that it acknowledged that R493m — just less than 10% — of its projected revenue from municipal rates and taxes might not be collected during this financial year, deputy executive chairman Kenny Fihla said yesterday.

Fihla heads a political task team set up last month to stabilise the city's recent cash-flow crisis by bringing spending in line with income.

He said yesterday that previous budgets had been based on the assumption that the city's five local authorities would achieve 100% payment of rates and service charges.

A culture of nonpayment for services, the large number of indigents unable to pay and a rates boycott in the eastern local council's Sandton suburbs had resulted in an average payment level of only 88%.

The stunted payment levels, among other factors, had put pressure on the city's ability to keep up with its day-to-day expenditures, causing a serious liquidity crisis.

Fihla said the city's new budget provided for a working capital reserve of R493m, based on payment levels of 93% in historically privileged areas and 50% in previously disadvantaged areas, to counter the effects of nonpayment and to protect the cash flow.

The higher payment levels were expected as a result of the city's new credit control, billing and revenue collection systems, which were expected to be up and running by next month.

The reserve had been set up in conjunction with severe expenditure cuts to ensure the city remained within the income generated. The biggest savings had been made by freezing posts and cutting costs such as entertainment, consultants' fees, office furniture, printing, publicity and advertising.

The council has estimated that it might not collect R199,6m: R111,6m from the eastern local council, R64,4m from the northern local council, R88,8m from the southern local council and R28,3m from the western local council.

The slashed budgets also meant that the eastern council's R400m levy, which was to be used to subsidise deficits in the southern and western councils, had been reduced to R350m.

Fihla said the city's recently secured R585m loan from the Development Bank of Southern Africa would be used mainly to replenish funds which had been taken from operating revenue to fund capital projects.

He said R309m of the loan would be used to pay off the city's outstanding arrears with Eskom, R150m would go towards a First National Bank overdraft facility, R85m would be placed in an interest-bearing sinking fund, with the remainder used to improve the cash flow in all five councils.

City starts new campaign to recover R1,75bn

BD 26/11/97 (26)

Deborah Fine

BUSINESSES, blocks of flats and cluster home complexes, particularly those in the Johannesburg central business district (CBD) and surrounding suburbs, are the "main culprits" still refusing to regularly pay their municipal accounts.

Greater Johannesburg metropolitan council deputy executive chairman Kenny Fihla said the city would begin implementing its new, streamlined credit control policy this week to begin to recover the R1,75bn owed in municipal services and taxes arrears.

Outstanding payments for services made up R1,3bn of the debt The remaining R446m was made up of uncollected property taxes.

The city's first step to demonstrate the "seriousness" of the new campaign would be to expose and cut the electricity of any politicians and public servants at national, provincial and local level who still owed money, as well as schools, hospitals and other government institutions behind in their payments, Fihla said

Recent council audits have indicated that ratepayers falling under the Johannesburg northern local council owed R300m in outstanding payments, while ratepayers in the city's southern, eastern and western areas owed R734m, R586m and R136m respectively.

Soweto ratepayers owed R276m, Sandton R193m, Randburg R83m, Lenasia R71m, Roodepoort R49m, "new areas" such as Doornkop to the west of the city R29m, Orange Farm R25m, Alexandra township R24m and Ennerdale R11m. The remaining outstanding R987m was located in the CBD and surrounding suburbs which used to form the "old Johannesburg" administration

Fihla said the figures dispelled the misconception that it was nonpayment in the former black townships which served as the greatest drain on the city's finances.

Explaining that the city derived most of its incoming revenue from the CBD and traditionally privileged areas because of higher property values and larger services consumption, he said that nonpayment in these areas was far more detrimental than nonpayment in traditionally disadvantaged areas.

A 1% payment decrease in formerly advantaged areas meant a R50m decrease in city revenues, while a 1% decrease in underprivileged areas meant a decrease of R4m.

He said the new credit control measures, including streamlined billing and revenue collection systems, would use specific strategies to deal with different categories of nonpayers. This was in contrast with the past system, which had used a uniform policy to deal with all debtors.

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Cash crunch still fact of city's life

Jo'burg will enter 1998 short of millions and long way from balancing the books

By Lee-Ann Alfreds
City Desk

For many, 1997 will be remembered as the year that Johannesburg's financial woes were so severe that the Greater Metropolitan Council and its four local authorities were forced to default on its electricity payments and to abandon certain services in favour of others

But this would be wrong, according to accountant Jeff van Rooyen, because the signs that Johannesburg was headed for trouble were evident early in 1996

Van Rooyen is the chairman of an independent technical task team established in October on instructions from the provincial government to try to reverse the city's crippling cash crisis Council employees were also reported to be sitting idle because of a lack of supplies

During its investigations, the task team discovered that Johannesburg was overspending by R130-million every month and that, unless this was stopped, the city would soon be bankrupt

To bring the city around, Johannesburg has trimmed its capital budget (used for infrastructure) by more than R1-billion The operating budget (used for salaries and supplies) was cut by about R500-million by freezing all vacant posts, cutting down on entertainment allowances and increasing the interest charged to consumers.

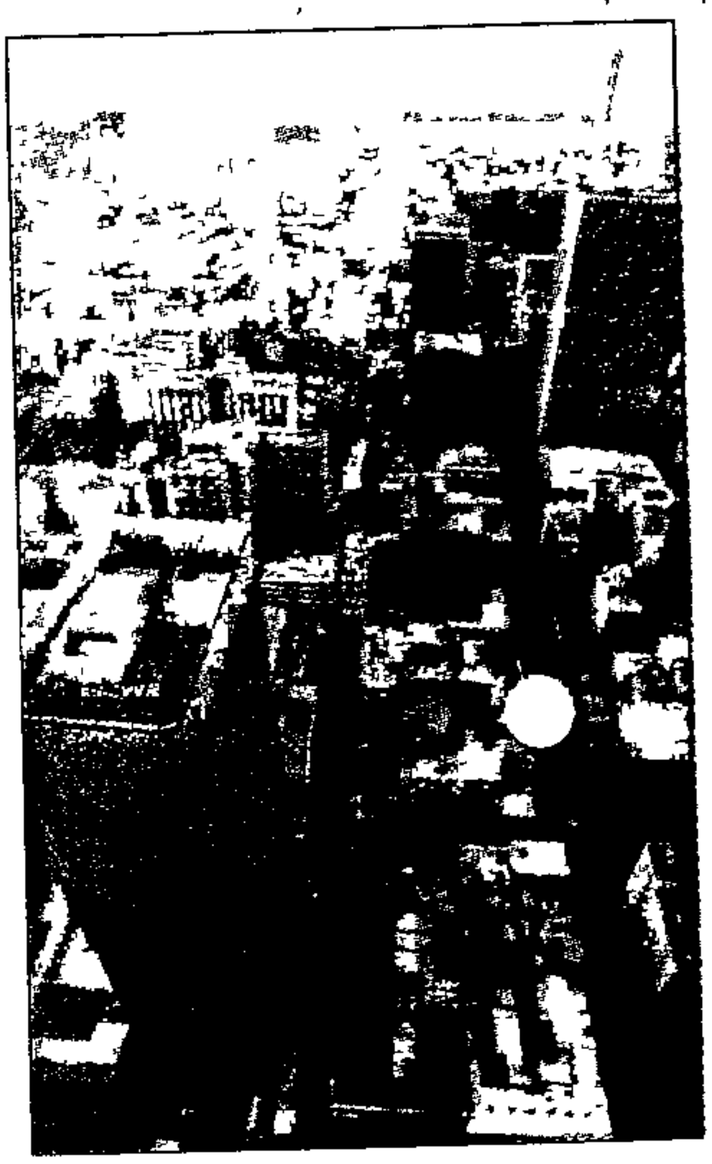
A stricter credit control policy has also been implemented to improve service payment levels and recover R1,8-billion owed to the city in arrears.

But while the measures are enough to stabilise Johannesburg, the city is still hovering on a precipice, Van Rooyen said.

He said problems emerged in 1996 when the council was unable to raise R450-million for a loan for capital expenditure. The capital budget was then funded out of the operating budget

Instead of refraining from contracting new capital projects in 1997 because of a lack of loans, the council once again drew up its budgets as if there were "abundant resources".

This attitude, Van Rooyen believes, is the primary cause of the financial woes. It is an attitude which chiefly holds that the council can get money either from its customers (residents), or from the banks, or – as a last resort – from the provincial or national government.



Money troubles ... reserves were depleted.

This had been the way the council had operated for years and had led to a lack of financial discipline and to no individual being able to be held accountable for resources, Van Rooyen said.

But this changed with the country's weakening economic situation and a new emphasis on fiscal discipline.

Van Rooyen said Johannesburg was also not able to call on its reserves – money set aside for non-recoverable debts – as it had been depleted in the previous financial year. "It's just like a normal person If you spend more than you earn, you can draw on your savings. But when your savings run out, you're in trouble.

"By 1996, Johannesburg's reserves were depleted, that's where the problem lay," Van Rooyen explained.

He said the problems had been compounded by poor budgeting and credit control policies, low recovery of payments, the inability to raise loans, inadequate management information systems, and a lack of clear delineation of responsibility

"These problems are not exclusive; some of them are inter-related," Van Rooyen said.

Poor budgeting and credit control policies, and the low recovery of payments, meant that the council was not receiving as much income as it budgeted for. The payment level in Johannesburg is currently at 85%, about 10% less than what is considered good.

The city's inability to raise loans meant it had to use its operating expenditure to fund its capital projects, leading to a severe cash crisis.

Van Rooyen said the council also had an inadequate management information system which meant that information they required was not readily available.

"For example, with billing ... I should be able to get defaulters in a certain category and in arrears at the touch of a button, but that's just not possible," he said.

All these factors plus the lack of clear responsibilities – no one individual could be held accountable for the problems – had doomed the council.

But the technical task team and the councils are about to change this – primarily because they have no choice.

Van Rooyen believed the biggest challenge for the task team was to change that mindset of councillors and council employees so they realised there were limited resources available This meant that strict financial accountability was needed.

While the technical task team was putting measures in place to ensure fiscal discipline was a priority, it would take time before the culture changed.

He said the council's strict new credit control policy would also ensure all customers paid for their services, while the strict financial measures put in place had already resulted in "positive signs" from the city's bankers

"There are already signs from the financial institutions that they are prepared to talk to us to fund capital expenditure for next year. In fact, some bankers already told us that we can expect some proposals from them in the new year to fund capital expenditure

"It's going to be hard work. We're not by any stretch of the imagination out of the woods What's really required is a lot of hard work and effort from everybody."

Star 6/12/97 (266)

NP withdraws case against Pretoria council defectors

(266) BD 11/12/97

Pule Molebeledi

THE National Party (NP) had withdrawn an impending court case against eight of its former Pretoria city councillors who defected to the United Democratic Movement (UDM), NP Gauteng leader Sam de Beer said yesterday.

De Beer, who issued a joint statement with the UDM co-leader Roelf Meyer on the issue, said his party felt it was not worthwhile to pursue the case further and would rather concentrate on bigger issues facing the country

Some sources said the issue was a face-saving exercise on the part of the NP as there was nothing for it to gain from the matter.

NP Pretoria regional council chairman Johann Durand said the agreement was done on the understanding that the UDM would support the NP in the council in certain cases.

Meyer dismissed this as "absolute nonsense".

Selloff to balance the books

(266)

Johannesburg plans to dispose of some liquid assets in a move to boost liquidity

Star 11/12/97

By Lee-Ann Alfreds
City Desk

Beerhalls and filling stations are among some of the unlikely assets owned by Johannesburg that have drained resources and contributed to the city's slide towards bankruptcy.

Greater Johannesburg metropolitan councillor Kenny Fihla told a press conference yesterday that Johannesburg's five local authorities owned several beerhalls and filling stations, which it was considering selling as part of a financial review aimed at restoring the city's liquidity

Fihla said another asset, which was also a drain on resources, was Rand Airport The council was losing at least R2-million a year on it and was looking at ways of outsourcing the service.

The city's fresh produce market at City Deep was also being looked at to see how it could be made more profitable, he said

The financial review, which was ordered by the provincial government in October, came after a cash crisis that forced Johannesburg to default on payments to Eskom and other suppliers, and to abandon some services in favour of others.

Fihla's admission follows reports in The Star in October that the provincial government was putting pressure on Johannesburg to sell assets not considered to be its responsibility. According to a source, these included "cattle ranches", a bottlestore, petrol stations, and houses in which senior officials lived

At the time, the councils denied they owned a bottlestore or any unnecessary petrol stations and said the "cattle ranches" were actually farms used for sewage treatment

But Fihla said yesterday that there were several beerhalls and filling stations that the councils had inherited that were "not adding any value".

But while admitting there was a lot for Johannesburg to do to restore its liquidity, Local Government MEC Sicelo Shiceka said he was happy with the measures the city had put in place.

The city has cut its operating budget (used for salaries and supplies) by R500-million and its capital budget (used for infrastructure) by more than R1-billion to rein in overspending of R130-million a month

Employees of four Gauteng councils may not get salaries

(266) Sowetan 11/12/97

By Joshua Raboroko

FOUR Gauteng local authorities are headed for bankruptcy unless the provincial and national governments intervene and pay millions of rands these municpalities are owing commodity providers

The situation of the unnamed councils was so severe that they would be unable to pay Eskom, Rand Water and hundreds of their workers' salaries and bonuses, including councillors' allowances, at the end of this month, Gauteng MEC for development planning and local government Mr Sicelo Shiceka told a media briefing in Johannesburg yesterday

He said his department was consulting with the councils with a view to resolving their problems

He would not disclose the exact amounts owed by the councils, saying there was an urgent need to stabilise them through the two tiers of government

Shiceka said the 52 Gauteng urban and rural municipalities experienced financial hardships as well as lack managerial and support systems They were owed more than R3 billion as a result of non-payment of essential services

However, the situation of the four councils was serious, and the provincial and national governments would probably propose that they be amalgamated into more economically viable councils

Shiceka said the Ministries of Finance and Constitutional Development and Provincial Affairs were discussing ways of trying to help these municipalities

He said the Greater Johannesburg Metropolitan Council was saved from bankruptcy by introducing strict credit control measures, reducing its operational and capital budgets, staff and other expenses which had helped to put it on a sound financial footing

He said the GJMC's finances had been stabilised and all its creditors would be paid by February next year

The city's cash flow had improved, thanks to a Development Bank of South Africa loan and substantial savings brought about through the freezing of posts The private sector had volunteered to help struggling councils These councils had also been urged to enter into joint ventures with the private sector

Real power is econ

Gauteng's salary bill sucks it dry

(266)

Sowetan 11/12/97

Staff not keen to take packages

By Shadrack Mashalaba

THE salaries of Gauteng government staff have been identified as the main cause of the projected R1,2 billion deficit at the end of the financial year in March

Briefing the media in Johannesburg yesterday, MEC for economic affairs and finance Jabu Moleketi said although the province's financial year ends in March, his department had already projected a deficit

The province has overspent by R300 million already

Moleketi said in line with the government's deficit reduction measures, they were not supposed to exceed two percent of their total budget which amounts to about R14 billion

He said the current year was tough "We failed to reduce our personnel and cut our capital expenditure to reduce our costs" Currently the province employs 125 000 to 126 000 people in the departments of health and education In addition, over 12 000 temporary teachers are employed

"When the province offered severance packages, we had expected that the response would be huge," said Moleketi "Instead we saw people in critical positions taking the offer"

Another alternative, that of instituting employer-driven rightsizing which could have resulted in forced retrenchment, was not implemented

Proper management

"If one looks back since we presented our budget, our shortcoming has been lack of a proper management plan in place to guide our spending"

Other measures that have been introduced include cutting down on merit awards and closing some offices to avoid duplication of administration

Moleketi said revenue collection in the province needed to be upgraded

He also announced that Gauteng will unveil details of an Information Technology (IT) Triangle strategy early next year The strategy aims at investing between R70 billion and R10 billion over 10 years

PS - LOCAL AUTH. - GAUTENG

1998

200 workers will not be rehired

CT (BR) 13/1/98 (266)

FRANK NXUMALO
LABOUR CORRESPONDENT

Johannesburg — The Southern Metropolitan Substructure (SMSS) of Johannesburg was standing by its decision not to employ about 200 municipal service workers who were dismissed last week after their private-sector employer, Wykom Waste, lost a lucrative local government contract, Tony Michler, SMSS's executive waste manager, said yesterday

Michler said the council could not renew the Wykom contract as it was too costly "We terminated the Wykom contract," he said "It was not favourable to the council as it cost us R21 million in six months Our new contract costs about R12 million, a saving of more than R8 million "

Michler said although the SMSS had struck an agreement with the South African Municipal Workers' Union to renew the contracts of council employees whose contracts had expired last week, the council would continue to apply strict cost-cutting measures.

"People must realise that they cannot just make unreasonable demands," he said "In view of the council's cash flow problems, the council must take every step possible to save money and this what we have just done."

Meanwhile, the Federation of Unions of South Africa (Fedusa), welcomed the South African Independent and Allied Workers Union (SAIAWU) as its newest affiliate

Chez Milani, Fedusa's general secretary, said SAIAWU, with a paid-up membership of about 5 000 predominately organised farm workers, was growing rapidly

He said individual subscription fees were R15 a month

"They are a dynamic group of people," Milani said "We are very excited to have them, they are the first agricultural union to join Fedusa. Apart from organising within the agricultural sector, this affiliate will also be providing its members with various upliftment programmes in conjunction with Fedusa, such as first-aid training and adult basic education "

Milani shared the view of Sipho Mkhwebane, SAIAWU's general secretary, that "farm workers are largely unorganised and extremely vulnerable, and therefore need to be unionised".

Premier elect accused of (26) donor fraud

Fresh allegations of financial impropriety involving international donor funds have been levelled at Gauteng ANC chairman Mathole Motshekga on the eve of his inauguration as premier of the province

The allegations are contained in the Mail and Guardian newspaper published today. The M&G claim to be in possession of documents in which Constitutional Court judge, Pius Langa, accused Motshekga of fraudulently administering international donor money in the late 1980s

Langa, who was then president of the National Association of Democratic Lawyers, was involved in an informal enquiry against Motshekga The enquiry related to allegations by a Catholic donor agency called Trocaire

Motshekga, who was this morning locked in a meeting with members of his provincial executive committee in preparation for his inauguration, was not available for comment.

ANC spokesman Reuben Standers told The Star Motshekga responded to the allegations through his lawyers last night The ANC was expected to respond after it had met with Motshekga. – Political Staff

Star 16/1/98

New Gauteng premier's shady background (266)

M+G 16-22/1/98

On 26 June Chris phoned Pius Lange, of the Board of NADEL, concerning the problems with Mathole Matshekga and the cofunded project with the EC for which Trocaire is responsible.

NB Placenames and place histories mentioned in the report appear to be fictitious - there are queries over several of these. The entire contents of the report need to be checked out thoroughly.

Moreover, reports on the activities of the Centre appear to be incorrect. The volume of work alleged to be carried out is NB too high. There are certain matters which the applicant claims to have handled which are known to be incorrect. Pius has no NBdoubt that the reports are extremely fraudulent.

Stefaans Brümmer and Mungo Soggot

Documents in the possession of the *Mail & Guardian* show that the deputy president of the Constitutional Court accused Mathole Motshekga, the man who is to be sworn in as Gauteng premier on Monday, of fraudulently administering international donor money

These, or similar, allegations have been known to senior African National Congress officials since well before Motshekga's election to the provincial leadership last November The party failed to act decisively and publicly Instead it was accused of trying to manipulate the contest to block Motshekga This backfired when branches, resistant to directives from above, voted him provincial chair

Presidential representative Parks Mankahlana this week refused to comment on claims that Nelson Mandela confronted Motshekga about his past, during the election battle and again this month. It is understood Motshekga was last week rallying former colleagues to back his version of events after Mandela demanded an explanation.

The documents, which date back to the late 1980s, record a stinging attack on Motshekga by Constitutional Court Judge Pius Langa, then president of the progressive National Association of Democratic Lawyers (Nadel)

At that time a Catholic funding agency — which had channelled almost R1 million of European Community money to a legal clinics project directed by Motshekga — had grown increasingly alarmed about his handling of the operation

The Dublin based agency, Trocaire, approached leading members of the Mass Democratic Movement, including Langa, to air its suspicions This led to an informal investigation by Nadel, sending ripples through the anti apartheid movement Trocaire pulled out of the project in protest.

The *M&G* has also learned that in 1994 Motshekga was embroiled in a messy dispute with members of staff at the institute, some of whom accused him in the Industrial Court of nepotism and autocratic behaviour Motshekga settled out of court.

Motshekga, a bright young University of South Africa (Unisa) law student, became involved in the anti apartheid struggle during one of two stints at German universities in the late Seventies and early Eighties. He actively joined the ANC underground in 1986 while employed by Unisa's law faculty

He forged ties with prominent exiled ANC members in Zambia and Zimbabwe through his association with the Centre for Development Studies, headquartered at the University of the Western Cape, and the Development Law Strategies project at Unisa, both of which acted as fronts for anti apartheid activity

In 1988, Motshekga took charge of the National Institute for Public Interest Law and Research, the institute which ran a number of legal aid units The institute was co-funded by the European Community, which channelled funds through Trocaire

A senior Trocaire official said this week "No further funds were transferred because of the lack of adequate narrative and financial reporting on the use of the funds for the purpose originally agreed This was one of 25 projects funded by Trocaire during 1988 in South Africa, and it was the only one with which problems of this nature arose "

Mathole Motshekga: Accused of fraudulently administering international donor money.
PHOTOGRAPH: RUTH MOTAU

It appears that the Trocaire official in charge of the project, Chris McInerney, became alarmed after talks with the institute's accountant, who has since died

McInerney pursued his concerns together with a former member of the institute who claimed Motshekga had buried information she collected on alleged financial irregularities McInerney's suspicions were fuelled by a March 1989 report Motshekga prepared on the institute for Trocaire McInerney passed this on to Langa.

A memo of a conversation held between McInerney and Langa on June 26 1989 records Langa as saying he "does not believe the contents of the report. He [Langa] specifically says that two centres mentioned in the report which are supposed to have been set up do not exist. Place names and place histories mentioned in the report appear to be fictitious — there are queries over several of these

"Moreover, reports on the activities of the centre appear to be incorrect. The volume of work alleged to be carried out is too high. There are certain matters which the applicant claims to have handled which are known to be incorrect. Pius [Langa] has no doubt that the reports are extremely fraudulent."

The memo said Nadel had undertaken to investigate the matter and was considering ousting Motshekga as vice-president of the organisation.

The precise circumstances surrounding Motshekga's departure from Nadel remain unclear

Several members and associates of Nadel this week confirmed knowledge of the allegations against Motshekga But a prominent member of the organisation at the time, Minister of Justice Dullah Omar, said this week he was unaware of any allegations of impropriety on the part of Motshekga

'Motshekga could not work with money, he could not do paperwork ... the sheriff was always knocking at his door'

McInerney wrote several letters to the institute demanding it account for the European Community money In December 1989, he visited South Africa to discuss with the institute an inquiry into the handling of the grant. After his visit there was a flurry of heated correspondence between McInerney Motshekga and Dr Nthato Motlana, the institute's chair

In a January 1990 letter to Motlana, McInerney discussed the scope of the inquiry, which would have included probing poor staff relations; double funding by Trocaire and other donors for projects; long-overdue audits; and confusion over the number of law centres that actually existed.

Ten months later, McInerney accused Motshekga of failing to tackle any of the problems raised almost a year before "It is now clear that only four legal services centres are operating You will remember that the original grant from the European Commission covered 13 centres "

He also reminded Motshekga of the "double funding of aspects, admitted by you last December, of the institute's programme and the need for audited accounts. These have still not been addressed "

The inquiry never took place and Trocaire decided to pull out of the project, which was then funded by, among others, USAid, and later by Sweden's Save the Children (Radda Barnen)

Pressure from funders resulted in a September 1993 audit by Coopers & Lybrand — the first in three years. The auditing firm expressed grave misgivings about the institute's accounts, according to the agenda of a meeting planned with Motshekga and accountant Joel Dikgole

It complained that the institute did not respond to queries about the accounts, that the accountant in charge had "no knowledge or prior experience of accounting', that cheques were missing; that there were a series of discrepancies including one between rental payments and a lease; and a general dearth of documentation and internal financial controls.

Coopers & Lybrand's stern words do not appear to have eradicated the accounting problems In January 1994, USAid wrote to Motshekga saying that an audit report was about six months late, but a United States Information Service representative said this week that he knew of no other problems and that the institute was a "USAid showcase"

Radda Barnen, which has pumped R8-million into the institute during the past seven years, is re-evaluating its support. The Swedish organisation says this is part of a standard monitoring of all its projects in South Africa.

The *M&G* understands that a review of the institute, conducted last year by a South African consultant on behalf of Radda Barnen, was critical. it found the institute had not accounted and reported adequately, but also that Radda Barnen had failed to apply proper controls The Swedish organisation refused to release the report this week.

Three years ago Motshekga settled Industrial Court actions brought against the institute by retrenched staffers. One of them, Ivy Barry, said in an April 1994 affidavit that a year earlier Motshekga had convened a staff workshop in preparation for a funding proposal to USAid.

When Motshekga failed to turn up at the workshop's opening day, the workshop facilitator encouraged staff to voice their grievances. These allegedly included nepotism and autocratic management by Motshekga, a lack of financial accountability, bad planning and unapproved use of funding.

A month later, Motshekga allegedly told a staff meeting in Pretoria that USAid had agreed to continue funding and that one Gloria Green would be employed by the institute to finalise funding proposals "He indicated that Mrs Green is somehow related [to USAid's linkman Louis Coronado] and that this will be to enhance the status of the institute within the USAid hierarchy "

Barry said in her affidavit that she had better qualifications than two staff members who were not retrenched — Johanna Mohale and Letta Booysen. Barry claimed Mohale was retained as Motshekga had fathered her child and that Booysen had been employed because Motshekga had "a somehow [sic] relationship with her former employer, a certain Mrs Mokotong"

Motshekga also has many supporters, one of whom is Professor Andre Thomashausen, head of Unisa's institute of foreign and comparative law to which Motshekga was attached for a number of years.

Thomashausen, who gave Motshekga a clean bill of health this week, said "His drive would sometimes make him forget his limitations with a good team he will make an excellent politician "

Another Unisa employee, who asked to remain anonymous, was less flattering "He could not work with money, he could not do paperwork the sheriff was always knocking at his door "

Motshekga's own law firm, Meltz, Le Roux, Motshekga Incorporated, faxed a five-page reply to the *M&G* at the time of going to press

The document dismissed the majority of the allegations against Motshekga and went so far as to say he had never been accused by Trocaire of mishandling funds.

The lawyers said Motshekga had a good relationship with Langa, and denied there had been heated correspondence between the institute and Trocaire It admitted to a "difference of opinion between Trocaire and Motshekga" which led to the withdrawal of the funding.

ANC rode roughshod over megacity concerns, says NP

BD 16/11/98 (252) (266)

Deborah Fine

THE African National Congress appeared to have "ridden roughshod" over concerns raised by opposition parties, business and other interest groups over the possible introduction of a megacity metropolitan government, Gauteng provincial legislature National Party (NP) member Johan Kilian said yesterday.

Claiming to have seen preliminary drafts of the still unpublished local government white paper, Kilian said the drafts appeared to reflect nothing but archetypal centralist thinking".

The document ignored numerous proposals by opposition parties and the business sector, which had opposed centralism and single-tier models.

He warned that government overlooked the concerns of those who made up the primary tax base "at their peril".

The NP, Democratic Party and the Inkatha Freedom Party have all thrown their weight behind the retention of the existing two-tier metropolitan model, a more decentralised form of local government administration.

Kilian said the draft document made a sham of the wide and expensive consultation process held at national, provincial and local levels to allow all parties and stakeholders to voice their opinions and concerns.

Responding to Kilian's accusations, Gauteng local government MEC Sicelo Shiceka said the NP's comments were "premature" because the white paper had not been finalised.

The draft contents had still to be debated, and could be amended, at a meeting of cabinet ministers and MECs from all provinces on January 26, and shortly thereafter by cabinet.

Without confirming the draft, Shiceka said the "genuine process of consultation" had revealed that the majority of South Africans supported the single-tier model as the most effective way to ensure sustainable local government and service delivery.

He said the NP's allegations were simply "sour grapes because despite their efforts they have failed to convince and mobilise the support of the masses for their preferred model".

A final version of the white paper is expected to be publicly released in March.

White House might replace half its African ambassadors

Simon Barber

WASHINGTON — The Clinton administration has notified Congress it is planning wholesale changes in its line-up of ambassadors to Africa this year, and that among those on the list to be replaced is James Joseph, the US envoy to Pretoria

The Senate foreign relations committee, which approves all ambassado-

That the administration is planning such major changes in its Africa line-up is attributable to the "take charge" approach of new Assistant Secretary of State for Africa Susan Rice, who in her previous position as President Bill Clinton's chief Africa adviser on the National Security Council, made no secret of her desire to wield the broom.

No exception

Healer gives police a dressing down

NELSPRUIT — KaNyamazane police were forced to allow a sobbing 68-year-old traditional healer to appear in the Nelspruit Magistrate's Court yesterday after she stripped naked in their police station and started "screaming blue murder" in the charge office.

Joyce Njoma told the court she removed her clothing in protest against being told by police that she would have to spend the night in cells after they arrested her for allegedly cultivating 85 dagga plants in her garden.

The police charge docket alleges that Njoma, who is a popular local inyanga (herbal doctor), openly grew the dagga in her Shishila Trust garden.

She was arrested after an anonymous informer tipped police off.

Police were only able to subdue and dress Njoma after assuring her that she could immediately appear in court.

Magistrate Snowy Masango released Njoma on her own recognisance and ordered her to reappear on January 27 for her trial on charges of illegal possession of controlled substances. — Sapa.

Tokyo's term in office a mixed bag

(266) Star 17/1/98

JACQUI REEVES looks back at Tokyo Sexwale's reign as first premier of Gauteng and pronounces it a success

On Monday, Midrand advocate Mathole Motshekga will take over Tokyo Sexwale's seat at the top floor of 30 Simmonds Street as Gauteng's new premier

It's a good seat in a great office with a huge glass ceiling and a fabulous view of the city – but that's about where my envy of the premiership ends.

The seat Motshekga will take over on Monday may be a plush leather one, but it has endless potential to very quickly turn into one of the hottest seats in politics, and is one that is always under scrutiny.

In the past, when projects have worked as planned, heads of departments and ministries have frequently hauled in the premier for the obligatory photocall. But when plans go awry, the buck stops at the door of the premier, who remains the head of his administration.

As the turmoil that always follows the release of the year-end matric results begins to die down, education appears to be one of this administration's departments that comes out with a fairly good report card.

During the past two years, with Sexwale at the province's helm, the Gauteng Education Department has renovated 240 schools and another 220 renovation

The ecstasy ...

GLORY: Holding up the Rugby World Cup with Walter Sisulu

The devotion ...

THE STRUGGLE CONTINUES. Singing with his wife Judy

The cameraderie ...

informal settlements are being accommodated in new schools in areas such as Vosloorus, Dawn Park, Bekkersdal, Windmill Park, Orange Farm, Etwatwa and Tsakane.

But one area in which the Department of Education has not seen much progress, is the attitude ofmany citizens towards education.

Conversations at shopping malls, dinner parties and shebeens, when not focused on crime, often move to the worry and fears of many parents over the future of education.

Gauteng has the highest number of independent schools in the country. During 1996 there were about 93 000 pupils enrolled in 322 independent schools in the province.

In September 1996, Sexwale said the provision of schools was one of his administration's rapid-delivery projects. While the right to an education is being

In the past year, the Health Department has built 40 new clinics, giving access to, or greatly improving the service already on offer to, 2 million of the province's people. Seven new midwifery and obstetric units have been built and 12 clinics have been upgraded to deliver the full range of primary healthcare services. The [illegible]

In the most recent South African Health Review, an independent analysis of the state of the health system, it was pointed out that health chiefs are generally politically accountable to the MEC for health. The head is, however, administratively accountable to the provincial director of finance.

Sexwale's aim of eradicating the health imbalances of the past may have largely been achieved during his time as premier, but as the province's various health institutions face a bleak few months awaiting the arrival of the new financial year, the fight has not yet been won – and the battlelines appear to be changing constantly

Sexwale has frequently been described with beauty pageant adjectives – "charming", "charismatic" and "approachable" are regulars. If Sexwale is these, then the MEC for Development Planning and Local Government, Sicelo Shiceka, must have gone to the same school of personality builders

Shiceka, like Sexwale, starts his day frighteningly early and is in the office until late at night. Shiceka is either loved or hated and has commanded one of the most dynamic departments under Sexwale's control.

The department set itself a goal of making local government functional and to serve as a developmental body. By forging partnerships with communities, and through projects such as the [illegible] development objectives, [illegible] communities [illegible]

THE PEOPLE'S PREMIER: In a controversial move, Tokyo Sexwale donned a deejay's hat and took to the airwaves on Radio 702, boosting his level of popularity even further

ever, paid off. Payment levels in many areas have improved since the department and various councils decided to cut off services.

Between October and November last year, payments in Tho[illegible]

been fulfilled – but not without some losses.

While the heavy-handed approach to non-payers has yielded more cash and more payments for outstanding debts, the equally heavy-handed manner in

slinging match that, on occasion, lost the government its moral authority

The Department of Safety and Security is possibly the one department that has proved to be the smudge on Sexwale's fair-

of Johannesburg by moving all the government departments into the city-based government precinct, other crucial projects have become bogged down in red tape.

Sexwale's admirable plan to

...e ...
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...e ...

Gauteng Safety and Security Department faces probe

(266) (25th)

By JACQUI REEVES

Star V7/11/98

Crime in Gauteng, the issue that plagued outgoing premier Tokyo Sexwale during his term of office, will be awaiting his successor, Mathole Motshekga, when he takes office next week – in the form of an inquiry into the Department of Safety and Security.

Sources close to the investigation say some of the recommendations by investigators from the Provincial Service Commission could include the beefing up of the number of staff employed by the department and a cutting back of some of the department's projects.

The Department of Safety and Security is one of the smallest in the provincial government, with a staff of just 22.

Sources close to the investigation said one of the department's key problems was its size. A lack of manpower, and an inability to cope with the many projects the department has planned, has resulted in an apparent inability to fulfil its primary monitoring function.

The source also said co-operation between the department and the police on specific cases was not effective. The investigation has shown that officers frequently fail to follow directives to check up on complaints that the department has received.

Patrick Fitzgerald, chairman of the Gauteng Provincial Service Commission, said his department expected to issue a report on the matter by the end of the month.

He said the Provincial Service Commission had been conducting interviews with the department's staff, reviewing the goals of the department, and was evaluating the department's efficiency, effectiveness and management capacity.

Motshekga denies donor-fund fraud

(266) ARG 17/1/98

PHILIPPE MILLAN

Johannesburg – The premier-elect of Gauteng and chairman of the African National Congress in the province, Mathole Motshekga, has denied he was responsible for fraudulently administering international donor funds

His statement was supported by the ANC

The Weekly Mail and Guardian newspaper yesterday said Dr Motshekga, during the late 1980s, had mishandled funds donated by an Irish-based organisation, Trocaire, meant for legal-aid units run by Dr Motshekga's National Institute for Public Interest Law and Research

It was also claimed that Mr Justice Pius Langa, now deputy president of the Constitutional Court (then president of the National Association of Democratic Lawyers) had launched a stinging attack on Dr Motshekga after an informal inquiry into the matter

The paper also said that President Nelson Mandela had asked Dr Motshekga to account for the issue before the election battle for the provincial chair last year

Yesterday Dr Motshekga's law firm said the Weekly Mail and Guardian's exposé was not true

"It is denied that Dr Motshekga has ever been accused by any funder of mishandling international donor money

"It is also denied that Dr Motshekga was approached by President Mandela's office about allegations regarding his past"

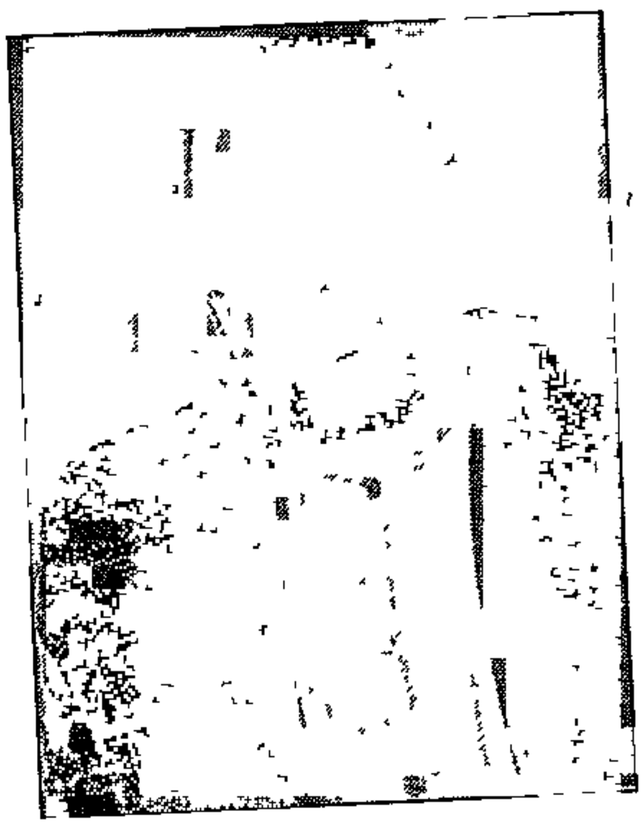
ANC spokesman Paul Mashatile told a news conference in Johannesburg yesterday "As we sit here this afternoon there's nothing tangible to warrant further investigations by the ANC"

The Gauteng legislature yesterday decided that Dr Motshekga's inauguration as premier would go ahead on Monday – Sapa

(266)

New premier to be subject of an inquiry

EP 18/11/98



MATHOLE MOTSHEKGA

THE GAUTENG Provincial Executive Committee (PEC) yesterday decided to set up a task team that would look into allegations levelled against Gauteng premier-elect and chairman of the ANC in the province, Mathole Motshekga.

Motshekga, who is to be sworn in tomorrow as premier of Gauteng, has been accused of fraudulently administering international donor funds.

The decision to set up a task team followed a three-hour meeting of the PEC yesterday morning to discuss the allegations.

After the meeting, the PEC said in a statement there was insufficient information to warrant an inquiry into the matter.

However, the PEC took a decision to set up a task team that would follow up the matter.

The task team will collate information and establish facts around the issue.

It will also advise the PEC on whether there are grounds to institute an inquiry into the allegations against Motshekga.

The task team will report to the PEC within three weeks.

The PEC expressed its confidence in Motshekga's leadership and said it was proceeding with his inauguration as premier of Gauteng tomorrow.

Motshekga on Friday denied he was responsible for fraudulently administering international donor funds, a statement supported by the African National Congress.

The *Weekly Mail and Guardian* newspaper on Friday said Motshekga, during the late 1980s, mishandled funds donated by an Irish-based organisation meant for legal aid units run by Motshekga's National Institute for Public Interest Law and Research – an anti-apartheid organisation which acted largely as a front for township activists.

On Friday, Motshekga's law firm, Meltz, Le Roux and Motshekga, said the *Weekly Mail and Guardian*'s exposé was not true – Sapa

Motshekga takes over reins of power

(266)

Sowetan 19/1/98

Sexwale rallies behind new Premier over allegation that he misappropriated R1-m

By Pamela Dube
Political Reporter

GAUTENG's new Premier Dr Mathole Motshekga will today be installed amid pomp and ceremony in Johannesburg and throngs of supporters are expected to attend the event

Motshekga's inauguration was expected to bring to an end months of controversy and divisions in the African National Congress in Gauteng since his predecessor Mr Tokyo Sexwale announced his departure from politics last June

But at the weekend, ANC leaders were forced to once again rally behind Motshekga, who faced a newspaper allegation that he misappropriated R1 million in funds donated by the European Community to a legal clinics project he headed in the 1980s

Sexwale at the weekend came to the defence of his successor – and the party

He said in an interview that Motshekga was an honourable leader and said the claims were part of a campaign by elements intent on blocking him from assuming the premiership of Gauteng

"The campaign against Mathole can only come from some of his former colleagues in the legal fraternity, not the ANC

"We have elected him, he is our leader Why would we want to destroy the party's credibility by tarnishing his image?"

The allegations that Motshekga failed to account for R1 million from a Dublin-based aid agency Trocaire, first surfaced at the 1996 provincial ANC conference, at which he was re-elected deputy chairman

Sexwale said that when the allegations first surfaced, he personally confronted Motshekga

"Mathole made it clear there was no truth in those allegations and I believed him, as I still do nobody has brought anything to suggest he was involved in any wrongdoing"

Motshekga's law firm Meltz, Le Roux and Motshekga said the newspaper's claim was not true

Meanwhile, the Provincial Executive Committee said that there was insufficient information to warrant an inquiry into the matter However, it would set up a task team that would follow up the matter

● **See pages 11 and 24**

Tokyo survives big smear campaign

Sowetan 19/1/98 (266)

Outgoing Gauteng premier leaves a stable government behind

By Pamela Dube
Political Reporter

GAUTENG Premier Tokyo Sexwale officially hands over his seat to Dr Mathole Motshekga today and is content for successfully holding the turbulent province together for almost four years

"I have no regrets, I am a happy man My job is done and I'm confident Mathole will keep the ball rolling," says Sexwale, a man who is equally loved and hated by colleagues and opponents

During his short yet dynamic tenure, Sexwale came just short of earning himself the infamous label of "populist" He was, however, described by some colleagues in the African National Congress as an "opportunist"

He seems to shrug this off, perhaps living by one of his many witty statements that "when opportunity strikes, take it"

And the bells of opportunity are indeed ringing for the 44-year-old, this time it is not a political calling but business opportunities

Contrary to the commonly held view, Sexwale is not joining his fellow black elite at Johannesburg Consolidated Industries but will be starting his own diamond mining company

He will be remembered for living up to the myth of being a "people's premier" who outshone his colleagues in the personality stakes Until last year he was probably the most popular leader after President Nelson Mandela

The media loved him and his every utterance was quoted extensively That, however, seemed to end when he found himself at loggerheads with some of the most powerful ANC leaders, including newly-elected president Thabo Mbeki

Black empowerment

He, however, continues to maintain that he was not pushed out of politics but saw the need to go into the business sector as part of the black empowerment programme

Last year there were also damaging rumours that Sexwale was involved in drug dealing Raising the subject during the interview seemed to make him uncomfortable

He shifted in his chair and, breathing heavily, asked "How could I have (sold drugs) when I was fighting a war against drug dealers?

"But of course, I know when you fight against evil, the enemy will want to throw a knife at you It was a smear campaign" But he knew he could not win over the public by dismissing the rumours with political rhetoric

"I worked hard and had to dig out the culprits I caught them I went public and confronted (FW) de Klerk"

Sexwale added that while he could accept that an opposition leader "would stoop that low, I was bitterly disappointed that my people could accept that" (the rumours)

About General Bantu Holomisa, the man who strengthened these rumours by asking Sexwale to come clean publicly, he says "I forgive him At least he was man enough to admit that it was not so"

The drug-dealing rumours taught Sexwale "lessons that I will cherish for a long time They taught me that when you are confronted with a rumour, dig it out and put it on the table", he says

"When it's out, suddenly nobody wants to be associated with it or (admit) having mouthed it It becomes a gladiator on its own"

Does Sexwale feel he survived the smear campaign? "Yes As a leader, you have to try to be clean of any wrongdoing before confronting it I am clean, so I had nothing to fear when I confronted criminals"

The smear campaign was a risky turn in his political career but Sexwale can stand tall and announce to the world "I leave behind a clean and effective system"

And starting the machinery of that system was no easy task Sexwale does not shy away from praising himself and his 10-member cabinet for achieving political stability and a relatively good record of delivery

He admits that as they had had to start without any infrastructure and with a new civil service, the Gauteng government 'committed mistakes It was a learning curve and I can safely say we are now on the right path"

While Sexwale used to boast about political stability in the province, his departure could however not stop bitter leadership battles within the ANC to succeed him

He is the first to admit this "I was taken aback I didn't expect the intensity of the campaign"

The three-month campaign for the premiership brought to the fore deep-seated divisions within the ANC leadership in the province "I was surprised that our boat was tossed around so much"

Throughout Sexwale kept a low profile "My leadership was required to help, and not to take sides

"And when Mathole was elected, I did what has never been done – take my successor to meet all the ambassadors and high commissioners (in South Africa) This was to prepare him for a smooth transition"

Even on his way out, he refuses to say what really went wrong, except to insist that "maybe that intensity was healthy and exposed to us the challenges the new leadership would be faced with"

And of his successor? "Oh! I'm confident of Mathole He is my leader and I know he is a man who thinks on his feet"

Boardroom business

But Sexwale pleads with South Africans not to compare their characters and styles "The tendency is to judge one against his predecessor, and I have my own way of doing things

"I think people should appreciate the differences in our style of operation What matters is content and that government programmes are implemented effectively"

While Sexwale looks forward to a low profile in boardroom business he said he would miss the vibrancy of "our constituents"

With a broad smile and a twinkle in his eye, Sexwale speaks of "that dynamism of our people a phone call in the wee hours of the morning from a member of the public complaining about this and that"

"It's refreshing for a leader to know people trust you to address their concerns"

Strangely enough, Sexwale found public protests most fascinating 'When people knock on your door, holding placards, you have an opportunity to address their concerns directly and put the record straight That's the open-door policy we preach about"

And, of course, he found the media spotlight exciting "The great thing about the Gauteng government is that you are just a few minutes away from the media"

Gauteng NP calls for independent probe of Motshekga

(266) BD 19/1/98

Pule Molebeledi

THE Gauteng National Party (NP) yesterday demanded an independent inquiry into allegations of financial impropriety against premier-designate Mathole Motshekga, and dismissed a task team set up by the African National Congress (ANC) as unacceptable

Johan Kilian, NP leader in the provincial legislature, insisted on "full and open" disclosure to an independent investigation because Motshekga is no longer just the leader of the ANC alliance.

"The integrity of the premier of this province is at stake and an .. investigation by his cronies and comrades will always be perceived as a cover-up", said Kilian.

He said as a leader of the official opposition, he would hold discussions on this issue with other party leaders as soon as possible to agree on a multiparty opposition strategy to ensure the integrity of the process

The ANC announced a task team at the weekend to investigate accusations by the Mail & Guardian newspaper that Motshekga misused international donor money given to a legal clinics project he was head of in the 1980s

The Gauteng ANC rallied behind Motshekga and denied the allegations, labelling them "unsubstantiated, vague and false".

The team will look into the allegations and decide whether they warrant a commission of inquiry It is expected that the team, to be headed by the provincial ANC secretary-general Paul Mashatile, will look at documents said to be in the possession of outgoing premier Tokyo Sexwale, among others

Mashatile said Sexwale, who was quitting the provincial government to pursue a career in business, informed Motshekga in writing last year October about the existence of "certain documents" alleging impropriety on Motshekga's part. The documents were handed to Motshekga, who replied in writing that the allegations were unsubstantiated, vague and false

Mashatile, who will be assisted by housing MEC Dan Mofokeng, health MEC Amos Masondo and Mondli Gungubele, provincial chairman of the health parliamentary standing committee, said subsequent to this, no investigation was launched into allegations.

The team is expected to report back within three weeks.

In its reaction, the provincial Democratic Party said Motshekga's election should be deferred and an acting premier appointed pending the outcome of an independent commission of inquiry

However, the ANC expressed full confidence in the leadership of Motshekga and said it would proceed with plans for his inauguration today at the Library Gardens in Johannesburg

On Friday Mashatile denied insinuations that an anti-Motshekga grouping within the ANC was behind this ploy.

Motshekga comfortably survives his first challenge

By Xolisa Vapi
Political Staff

Gauteng ANC chairman Mathole Motshekga survived the first challenge to his leadership when he was overwhelmingly elected as new premier of the province in Johannesburg yesterday, beating his DP challenger Peter Leon by 49 votes to 7

The election took place at a special sitting of the legislature under the supervision of Constitutional Court president Arthur Chaskalson.

The election process started with a legal entanglement between Chaskalson and DP MP Jack Bloom, who put a motion for the postponement of the proceedings for 28 days until allegations of financial impropriety against Motshekga were properly investigated.

Allegations that Motshekga fraudulently maladministered international donor funds first surfaced during his election as ANC provincial chairman last year, but the party leaders did nothing about it until a full report appeared in the Mail & Guardian last Friday

The ANC has since appointed a task team led by party provincial secretary Paul Mashatile, who is also the MEC for transport

However, Chaskalson rejected the DP's call after other parties, except the Freedom Front, expressed their disapproval of the motion

The judge then called for the nominations and the DP forwarded Leon's name Voting took place in front of the judge, followed by counting behind closed doors by the returning officer in the presence of Chaskalson.

A ululating round of applause for Motshekga's resounding victory echoed through the chamber, which was packed to capacity, when Chaskalson declared Motshekga as the new leader of the Gauteng provincial government. Motshekga garnered 49 votes, Leon 7, and 24 were spoilt or wasted.

The NP congratulated Motshekga, promising to offer him constructive criticism, as it had done to his predecessor Tokyo Sexwale NP leader in the legislature Johan Kilian said his party sympathised with Motshekga for the storm which exploded over his head at the weekend and urged him to make a full and public disclosure on how he had administered donor funds

Director-general seeks corrections to report

Star 20/1/98 (266)

By Hopewell Radebe
Political Reporter

Gauteng director-general Vincent Mntambo is to ask Premier Mathole Motshekga to refer back the Khumalo Commission report, in order to correct "factual inaccuracies".

The commission, headed by Eskom chief executive director Bongani Khumalo, was appointed last year by then-premier Tokyo Sexwale to investigate allegations of misconduct against Mntambo.

"I am satisfied about the findings of the commission; however, a few things are factually inaccurate and commissioner Bongani Khumalo should be given the opportunity to correct them," Mntambo told The Star yesterday.

Khumalo found that there were insufficient grounds for a case of misconduct against Mntambo and that there was no plan by the provincial cabinet to oust him

Mntambo said the commission's report was incorrect in concluding that he had a "dysfunctional relationship" with the political leadership and certain employees of the provincial government.

"Sure, I had a few disagreements with two MECs (Housing MEC Dan Mofokeng and Safety and Security MEC Jessie Duarte) but that should not be construed to mean all 10 members of the provincial cabinet," Mntambo protested

The commission suggested that Mntambo's objectivity had become impaired as a result of the breakdown of trust and mutual respect with the MECs.

The commission concluded that "efforts be made to improve the alignment of the director-general with the objectives, priorities and needs of his political principals, positioning him in such a way that he provides effective and efficient management systems to support and promote the political programme of his government".

Mntambo said the report failed to deal with evidence he had presented concerning disciplinary actions he was expected to take in response to Duarte's charge that some of his senior staff were not performing He had made suggestions on how the department should handle the matter.

"I hope the premier would want to see these factual errors rectified because the report would be a public document," he added.

Motshekga's lawyers mum on allegations

(266)

By Hopewell Radebe
Political Reporter

Star 20/1/98

Gauteng Premier Mathole Motshekga's lawyers failed to respond to allegations that he mishandled international donor funds in the late 1980s in spite of Motshekga's undertaking four months ago that they would do so.

The delay prompted the Gauteng ANC to set up a task team at the weekend to gather information about the allegations, which clouded Motshekga's inauguration yesterday

The head of the task team, ANC provincial secretary Paul Mashatile, told The Star that the Gauteng ANC provincial executive committee (PEC) could not ignore the allegations.

Opposition parties rejected the ANC task team and called for an independent inquiry A bid by the Democratic Party yesterday to postpone the inauguration for 28 days was supported only by the Freedom Front.

The DP nominated Gauteng party leader Peter Leon as premier in a bid to delay events, but Motshekga won convincingly

In his acceptance speech, Motshekga pledged to restructure provincial government, promote black empowerment and pursue the establishment of community-based policing and court systems.

But his initial period in office will be dominated by the task team report. The team will report its findings in three weeks.

Motshekga said yesterday his legal team was preparing a report which would be presented to the PEC soon

Mashatile denied there was a "cabal" within the PEC that wanted to sabotage Motshekga's premiership

▶ Reports and picture

Bill could make local govt costs soar — DP

(266)

Deborah Fine

BD 20/1/98

THE adoption of the proposed Gauteng Rationalisation of Local Government Affairs Bill would cause the salary bill of local government in the province to "skyrocket", the Democratic Party's greater Johannesburg caucus said yesterday

Gauteng local government MEC Sicelo Shiceka released the draft bill for public scrutiny in the provincial gazette last month It provides for amalgamation of municipalities into one bigger local authority.

Councillor Mike Moriarty, DP leader in the greater Johannesburg metropolitan council, said yesterday that in its present form the bill would lead to a "burgeoning" of the costs of running local government.

The problem arose where smaller municipalities were amalgamated with larger councils, Moriarty said. The bill stipulated that conditions of service of all employees in equivalent job categories had to be equalised within a reasonable time, and that no employees' conditions of employment could be downgraded.

Historically, larger municipalities were graded higher than smaller local authorities, and the conditions of service in higher grade councils were often better than those in the lower grades

Moriarty said if conditions of service of the smaller municipalities were brought in line with higher grade authorities, the local government salaries bill would rise considerably, leaving aside the larger overheads required to run larger administrations.

"The African National Congress is hell-bent on establishing megacities in Gauteng, justifying them by saying it will reduce costs. The bill dismisses that argument — their only real intention is political dominance," he said.

Shiceka's office has not yet responded to the DP's submissions on the bill

Director-general cleared of misconduct

BD 20/1/98 (266)

Vuyo Mvoko

A COMMISSION of inquiry has cleared Gauteng director-general Vincent Mntambo of misconduct but recommended that the provincial public service commission "negotiate a separation arrangement" if his "power contest" with safety and security MEC Jesse Duarte remains unresolved.

The recommendation is in the final report of the commission of enquiry set up by Gauteng premier Tokyo Sexwale late last year to look into whether Mntambo should be charged with misconduct. Duarte and housing MEC Dan Mofokeng had accused Mntambo of dereliction of duty.

The report, tabled before the provincial executive last week, "takes a dim view" of the fact that Mntambo does not enjoy "the trust, confidence and respect of all his principals, and is not exhibiting much trust and respect for a good number of his seniors".

The commission, headed by Eskom executive director of human resources Bongani Khumalo, said the conflict was "a recipe for managerial failure which could threaten an otherwise well-run provincial government". Mntambo was, however, "technically speaking ... an able and competent professional".

The inquiry found there were not sufficient grounds to justify a finding of misconduct against Mntambo, specifically on the allegation that he failed to act on corruption charges against members of Duarte's department.

The inquiry was "convinced" Mntambo had not given permission or advised suspended housing deputy director-general Enos Ngutshane to attend a conference in Stellenbosch, as Mofokeng had alleged.

The inquiry found there had been no political intention or plan to oust Mntambo and replace him with African National Congress provincial secretary Paul Mashatile in order to "contain" premier designate Mathole Motshekga when he took office, as alleged in newspaper reports.

Mntambo's public comment on the allegations that there was a political conspiracy to oust him constituted "a serious error bordering on misconduct on his part. He would have handled this potentially politically embarrassing issues a lot better," the report finds.

The inquiry could find no substance in an allegation that Mntambo had established and led a "black caucus" within the provincial government, or that a white anti-Mntambo cabal existed.

The report warned that to avoid future problems, care had to be taken to clarify the roles of "nonpolitical government officials" and elected government officials.

"There tends to be diminished discipline and temptation on the part of senior bureaucrats to stray into the arena of leadership instead of staying in their territory, where they must ensure effective management in support of the strategic and policy leadership provided by politicians," it said.

The inquiry found there was no formal "job output model" that spelt out the job responsibilities of the provincial director-general.

er dead couple's car, sergeant arrested

sterday expected to appear in court soon burg, were found shot dead on
charge of possessing suspect January 5.

Rousing welcome for Premier Motshekga

OWN CORRESPONDENT

JOHANNESBURG Praise singers sang and crowds roared their approval for Mr Mathole Motshekga at his inauguration as Gauteng premier at the Library Gardens here yesterday

The arrival of a triumphant Motshekga flanked by Constitutional Court president Mr Justice Arthur Chaskalson and outgoing premier Mr Tokyo Sexwale, heralded the end of a long and hot wait in the summer sun for hundreds of loyal supporters who had pitched up to witness the proceedings

The ceremony had been delayed by a failed DP bid to have their candidate nominated as premier

After his inauguration a solemn Motshekga, dressed in a black suit with green and gold braiding, was welcomed to his seat of power by Sexwale, who in his usual flamboyant manner helped create a festive atmosphere

Alluding to the controversy that followed Motshekga's appointment, Sexwale said it was an inevitable consequence of holding public office It was also inevitable that the "seat" of power got warm and even hot

He asked the opposition parties and people of Gauteng to give Motshekga "a chance, not give him an electric chair"

Sexwale said the election to the position of premier was not a time for self congratulation, but a time to put the "bulls and the cattle", as he referred to the MECs, to work to improve people's lives

As a final gesture he not only handed over the keys to his office to the new premier, but also the key to a BMW which had been donated for his use, ending opposition speculation about what would become of the car

A confident Motshekga then took the stand

His speech was a sober assessment of the past and the goals the ANC-led government had to achieve

"The cries of the dead and wounded of Boipatong have surfaced Their blood has seeped into the earth The pain will have departed along with the dead.

"We shall forgive the perpetrators, not forget their deeds Observers have written about this African holocaust The time has come for African people themselves to write their history on these events," Motshekga said

ANC task team to investigate allegations

CT 20/1/98 (266)

IN THE HOT SEAT: Mathole Motshekga PICTURE: THE STAR

OWN CORRESPONDENT

JOHANNESBURG: Gauteng Premier Mr Mathole Motshekga's lawyers failed to respond to allegations that Motshekga mishandled international donor funds in the late 1980s, in spite of Motshekga's undertaking four months ago that they would do so

The delay prompted the ANC in Gauteng to set up a four-person task team at the weekend to gather information relating to the allegations which clouded Motshekga's inauguration yesterday

The head of the task team, ANC provincial secretary Mr Paul Mashatile, said that the Gauteng ANC provincial executive committee (PEC) could no longer ignore the allegations.

Opposition parties have rejected the ANC task team and called for an independent inquiry. And a bid by the Democratic Party yesterday to postpone the inauguration for 28 days was supported only by the Freedom Front.

When the proceedings got under way, Motshekga was elected premier, fending off a late challenge by the DP's Mr Peter Leon

In his acceptance speech, Motshekga pledged to restructure the provincial government, to promote black empowerment and pursue the establishment of community-based policing and court systems

But his initial period in office will be dominated by the task team report The team will report its findings to the provincial executive committee within three weeks

Mashatile said former premier Mr Tokyo Sexwale had received documents last year which alluded to Motshekga's alleged misappropriation of legal aid funds in the 1980s. Sexwale discussed the matter with Motshekga who briefed his lawyers to investigate and respond on his behalf to the PEC

"The PEC has decided not to wait for the response of Motshekga's legal representatives who have been dealing with the matter for almost four months," Mashatile emphasised.

Motshekga said yesterday that his legal team was preparing a report which would be presented to the PEC soon.

"My lawyers have found that the allegations have got no foundation, however The PEC will be dealing with the matter from now on and you should be finding out from the task team," Motshekga said.

> *'The PEC has decided not to wait for the response of Motshekga's legal representatives.'*

Mashatile denied there was a "cabal" within the PEC that wanted to "sabotage" Motshekga's premiership

The PEC understood that it would be difficult to convince the community that it had no division of loyalty towards Motshekga, but it had no "choice except to intervene and resolve the matter"

"Besides, some of the allegations have been made by some of comrade Motshekga's colleagues in the legal fraternity and we hope to approach and urge his accusers to come out and be clear on the matter

"To be able to defend and clear the name of the premier once and for all, it is the PEC's duty to have all the facts about the allegations which have kept cropping up unexpectedly," Mashatile added

The PEC had expressed serious concerns, at its weekend meeting, about the allegations and "wanted to find a solution that would put the matter to rest"

ANC begins Motshekga fraud inquiry

(266)

Sowetan 21/1/98

Party spokesperson says the task team will deliver its finding early next month

By Joe Mdhlela

THE internal inquiry by the African National Congress into allegations that new Gauteng Premier Mathole Motshekga is a crook began on Monday – the day of his swearing in

This was confirmed by Ms Delca Maluleke, spokesperson for transport MEC Paul Mashatile who heads the ANC's four-member task team appointed to investigate the allegations that Motshekga failed to account for R1 million in foreign funding to his legal aid clinic project in the 1980s

Mashatile is also Gauteng's ANC provincial secretary and his task team is expected to make a finding by the first week of February and advise the provincial executive committee (PEC) whether it will be necessary to institute an "independent inquiry"

Maluleke would not say whether by independent inquiry she meant a multiparty or judicial inquiry

"Suffice to say, depending on the information to be collected, the task team will advise the PEC whether the facts warrant an inquiry If they do, then an independent inquiry will be instituted," Maluleke said

Both the Democratic Party and the National Party have rejected the idea of an ANC task team investigating its own man

The Gauteng NP has said it will ask the provincial legislature to appoint a multiparty committee to investigate corruption allegations against Motshekga

"Such a committee would have the right to subpoena and question, with the aid of appropriate professional assistance, all aspects necessary to get to the root of the allegations," NP provincial leader Mr Johan Kilian said on Monday "This would be the first step towards establishing, if necessary, a judicial commission of inquiry into the alleged corruption," Kilian said

Also on Monday, the Democratic Party in Gauteng failed to have voting postponed by 28 days pending an inquiry, and its candidate Mr Peter Leon MPL lost by seven votes to 49 votes to Motshekga, with 24 spoilt papers Subsequent DP statements, observers said, implied the party was disappointed the NP had not supported its motion for a postponement

● Motshekga and other top government officials were locked behind closed doors in meetings for most of yesterday, his first official day as Mr Tokyo Sexwale's successor

Disaster management to become '911' service

(266) BD 21/1/98

Belinda Anderson

DISASTER management services in Johannesburg, currently co-ordinated by the Johannesburg metropolitan council, are to be amalgamated into a "911"-type service within the next few years.

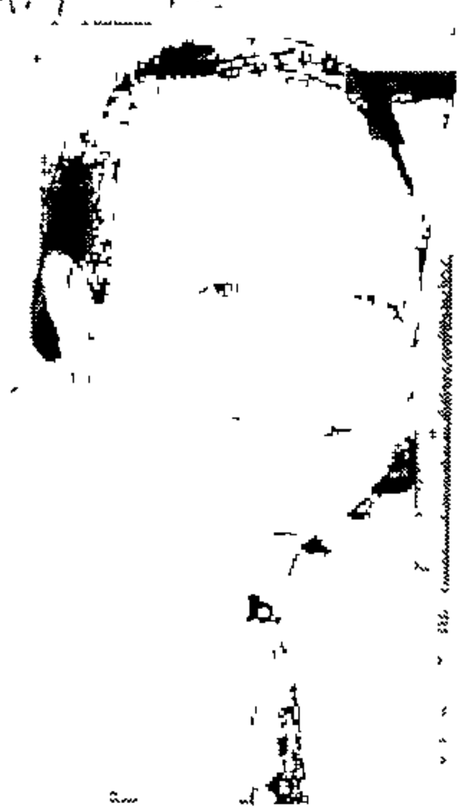
Prior to the formation of the council a year and a half ago, each of the 11 local authorities controlled their own disaster management. Now centralised communications enable the various line functions — fire, ambulance services and police — to co-operate and assist each other where necessary.

Preliminary planning is under way to ascertain the requirements and costs of a centre from which the "911" service will be run. Metropolitan disaster management and telecommunications services executive director Ron Cloete said it would deal only with life-threatening situations.

The co-ordination of disaster management in the Johannesburg area costs about R3,5m annually and operates on a staff complement of 47 call takers and dispatchers. The new centre would require 30-40 operators. Cost would be determined after the finalisation of details.

The community services centre in Braamfontein, responsible for dealing with nonemergency situations, would be gradually upgraded and double as a disaster management centre.

The power loss in many areas of Johannesburg due to an unexpected storm on a Friday earlier this month, was last week criticised by the NP as a failure in the council's emergency communication system.



CLOETE

However, the electricity department, though falling under the council and working in co-operation with disaster management where necessary, is not part of the disaster management council and an emergency cannot be declared in terms of power outages.

Like the disaster management council, it does have an extensive emergency plan in place, which depends heavily on the severity of the situation which arises.

The council's electricity head Nantes Botha said the department had done everything within its power and more to minimise the effects of the crisis earlier this month, "but there are some crises so big there can be no plan to solve them until they occur".

Emergency services' disaster management policy states the disaster plan will only be implemented to the full when a local or a national disaster is declared.

The "extent of humanitarian aid" would be decided according to the situation's severity.

The electricity department had taken a weekend to restore the service to all of its affected areas. It had been a frustrating time for consumers and businesses, but not a disaster.

Both Cloete and Botha agreed that there would be effective co-operation between all relevant departments in the event of a crisis or a disaster such as the blackout of an entire city.

The policy of disaster management in place stems from the United Nations disaster relief organisation's framework — an international approach which was "Africanised" about a year ago and implemented with the assistance of residents of informal settlements and townships a priority, said disaster management acting manager Leon Louw.

The aim is to provide them (and more established areas) with the infrastructural and planning ability to cope with disaster — not only in the case of fire and flooding, but also eventualities such as epidemics.

The centre's responsibility is to ensure all areas under its jurisdiction are well prepared to cope with an emergency and that services affected are restored as quickly as possible.

A recent fire in an Alexandra squatter camp and last year's flooding in Soweto illustrate the need to equip disadvantaged areas to cope with disaster. Both incidences involved the co-operation of all facets of disaster management.

The recent cholera threat saw disaster management intervening with various councils at the level of prevention, Louw said.

The council is also investigating the installation of solar-powered emergency call points in isolated communities, where operators would be available to take emergency calls.

MAIL & GUARDIAN
January 23 to 29 1998

Motshekga's mentor was Dr Renamo

M+G 23-29/1/98

(266)

Hello, goodbye: Former premier Tokyo Sexwale hands over to Mathole Motshekga. PHOTO: SIDDIQUE DAVIDS

Stefaans Brümmer and Mungo Soggot

The law professor who guided the academic career of Gauteng Premier Mathole Motshekga and became a close friend had strong intelligence links and served as a front man for Renamo, the notorious Mozambican rebel movement backed by apartheid's security establishment

Professor Andre Thomashausen, a constitutional law expert based at Unisa, moved in Military Intelligence (MI) circles in the 1980s while Pretoria waged its destabilisation campaign in the frontline states Thomashausen's wife, Sonia, was an agent of the old National Intelligence Service (NIS), two well placed sources claimed this week

Motshekga, who was sworn in as premier of Gauteng on Monday, started working with Thomashausen at Unisa in 1986, the year Motshekga says he joined the African National Congress underground. The two remain close associates

The *Mail & Guardian* last week reported allegations of Motshekga fraudulently administering donor funds It appears that these allegations, as well as Motshekga's relationship with Thomashausen — with its glaring security implications — may explain why senior ANC colleagues tried to block his accession to the premiership

Thomashausen this week openly confirmed his association with Renamo "If they were terrorist, you may as well call the ANC terrorist." Asked whether he had worked with MI, he said flippantly "Maybe I was a double agent. Just relax a bit. Things are not so black and white "

'Maybe I was a double agent. Just relax a bit. Things are not so black and white'

Thomashausen later denied he or his wife could have been agents as they held foreign passports

Motshekga completed a law degree at Unisa in the 1970s He returned as researcher and lecturer in 1984 after stints at German and United States universities Still at Unisa, he joined Thomashausen's Institute of Foreign and Comparative Law in the late 1980s

Under Thomashausen's supervision, he ran the institute's development law strategies (DLS) programme — a German funded initiative that involved hosting conferences as platforms for the anti-apartheid movement. By then he had forged links with senior ANC members in Zambia and Zimbabwe

During the same period, Thomashausen was acting as an adviser to Renamo chief Afonso Dhlakama and served as a vocal apologist for Renamo in South Africa. He attempted to counter Renamo's image as a group of bandits by building its political machinery Jose Caetano, a commentator on Mozambique, said "Rhodesia formed Renamo as a sabotage team. South Africa took it over as a destabilising force Thomashausen was the missing link in building an intellectual capacity for Renamo "

Thomashausen said he helped Motshekga set up DLS as a "front" for the ANC Asked about any conflict between working with Renamo and the ANC, he said: "I worked with the ANC when one couldn't and I brought peace in Mozambique One needed to network."

A former researcher at the institute, Tony Sanders, said this week that by 1991 the institute had been "turned by Thomashausen into something akin to a Military Intelligence front" He said Motshekga, "fully aware of the situation", stayed on and "could well have formed part of Thomashausen's political and business network. To the best of my knowledge he still does."

Motshekga left Thomashausen's institute in 1992 to become deputy chair of the ANC in Gauteng But he was awarded a Unisa law doctorate in 1995 and served as professor extraordinarius at the institute for a year, which ended last June

The Thomashausens arrived in South Africa in 1982 from Germany, where André Thomashausen had helped set up an office for Renamo and started work on a constitution for the rebels The following year he became head of the institute at Unisa The couple nurtured links with South African intelligence personnel while he developed his role as Renamo's link in South Africa.

His involvement in MI-backed causes is shown by his role in helping draw up a constitution for the Federal Independent Democratic Alliance Led by black politician John Gogotya, now with the National Party, the defunct party is now known to have been a creation of the military Thomashausen said he only found out about the intelligence link afterwards

He advised Renamo during the protracted Mozambican peace talks, which started in Rome in 1990 Often the hardliner, he created a stir when he suggested weeks before Mozambique's first multi party election in 1994 that the poll be postponed as Renamo had run out of cash

A former MI operative, insisting on the customary anonymity, this week said the Mozambican government complained in the run-up to that country's elections that Thomashausen plotted to have Maputo's Matola fuel depot blown up in an apparent bid to strengthen Renamo's hand in the negotiations. "I saw intelligence reports about non academic activities," he said. Thomashausen said the Civil Co-operation Bureau hatched a plan to blow up the depot and that he had stopped it.

The operative claimed that until the early 1990s Thomashausen was close to MI, the South African agency that helped sustain Renamo's terror campaign. But he said the relationship deteriorated as the Thomashausen couple's loyalties became a matter of growing suspicion.

A top foreign affairs official in the 1980s said there was speculation at the time that Thomashausen had links with US intelligence and that the department did not "rule out" that Thomashausen was close to a South African intelligence agency

Thomashausen also cultivated links with Angola's Unita rebel movement, while the Inkatha Freedom Party's controversial legal adviser, Mario Ambrosini, hired him as a consultant during South Africa's constitutional talks in 1995 Thomas-hausen was denied an expert position on South Africa's Constitutional Assembly — apparently because he refused to relinquish his German citizenship — over the objections of the IFP

Thomashausen played down his wife's association with NIS, saying she had worked as a "language trainer" at a unit frequented by NIS operatives He criticised the *M&G* for trying to "slander" Motshekga, whom he said had an impeccable administrative record at Unisa

Motshekga this week denied a close relationship with Thomashausen. His lawyer, Julian Meltz, said "Motshekga's association with Thomashausen was based on their shared academic positions [They] had very different political ideas, objectives and beliefs Academics having different political ideologies and beliefs is surely common "

Thomashausen, however, said that after setting DLS up as a front for Motshekga and working with him for many years, "of course we are friends" He denied that his institute had been an MI front

We are not the enemy, PAGE 20

Mathole under the microscope

The African National Congress in Gauteng has established a task group to examine allegations, reported in the *Mail & Guardian* last week, that provincial premier Mathole Motshekga fraudulently administered international donor money.

The ANC provincial executive decided on an "inquiry into the need for an inquiry" last Saturday, a day after provincial office-bearers said no investigation was warranted Provincial secretary Paul Mashatile said that Tokyo Sexwale, Motshekga's predecessor, had become aware of the allegations last October when he was handed documents containing the allegations and asked Motshekga to account for them.

Mashatile said Motshekga replied to Sexwale that the allegations were "unsubstantiated, vague and false" He did not make it clear whether Motshekga had given a detailed response The *M&G* understands that Motshekga failed to do that — when pressed he allegedly told Sexwale he had "lost" the documents Clearly there remains no option now but to give a full explanation to the task team, which is to make a recommendation to the provincial executive in a fortnight.

Motshekga's explanation is likely to contain similar disavowals to those contained in an answer prepared for the *M&G* last week by Motshekga's own law firm, Meltz, Le Roux, Motshekga Incorporated. The reply, which reached the *M&G* after deadline and could not be reproduced in detail, stated:

- Motshekga denied he had ever been accused by any funder of mishandling international donor money
- Motshekga denied having been approached by President Nelson Mandela's office about his past, also saying Motshekga had no need to rally former associates to his defence, as his support base was evident.
- Motshekga maintained he had always had a "good relationship" with Constitutional Court deputy president Pius Langa, and therefore questioned the authenticity of a donor memo in which Langa was quoted to have said the contents of a report from Motshekga to the donor, Trocaire, been "extremely fraudulent" After the *M&G*'s story last week, Langa said in a statement that "the language attributed to me is not the language I would have used" Langa did not deny he "may have expressed opinions on the facts put to me"
- Motshekga said the institute's books have been properly audited.
- Motshekga denied any "heated correspondence" with Trocaire, but says he "took exception" to Trocaire's attempts to meddle in the way the institute "conducted its affairs"
- Motshekga did not deny that the institute's auditors, Coopers & Lybrand, wrote a report in which it said the institute's accountant was useless, that cheques were missing and that there was a general dearth of documentation.
- Motshekga described Ivy Barry — a former employee who accused him of nepotism and corruption in the industrial court — as a "disgruntled employee" and her "false allegations were never tested"

MATHOLE MOTSHEKGA

The premier who came from nowhere

Dogged by allegations of corruption, Gauteng's new premier is shunned by business and even the leadership of his party

At a celebratory cocktail get-together at the Sandton Hilton on Monday evening, just hours after his inauguration as Gauteng's second premier, Mathole Motshekga (49) outlined his vision of office It was a speech of pedagogical style, with much bobbing of the head and darting of the fingers, that seemed to amuse some of the 200-odd guests, unused to his brand of populism, and delight a small but dedicated band of followers — mostly Pretoria-based community leaders and an assortment of business associates

At least as significant as the speech itself was the total absence of any national ANC figure at the function, and no more than one or two of the provincial executive — Motshekga's inherited cabinet

Perhaps one should not read too much into their absence, it was not a formal event, after all But the disregard for Motshekga among ANC power-brokers is legion Their absence from his triumphal celebration accords with their reluctance to accept his nomination for the provincial party chairmanship last October Their perceived attempt to punt a rival candidate was a blunder, for it provoked a reactive surge of grassroots support for Motshekga, especially from northern Gauteng branches, that hoisted him to the chair and consequently the premiership

Motshekga's speech on Monday night was not new, but a rephrasing of what he has said at more discreet functions preceding his inauguration Collectively, they reveal an idealistic, almost ecclesiastical approach to public office His philosophy, however, has yet to draw wide appeal in business ranks not one captain of industry or commerce attended the Monday night celebration, and at a private meeting with business people in northern Johannesburg last Friday, Motshekga's call on business to become more involved in development provoked not a single question or public offer of support

His message at such occasions is this business (more particularly white-owned companies and white South Africans in general) should volunteer resources, skills and facilities in partnerships with government to uplift disadvantaged blacks These partnerships would endeavour to wipe out the inequities in areas such as black education, job skills, housing and community living standards In other words, companies must donate time, space and, if necessary, staff or wages for teachers to give classes after hours and at weekends, and undertake the upgrading of squalid townships and squatter settlements

At the same time, established towns and neighbourhoods would be empowered and encouraged to form community courts and municipal police units These would relieve the burden on the existing criminal justice system Similarly, community service sentences by the local courts for minor offences would lessen pressures on our clogged and porous prisons

Private-public sector partnerships are imperative, Motshekga says, because the ANC government alone cannot achieve the transformation and development goals necessary to rebuild SA

"Generations of oppression have destroyed the African family and brought about the situation where discipline, morals and the social fabric have broken down," he says This harms not only black society but the country as a whole, as unemployment and consequently crime continue to rise

"There can be no new SA until we can build a new black family," he says "Social regeneration will be the cornerstone of my premiership"

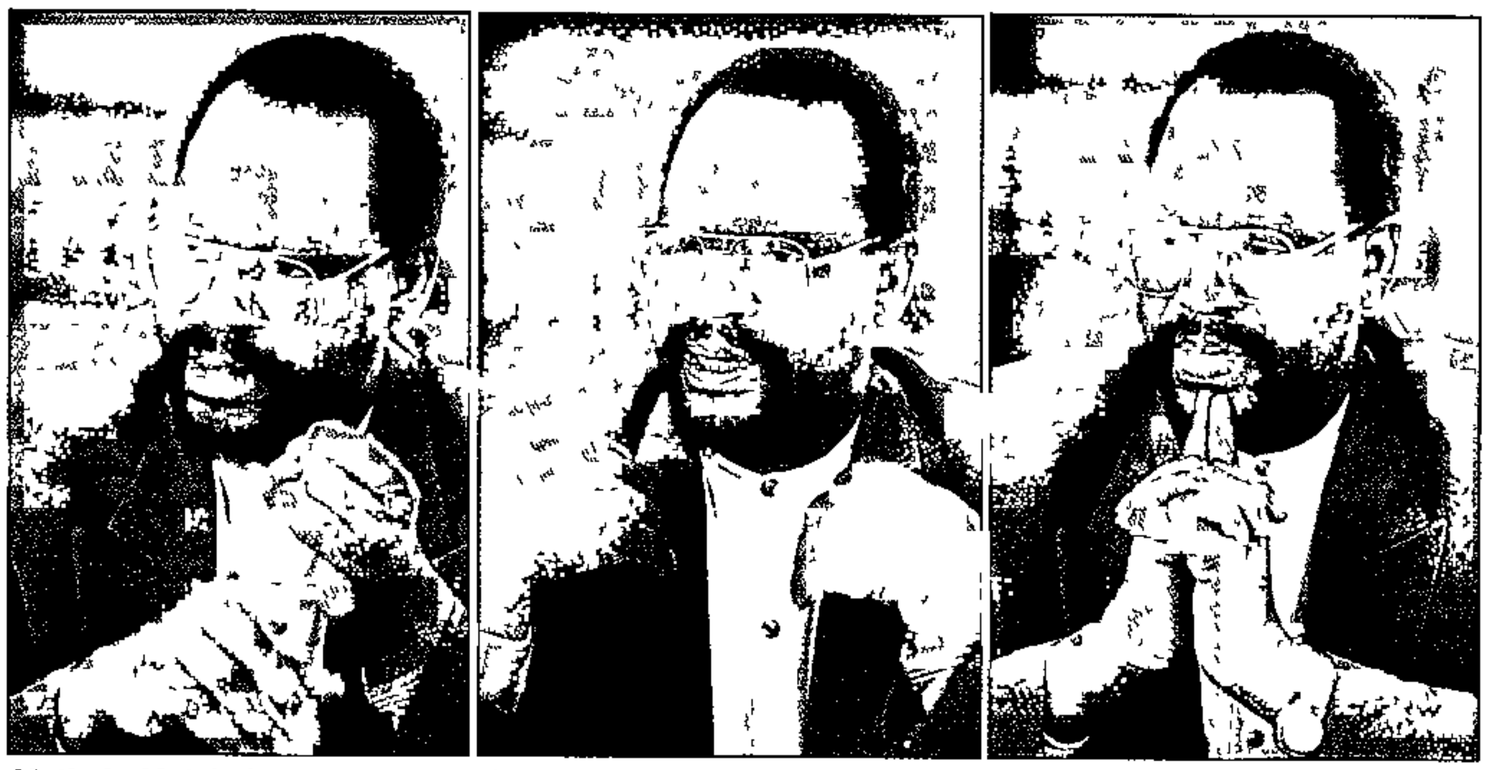
In conversations and speeches, Motshekga often harks back to the township uprisings of the mid-Eighties — specifically Pretoria's Mamelodi, where he was a lawyer activist working undercover for the ANC

At the height of the revolt, he recalls, Mamelodi was clean, orderly and relatively free of crime, despite the fact that conventional policing by the State was non-existent and the statutory town council had collapsed That was because the community had taken charge of its own affairs

When crime did occur, or when domestic disputes got out of hand, these matters were handled by "people's courts," which Motshekga himself helped to set up This is the blueprint that now inspires his call for courts at community level throughout the province, and eventually across the country

Yes, he admits, the courts of Mamelodi did turn tyrannical over time, often ordering violent retribution But that happened under the State of Emergency, after capable leaders had been locked up, driven into hiding or killed by the security forces Had there been no destabilising civil strife — as is the case now — he has no doubt the courts would have prospered with a high degree of judicial control and public accountability

"Communiocentrism" is the ungainly



Mathole Motshekga *a man whose vision extends through a cloud of controversy*

word coined by a grey-bearded soothsayer at the Hilton function to describe Motshekga's policy "You won't find it in your dictionaries," he explained, "but African philosophers will tell you it means putting the community first"

This is Motshekga's strength and his weakness, his emphasis on grassroots organisation probably won him the premiership, but his singular attempts to elevate community politics to the provincial and national arenas has made him a maverick in the party elite The fact that he never joined the United Democratic Front (UDF) and, though a member of the ANC, never served the movement in exile, has served to accentuate his separateness from both streams of the modern-day party's centre of power

Fuelling his alienation are persistent allegations that Motshekga fraudulently misused foreign donor funds for a legal aid organisation, the National Institute for Public Interest Law and Research (Nipilar), which he headed in the late Eighties and early Nineties An Irish Catholic organisation, Trocaire, channelled funds to Nipilar until it became concerned at the lack of proper accounting and reporting of expenditure and withdrew its support

Motshekga strongly denies any malfeasance on his part, though he acknowledges that the institute's books were a mess and that some Nipilar centres, particularly in the Free State and KwaZulu-Natal, were never properly functional This, he says, was entirely due to the difficulty of running an anti-apartheid organisation under harassment by the security police, staff were often detained and in some areas aid centres became moribund because of rivalries between local civics and political groups Motshekga says he himself had to flee Mamelodi in 1988, and ended up hiding in Soweto It was at this time that Trocaire began questioning Nipilar's operation

Trocaire official Caroline Lynch says, though, that her organisation funded 25 projects in SA during 1988, and that Nipilar "was the only one with which problems of this nature arose"

Meanwhile, New Africa Investments Limited chairman Nthato Motlana, who chaired the Nipilar board at the time of the controversy, says he is astounded by the allegations "I think Motshekga is an honest man, though his accounting, and that of some of his staff, may well have been weak," he says He acknowledges, however, that he was not so closely involved in Nipilar's operations that he would have noticed corruption He says he was unaware of the controversy until it was reported in some detail in the *Mail & Guardian* last week

Meanwhile, Nipilar itself has gone from strength to strength, and currently claims to operate the largest black-run network of legal aid centres in the country, with a R14m budget, supported by mainly US and Swedish aid agencies USAid has described it as a "showcase" project

The controversy and apparent contradictions about Motshekga show no sign of being resolved Motshekga claims that the revival of the allegations in the press at this time is "phase two" of a conspiracy to destabilise his premiership and ultimately to undermine his chances of re-election

He maintains that "UDF elements" within the National Association of Democratic Lawyers (Nadel) are fuelling the controversy in an attempt to scare foreign donors away from Nipilar so that Nadel might benefit from their patronage But an ANC functionary who has had dealings with Motshekga over several years says he thinks the story emanates from within the ANC leadership itself "The ANC leadership really hates him," he says, adding that he himself has no doubt that the allegations are true

This is disputed by Pretoria ANC leader and chairman of the metropolitan council Peter Maluleka, who has been a friend of Motshekga since 1977 and describes him as "a warm and caring person" and a tireless worker with a strong affinity for "the common people"

Motshekga, meanwhile, is attempting to close his mind to the controversy He says he will not take legal action against the *Mail & Guardian* because it will distract him from his chief task of furthering the transformation of Gauteng

Peter Honey

Restas

Upper Class Reclining first class sleeper seats, comfortable duvet, pillow, complimentary snooze suit and eyeshades We rest

Motshekga tells of plan to root out lawlessness

(266) CP 25/1/98

By ZOLILE NQAYI

The new Premier of Gauteng, Mathole Motshekga has committed his tenure as premier to facing the challenge of uprooting lawlessness and fear in the province

Motshekga said this during his maiden speech at the provincial Masakhane awards held in Germiston on Friday night

"Fear is dangerous and people living in fear cannot develop ," Motshekga said

He said that the police, criminal justice, and court systems were over burdened by legacies of apartheid which criminalised everything

A consequence of that, he said, was that the police are dealing with petty issues and juvenile offences that created inefficiency in the system

As a solution to this, Motshekga said "We need to remove pressure on these systems by creating municipal courts and decriminalising juvenile and petty offences "

He said the creation of municipal police and courts would divert overcrowding into community services "Let us restore power to the people, give them power to police and judge themselves and we will be freed from fear "

Motshekga said during his premiership the most important people under the premier are going to be the councillors This is in line with his plan to devolve power to local authorities He said that this would speed up the process of delivery of essential services to local communities "Government is not about the visibility of individuals but the delivery of services "

"There is a capacity in our people to work and deliver, but there are constraints deriving from the interim constitution and institutions still undergoing transformation," he said

To remove the constraints, Motshekga promised that his government will be introducing a new constitution in April next year which will be conducive to the delivery of essential services

Meanwhile, Motshekga said that people deriding the Masakhane process failed to appreciate its significance

"The first step in Masakhane is the rebuilding of yourself, your neighbour, your town, your society and the rebuilding of your country "

He said socially relevant issues must be introduced in schools in order to enable graduates to contribute meaningfully to serve the country

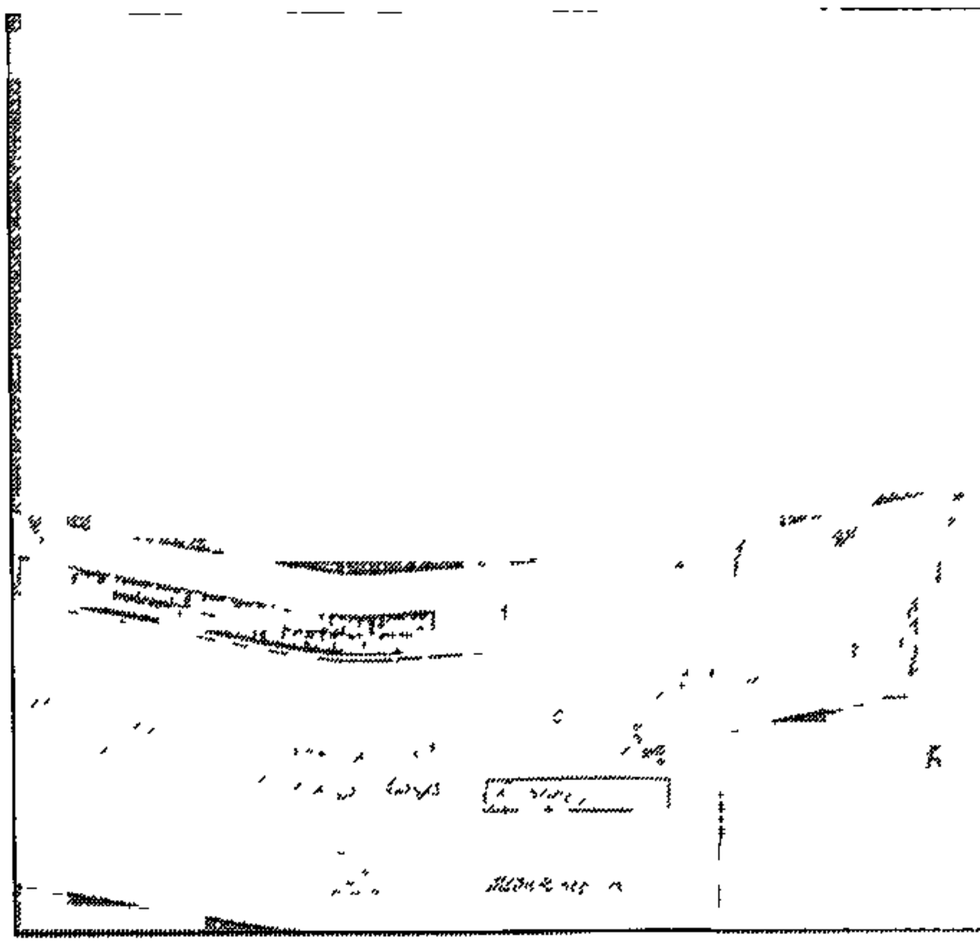
Continuing with the theme of self rebuilding, he expressed disgust that South African matriculants are still predominantly taught about European history "Our children are not trained to serve Africa They need to know more about Africa first than about the rest of the world "

Motshekga said socially relevant issues ought to be taken to the lowest levels at school This was part of a social plan to regenerate society "Councillors are in the best position to drive the social regeneration policy "

The Masakhane awards are presented annually to local authorities which displayed, among other things, popular participation, improvement in payment of services, government delivery and safety and security

The Kempton Park/Thembisa Metropolitan Council were the Gauteng winners for 1998 and will represent the province in the national awards

They received a prize of R100 000



AND NOW FOR THE WINNERS . . . *Gauteng's new premier, Mathole Motshekga, presented the Kempton Park/Thembisa metropolitan council with a cheque for R100,000 and the 1998 Masakhane award on Friday night*

Council's ills revealed in hard-hitting report

(266) Star 26/1/98

By Lee-Ann Alfreds
City Desk

Almost half of Greater Johannesburg's R2-billion salary bill is spent on perks for council employees, with some workers receiving stress and clothing allowances in addition to generous pension contributions and car loans

The "over-generous" benefits paid to some council employees were highlighted in a hard-hitting report which found the Greater Johannesburg Metro Council and its four local authorities to be inefficient, ineffective, unaffordable and in need of change

The first phase of the R3,5-million review – undertaken by consultants Price Waterhouse, Ebony Financial Services and KMMT Brey and commissioned by the council last year – ended this month

The second phase, which will centre on the development of new staff structures, is expected to be finished within three months,

In the first report, the consultants found that while council employees often complained about being paid less than people in the private sector, the benefits they received were "significantly more generous"

Kenny Fihla, chairman of the organisational review steering committee, said this included fat pension and medical aid contributions, and a car allowance "so generous it worried most of us (councillors)".

Fihla said 45% of the council's largest expenditure, the salary bill, was spent on "overheads" (benefits)

A source said the overheads included stress and, in some cases, clothing allowances He said it would be difficult to take away the benefits because they were often included in the conditions of service.

The report found the council was "top-heavy" with no practical explanation for the way departments were staffed. There was also duplication at all levels and role confusion, leading to lack of accountability

The customer was also not the main focus of council employees, but rather other employees There was also a lack of focus on core services.

Fihla said: "This (report) pinpoints problems to specific departments, clusters and depots"

Sandton Federation of Ratepayers and Residents Associations chairman Peter Harmsen said he was pleased with the findings because they would "focus the minds of the politicians on what they should be doing".

New 'VIP' team to probe Motshekga

Vuyo Mvoko

BD 27/11/98

THE African National Congress (ANC) top brass decided yesterday to appoint five "eminent" people to investigate "the serious allegations" against newly installed Gauteng premier and provincial chairman Mathole Motshekga.

ANC national president Thabo Mbeki, deputy-president Jacob Zuma, national chairman Patrick Lekota, secretary-general Kgalema Motlanthe and deputy secretary-general Thenjiwe Mthintso met at the party's headquarters in Johannesburg yesterday to discuss an internal report of a task team appointed recently by the Gauteng ANC.

News reports published days before his inauguration last week alleged Motshekga had misused international donor funds in the 1980s while in charge of legal aid clinics. The allegations first appeared last year during Motshekga's contest for the premiership. At that time the provincial ANC leadership was trying, without success, to block his election.

Last week Gauteng ANC secretary Paul Mashatile denied that the resurfacing of the allegations was the work of an anti-Motshekga grouping within the ANC.

The members of the new task team — whose names would be released only after they had been consulted — were expected to report their findings within a fortnight, ANC national spokesman Mamoepa said.

Policeman, infc robbery case ref

PRETORIA — Two of the 10 suspects arrested in connection with the R10m heist near Marble Hall in Mpumalanga in December were refused bail in the Pretoria Regional Court yesterday.

Six SBV security guards were killed in the heist.

Magistrate Adriaan Bekker said the two accused could not convince the court during their bail application that it would be in the best interest of justice to release them on bail.

Bekker said the state had strong cases against both accused and if found guilty they could go to prison for the remainder of their natural lives. The accused are facing at least 19 charges, including murder, attempted murder and armed robbery.

Bekker said he did not agree with Germiston police sergeant Absalom Molefe's submission that the state had nothing against him. Molefe said he was pointed out by co-accused Bongani Mabena only because Mabena thought he would be able to stop policemen from assaulting him.

Molefe was also implicated in the crime in a statement made by Mabena to police.

"The court gets the uncomfortable feeling that there are too many coincidences here. Molefe was pointed out by his co-accused by coincidence and it is by coincidence, too, that he shares a house with another policeman

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UNDER INVESTIGATION: Newly elected Gauteng Premier Mathole Motshekga has to answer

(266)

ANC to probe 'funds scandal'

CT 27/11/98

JOHANNESBURG· The highest echelon of the African National Congress' leadership decided yesterday to hold an internal inquiry into recent allegations of mishandling of donor funds against newly elected Gauteng Premier Mr Mathole Motshekga.

The decision was taken by ANC national office-bearers Mr Thabo Mbeki, Mr Jacob Zuma, Mr Patrick Lekota, Mr Kgalema Motlanthe and Ms Thenjiwe Mtintso after receiving a report from an ANC Gauteng investigation task team appointed to look into the matter.

The national executive decided last week that the matter should be dealt with by the party's national office-bearers.

ANC spokesman Mr Ronnie Mamoepa said· "The office-bearers reiterated the movement's determination to probe the serious allegations against Motshekga as the only viable path to deal with any uncertainties these allegations may have given rise to."

A five-member national task team of "eminent persons" would investigate the allegations against Motshekga.

It would be expected to make its findings and recommendations within a forthnight, Mamoepa said.

The names of the members of the team would be released shortly.

The National Party said earlier an independent inquiry would be the only way to restore the dignity of office to the premier.

It said that the leader of the NP in the Gauteng legislature, Mr Johan Kilian, had already asked the Speaker in writing to appoint a multi-party team to conduct the investigation. — Sapa

Parties have mini support for megacity concept (266)

Star 28/1/98

ANC plan won't save money or improve efficiency, says DP

By Cecilia Russell

Opposition parties have slammed new policy proposals for reshaping local government which recommend a single-city or megacity model as the only system for metropolitan areas

Reacting to a report in The Star yesterday, Democratic Party spokesman on local government Ian Davidson said the white paper's proposal had "rammed home an ANC agenda in the face of huge international evidence that single cities do not work".

Davidson added that the ward committee concept would not bring government closer to the people, especially as the committees would have only advisory powers

"This is a huge step backwards for the democratisation of local government"

Davidson said that if the Greater Johannesburg council remained at its present size of 290 councillors, it would become unmanageable

"It would be the same size as the national Parliament and would become a remote body to the detriment of the ratepayer, especially as the ratepayer organisations still tend to have well-defined, parochial interests," he said

NP spokesman on local government Watty Watson said the fact that the second draft of the white paper was ready 13 days after the ANC's December conference indicated that very little notice had been taken of the input there

The NP said there had been reassurances from the Constitutional Affairs Ministry that there would be several options for the model for metropolitan areas, but party members were shocked when the white paper "wiped the two-tier metropolitan model off the table"

"Only a small fraction of delegates, even in the ANC, were in favour of the single-city model," Watson added.

He also said the NP was critical of the concept of an executive mayor giving power to one person and party.

Traditional leaders would be excluded from local government

IFP spokesman Peter Smith said the document was politically explosive "It's an audacity that they simply imposed an ANC ideological vision on the country," he said

However, Provincial Affairs and Constitutional Development Minister Mohammed Valli Moosa said yesterday that any speculation on the white paper was premature

The Cabinet would consider the paper next month and launch it publicly in March, he added

Jo'burg's CBD needs more than words

There is no shortage of ideas about how Johannesburg's city centre can repave its streets with gold, but stakeholders must make it happen, writes **Lukanyo Mnyanda**

(266)

BD 29/1/98

WHAT is the future of SA's inner cities? Are they beyond repair, as some observers have said? At first glance, looking at perceptions of crime and the unabating business exodus, especially from Johannesburg, this view seems irrefutable

Johannesburg's city centre looks destined for gloom with no end in sight to grime and crime It seems to be anything but the financial and commercial powerhouse of a continent some believe to be on the verge of renewal after three decades of decline

The demise of Africa's biggest hotel, the Carlton, which faces closure unless saved by a casino licence, is the symbol of crisis

Cape Town has been touted as a success with a vibrant night life and office vacancies lower than in some of Johannesburg's prime areas Its residential market is enjoying a boom boosted by rich foreigners

But what about SA's "African city"? What is an African city? Are crime, dirt and disregard for by-laws synonymous with being African? Some politicians seem to say this when they denounce those leaving the central business district (CBD) as racists

But could Johannesburg's crime problems be overstated? Neil Fraser, executive director of the private sector lobbying group Central Johannesburg Partnership, believes so and says he is not "concerned about crime in the medium term"

Fraser says crime in the CBD has improved over the past five years with "hot spots" around taxi ranks the exception rather than the rule The implementation of "improvement districts" has had an effect while the planned introduction of closed circuit television in April should bear fruit

Old Mutual Properties research department head Gil da Silva says some of the biggest critics of Johannesburg's crime are property brokers interested in luring businesses to decentralised office nodes But he says much of the crime has been exported to these nodes

Perceptions that the CBD is more danger[illegible] than other parts persisted, [illegible] some have [illegible] velopment [illegible] tial sector is [illegible] giving the city so[illegible] blance of stability.

Combined wit[illegible] booming retai[illegible] this could cha[illegible] face of the city [illegible] such as Edgars a[illegible] Fo[illegible]

Our Cities

chini have pumped millions into flagship stores in the CBD, which is the favoured shopping destination for township consumers

A vibrant residential sector could provide additional markets for the city's retail sector with between 111 000 and 112 000 people estimated to be living in the city already, according to official statistics

The Gauteng housing department has committed R41m to the development of housing stock in the city MEC Dan Mofokeng recently launched a landlord-tenant dispute resolution board to curb rent boycotts, illegal evictions and violence He said the provincial government was aware of buildings being run by gangsters

"In an environment like this, the provincial government has said its role is to govern, and to protect citizens from exploitation and injustice on both sides — both property owners and tenants," he said.

Michael Oelofse, operations manager at the Inner City Housing Upgrade Trust, said the CBD seemed to be transforming into a residential and shopping centre, while the possible granting of a casino licence could add an entertainment element.

He said the trust had granted loans worth R5m to tenants looking to buy and upgrade inner city buildings in the CBD, Hillbrow, Berea and Joubert Park.

Oelofse said interest — mainly from young people eager for career opportunities — was rising, and recommended that the council take over unused office and warehouse space and hand them to trusts for conversion into residential units

The Association of Quantity Surveyors has a similar suggestion, saying the conversions would be too expensive for low-income buyers and tenants unless government bought the buildings and subsidised rentals But it is doubtful whether a government struggling to keep its fiscal commitments can afford this

With Johannesburg possibly set for a residential, retail and entertainment centre, views are mixed on the future of its office market. Some believe its lower rentals could lure companies eager to cut overhead costs back to the city

SA's major financial institutions have been reducing their exposure to property investments and most have frozen new investment This could lead to a lack of space in popular decentralised areas

Though some commentators believe this could create opportunities for the CBD, the consensus is that a mass return is unlikely and new tenants will look to the city only when they perceive it to be clean and safe

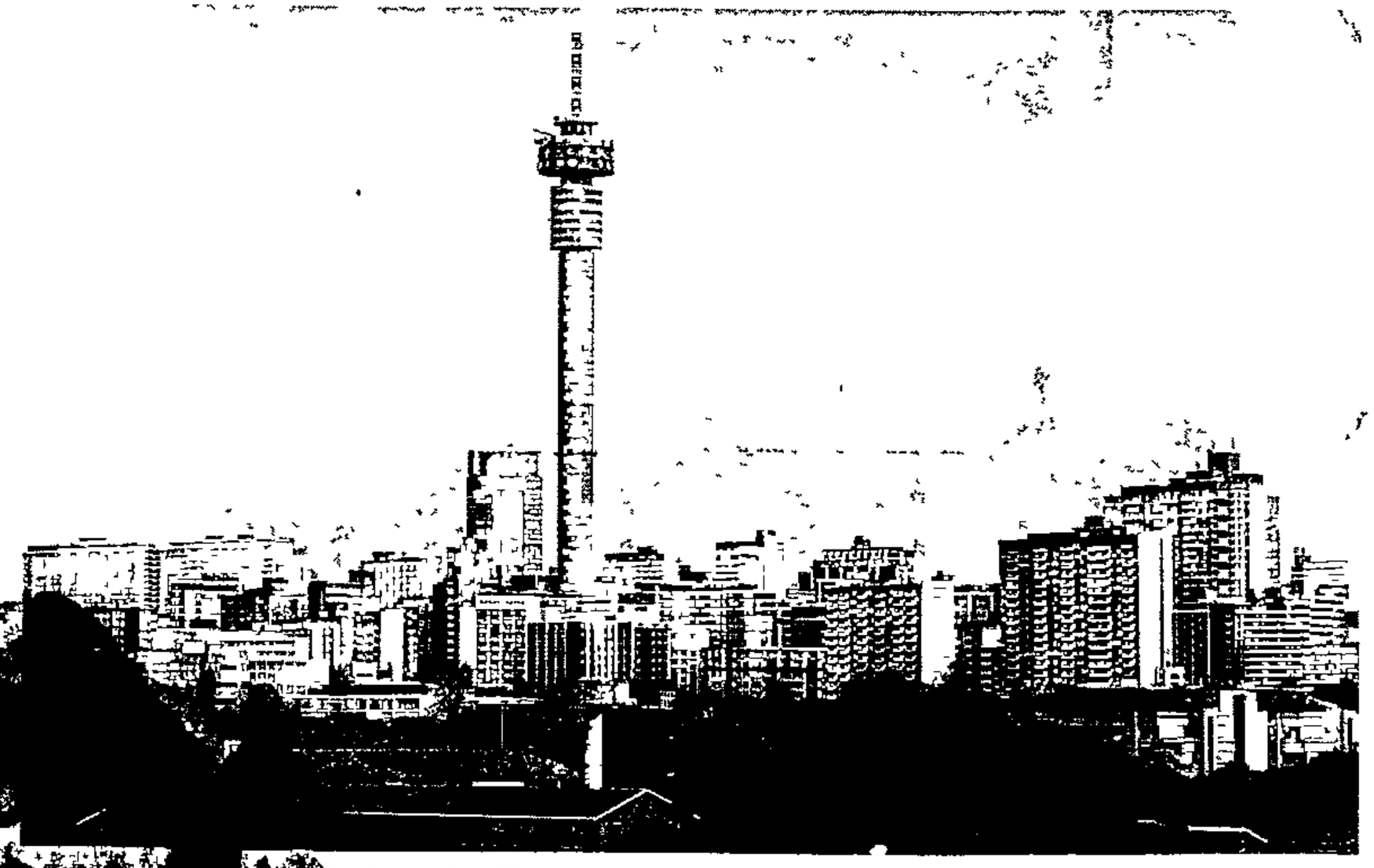
Johannesburg seems far from that, judging from commentators' lack of confidence in the city's local government. They have identified management of public space as a main obstacle to restoring the city's glow

Fraser said there had been "no progress" in ensuring the policing of municipal by-laws, and pointed to chaotic hawking activity as an example But he was hopeful that a committee of business, community, and trade union representatives, would be able to get things rolling

Fraser said properly managed hawking activity was crucial to the city's African identity and there was no intention to remove informal traders.

There is no shortage of ideas for healing Johannesburg's ills Various private and public sector initiatives have been launched over the past few years

It is time for the grand schemes and big talk to be laid to rest and for stakeholders to get to work. Otherwise Johannesburg faces a grim future



The implementation of 'improvement districts' is helping to revitalise Johannesburg

MTG 30/1 – 5/2/98

Caught in a lie, Mr Premier!

MIDEV
P O Box 341
HALFWAY HOUSE
1685

21 January 1998

RESIGNATION FROM THE BOARD

Since my appointment as Premier, I have had to review my membership and service on various boards, committees' etc. As a result, I would like to submit my resignation from the board with immediate effect.

I trust that you will be able to continue your good work and wish you every success for the future.

Yours sincerely

MATHOLE MOTSHEKGA
PREMIER

Trust me, I'm your premier: Motshekga (left) is emphatic that he resigned from MidDev last year. But the letter above says different

Stefaans Brümmer and Mungo Soggot

Embattled Gauteng Premier Mathole Motshekga lied this week when he said he had resigned three months ago from a company involved in the province's high stakes contest for gambling rights

In fact, he resigned his directorship last week — after it became public

Motshekga's office said in a statement on Wednesday "[The premier] resigned from MidDev in October last year, shortly after he was elected chairperson of the ANC and premier designate of Gauteng." Last weekend, Motshekga was also quoted in *City Press* as "emphatic" that he resigned on becoming premier-elect.

As premier, Motshekga is involved in the decision to award provincial casino operators' licences His association with one company, even if indirect, may present a conflict of interest.

The statement from Motshekga's office said there had been "several media inquiries attempting to link" Motshekga to MidDev, and that it was "mischievous" to suggest his earlier membership of MidDev's board could have "influenced the awarding of one or the other tender"

Motshekga's attempt to distance himself from MidDev appears to have been in response to a running battle between the Democratic Party and the Midrand Metropolitan Local Council. The DP has questioned the council on allegations it favoured MidDev, a not for profit development company, in a R1,8-million sewerage works tender

The *Mail & Guardian* is in possession of a copy of Motshekga's resignation letter — dated January 21 this year, two days after his inauguration and shortly after the DP queried his position at MidDev

Motshekga's resignation letter reads "Since my apppointment as premier, I have had to review my membership and service on various boards, committees etc. As a result, I would like to submit my resignation from the board with immediate effect."

African National Congress councillor Alan Dawson, chair of the Midrand council's executive committee and also a member of MidDev's board, confirmed this week that Motshekga had resigned after his inauguration, when the matter was "discussed" with him

So far, media interest in Motshekga's position with MidDev has focused on the sewerage tender and similar claims

But the *M&G* has learnt that last November already, the Gauteng Gambling and Betting Board — the body that has to award up to six casino operator's licences this year — appeared surprised to find Motshekga's name among the directors of MidDev, which was consulting to Johnnic Casino Holdings, part of Cyril Ramaphosa's empire

Johnnic wants a licence to operate a R1 billion casino at Gallagher Estate in Midrand and MidDev was contracted by it to "interface" with the Midrand community

Motshekga's association with Johnnic — even if indirect — may compromise the process to award licences The Gauteng Gambling and Betting Act says the gambling board has to make its decisions "in concurrence with" the provincial Cabinet, of which Motshekga is now head.

A decision on the successful applicants, originally expected before the end of January, has been postponed, among other reasons to allow Motshekga to find his feet in government and participate

Gauteng finance MEC Jabu Moleketi, who oversees the process, on Monday said Motshekga's apparent link to one of the casino bidders was "news" to him and that he understood the concern He said he would comment once he had studied the facts On Thursday, he forwarded the statement from Motshekga's office to the *M&G*, saying: "I have no comments beyond that."

Meanwhile, the ANC national leadership was struggling this week to find suitable candidates to probe earlier allegations against Motshekga. The party's top office-bearers, including Thabo Mbeki and Terror Lekota, decided on Monday to appoint a task team of five "eminent persons"

The national ANC initiative superseded a provincial ANC "inquiry into the need for an inquiry", which was announced on the eve of Motshekga's inauguration. This followed an *M&G* article which gave details of claims that Motshekga had, among other things, fraudulently maladministered international donor money in the late 1990s. Motshekga has denied the allegations

On Wednesday a senior ANC office-bearer said the leadership was still trying to identify task team members who were "independent and effective"

He said an example of the calibre of person considered was Methodist bishop Peter Storey, but that Storey had not been approached because of his position in the church Some of the allegations against Motshekga stem from two church linked organisations' apparent unhappiness with the way Motshekga administered funds they had routed to his National Institute for Public Interest Law and Research (Nipilar)

The *M&G* this week found a draft of a letter written by Motshekga to one D Rosendaal in November 1989, informing her that Nipilar's board had accepted her resignation as the organisation's bookkeeper

The letter — which may shed some light on the sequence of events that raised the suspicions of the Irish Catholic funding agency Trocaire — appears to admonish Rosendaal for having expressed her misgivings to the funders

It says "You were appointed and paid by the institute and therefore you were responsible to the institute You therefore had no right whatsoever to communicate in any way with the funders of the institute"

Trocaire documents say that Nomazizi Ramaphosa, ex wife of Cyril Ramaphosa and a former employee of the institute, also told Trocaire in 1989 of reservations about Motshekga's administration.

It is not clear whether the ANC-appointed task team will also look at concerns, aired in the *M&G* last Friday, over Motshekga's relationship with Professor André Thomashausen, front man in South Africa for Mozambique's notorious rebel movement Renamo

Motshekga worked closely with Thomashausen, who moved in apartheid military intelligence circles, at Thomashausen's Institute for Foreign and Comparative Law at Unisa between 1986 and the middle of last year

Thomashausen last week confirmed his friendship with Motshekga, but denied they were "house friends" after hearing Motshekga's version Motshekga described the association as purely academic

The *M&G* learnt this week that Thomashausen helped organise a dinner six weeks ago at Calisto's Portuguese Restaurant in Turffontein, Johannesburg, at which he introduced the soon-to be premier to about 50 members of the local Portuguese community

Thomashausen was also present at Motshekga's inauguration, which was attended by few prominent members of the ANC as the event coincided with a meeting of the party's national executive committee

Tembisa allowance hikes 'morally wrong'

(266)

Deborah Fine BD 30/1/98

THE Democratic Party has attacked the Kempton Park-Tembisa local council on the East Rand for awarding councillors a 20% increase in their allowances while authorising service delivery cuts to avoid a serious budgetary deficit.

DP councillors Mike Waters and Lana Marais said yesterday that the council's African National Congress, National Party and Freedom Front councillors had voted themselves a raise at a general council meeting earlier this week.

Ordinary councillors' allowances would rise from R28 164 a year to R33 714 they claimed

This was despite the council scaling down its 1997/1998 operating budget to bring expenditure into line with incoming revenue. Like many SA local authorities, the council has been financially squeezed by continuing high levels of nonpayment for services and accumulating municipal debt

The Kempton Park-Tembisa council has been plagued, in particular, by nonpayment for electricity in Tembisa, where many residents have continued to use power without paying for it through illegal electricity connections

Waters and Marais claimed cuts in operational expenditure had resulted in the deteriorating maintenance of roads, parks, pavements, traffic and street lights.

"The message to ratepayers is that they must pay more for fewer services while their public representatives receive increases more than double that of inflation," Marais said.

Waters said that while the increase would only amount to an additional expenditure of about R166 000 a year, it was morally wrong for councillors to accept such increases in view of the council's financial woes.

He said he and Marais had already returned what they believed to be excessive travelling allowances, and would only accept increases equal to that of inflation.

"It is obvious that councillors have lost touch with ratepayers."

Council sources responded that the 20% increases were in line with a provincial circular issued by Gauteng local government MEC Sicelo Shiceka.

The sources denied that roads, traffic and street lights had been affected by budgetary cuts

Embattled Premier puts on brave face

Sowetan 2/2/98

(266)

Motshekga calls on church leaders to work together with government on youth projects

By Simon Zwane
Political Reporter

BELEAGUERED Gauteng Premier Mathole Motshekga yesterday urged religious leaders to work with his government to fight crime, unemployment and to rebuild a sense of social morality

Addressing thousands of St John's Apostolic Church members in Katlehong, Motshekga promised to "mobilise all resources to defend women and children and to protect the rights of the elderly and the disabled"

"We want to make Gauteng a good people's paradise and not a gangsters' paradise"

Meanwhile, Motshekga faces fresh allegations that he had lied about his involvement in MidDev – a company involved in bidding for casino rights in Gauteng

A weekly newspaper on Friday published a letter which showed that he had resigned from MidDev after he was inaugurated as premier and not last October, as claimed by his office

However, sources in his office admitted the "error" and blamed administration staff for the delay in writing the resignation letter

The staff was informed last year after the African National Congress provincial congress at which Motshekga became local party leader to notify MidDev of his resignation

However, the letter was not written and when it was eventually done it was not backdated as it should have been

Motshekga, who sounded like a man on a election campaign, promised that the ANC would not shirk its responsibility to thousands of matric pupils who failed last year

Discussions were already taking place with student leaders to develop a campaign – called *Letsima* – to mobilise professional people to help these pupils in their preparations to rewrite matric examinations

"There is no reason why we can not donate our time in the evenings and on weekends to help our children," he said

He invited the church to form social partnerships with the government on programmes to assist young people He urged the youth to commit themselves to community service

"Young people must be taught to respect work and workers They must work for the aged and the disabled for nothing," he said

"If white children could go to the borders and defend apartheid without pay, how can our children leave the aged and disabled to suffer because they want money?"

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Motshekga gave verbal resignation last year, says council CEO

(266)

Pule Molebeledi BD 2/2/98

MIDRAND metropolitan local council CEO Hans Jooste yesterday defended embattled Gauteng premier Mathole Motshekga and confirmed that he resigned last year from MidDev, a development company consulting for Johnnic's casino licence bid.

Motshekga was reported by the Mail & Guardian to have "lied" about the precise date of his resignation from MidDev He was alleged to have stated that he had resigned three months ago from the company but a document in possession of the newspaper showed he did so two weeks ago

Concern was raised that Motshekga's association with Johnnic (one of six casino operators vying for a gambling licence), even if indirect, could compromise the Gauteng Gambling and Betting Board. The gambling board has to make decisions in concurrence with the premier.

Jooste said Motshekga resigned verbally through his lawyer, Julian Meltz, last October. "This was conferred in writing on the January 21 1998," he said.

Jooste said Motshekga had attended only one of 12 MidDev board meetings since his appointment and this "illustrated that Motshekga's involvement with all decision-making and related affairs of MidDev was extremely limited". He said MidDev was a section 21 nonprofit organisation established primarily to promote local economic development. "For all practical purposes ... Motshekga was on MidDev's board on paper only," said Jooste.

Since becoming premier of Gauteng, Motshekga has faced a string of allegations including misappropriation of international donor funds during his term at the National Institute for Public Interest and Research.

African National Congress spokesman Ronnie Mamoepa said the organisation would this week name high-profile individuals to probe the allegations against Motshekga. The team would report back within a fortnight.

Patricia Lion Cachet, Gauteng National Party spokesman on gambling, said the integrity of the gambling board had been compromised following the recent allegations. The NP called on all opposition parties to support an "urgent tabled motion" in the legislature to appoint a multiparty committee to investigate allegations of "improper dealings" against the premier.

Johnnic said it was extremely disappointing that a "bona fide" attempt aimed at grassroots training and empowerment could be questioned.

Picture: Page 2

Task team named to probe Gauteng head Motshekga

DD 4/2/98 (2bb)

Bonile Ngqiyaza

THE African National Congress (ANC) named a task team yesterday to probe allegations of fraud, nepotism and autocratic management levelled at Gauteng premier Mathole Motshekga.

The move followed reports in the Mail & Guardian newspaper accusing Motshekga of misusing donor money during the anti-apartheid struggle and allegedly falsifying the records of a legal aid organisation

The team members are business consultant George Negota, Umkhonto we Sizwe Veterans' Association chairman Isaac Makopo and former ANC Women's League president Gertrude Shope

ANC secretary-general Kgalema Motlanthe said he expected the team to report its findings to the national executive committee by March 2

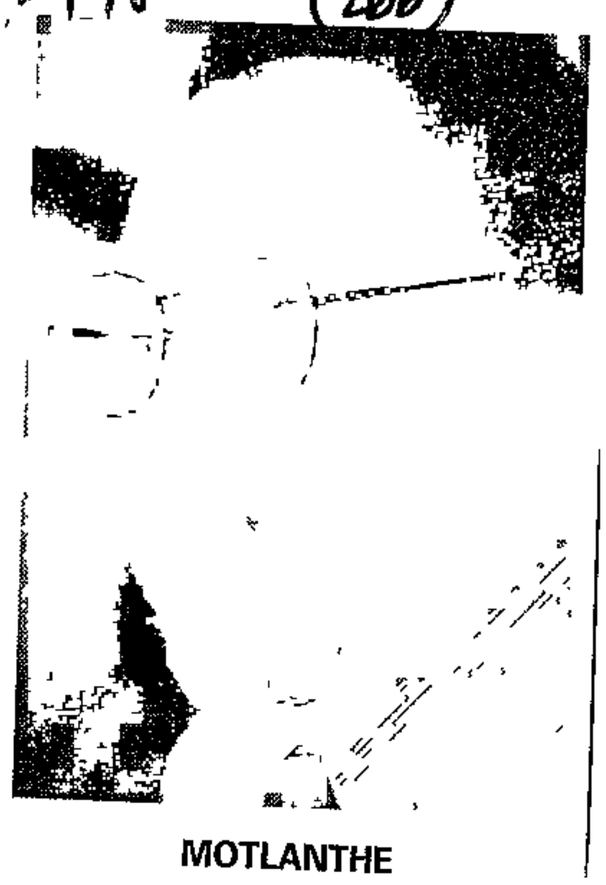
ANC spokesman Ronnie Mamoepa said the three members were "eminent, honest persons with integrity"

Responding to whether it was proper for the organisation to investigate itself, Motlanthe said an external inquiry would only be necessary and justified if the report confirmed the allegations against Motshekga and that the NEC had failed to act

If such a scenario were true, the organisation's constitution stated the course of action to be taken, he said

The commission's report would disclose whether the probe should go further.

Motlanthe said the organisation had acted to "clear the air" after the allegations against Motshekga had continued to appear in the media



MOTLANTHE

He played down the seriousness of reports in the Mail & Guardian last week that the premier had lied about resigning his directorship of MidDev three months ago The company is involved in the province's contest for gambling rights

The National Party dismissed the appointment of the team and demanded that the Gauteng legislature investigated the allegations levelled at Motshekga

It said the seriousness of the matter called for the ANC to act to resolve it for the sake of the province and the premier.

"This matter will not rest Dr Motshekga is not only an ANC leader, he is the premier of Gauteng," NP member Johan Kilian said

THE MOTSHEKGA CONTROVERSY

Get yourself organised, Mr Premier

Gauteng development could wallow if Motshekga is kept hopping

Gauteng premier Mathole Motshekga's handling of the controversy over unproven allegations of corruption levelled against him has been inept

Instead of facing up to his accusers, and issuing a public repudiation when the issue surfaced last August in the run-up to his election as ANC chairman, which clinched his appointment as premier, he ignored it

That he did so could be due to any one, or more, of several possibilities

- That the allegations, in part or entirety, are true and he hoped that his silence would help them to fade away,
- That they are not quite true, but repudiation would require disclosures that could lead to the emergence of other, more serious, charges,
- That the allegations are totally untrue, and he regarded them as so preposterous as to not warrant response,
- That, irrespective of the truth, Motshekga knew the issue wouldn't matter to his followers nor threaten his election,
- Motshekga is so politically inexperienced and/or administratively incompetent that he did not know how to douse the flames, or,
- Motshekga felt so isolated politically, given the intense campaign against him from within the ANC leadership at the time, that he didn't know who to trust or turn to for help in the party's provincial hierarchy

The first three postulations are still in question, now subject to an internal ANC commission of inquiry, the fourth might never be decided But there is enough evidence to ask questions about the fifth and sixth possibilities They are political questions, independent of the honesty issue, which touch on his ability to manage the challenging public programmes — especially the localising of courts and police services, and restructuring of local government — that he espouses

Whether he is a crook or not — and the evidence against him is by no means conclusive — his administrative competence and political compatibility with his colleagues in power will be crucial to the success or failure of Gauteng

Mathole Motshekga *badly in need of a filofax?*

Why, for instance, did it take Motshekga more than five weeks to reply to the allegations contained in the first formal query from his boss, former premier Tokyo Sexwale? And why was that reply so vague, pointing to unnamed United Democratic Front members as fuelling the campaign against him?

"I studied documents and found them to contain unsubstantiated and false allegations of impropriety by former employees of the National Institute of Public Interest Law & Research (Nipilar, of which Motshekga was chief executive) which is still operating in Pretoria," he writes He does not even acknowledge that the allegations are directed at him Surely this would have been the time to formulate a detailed rebuttal?

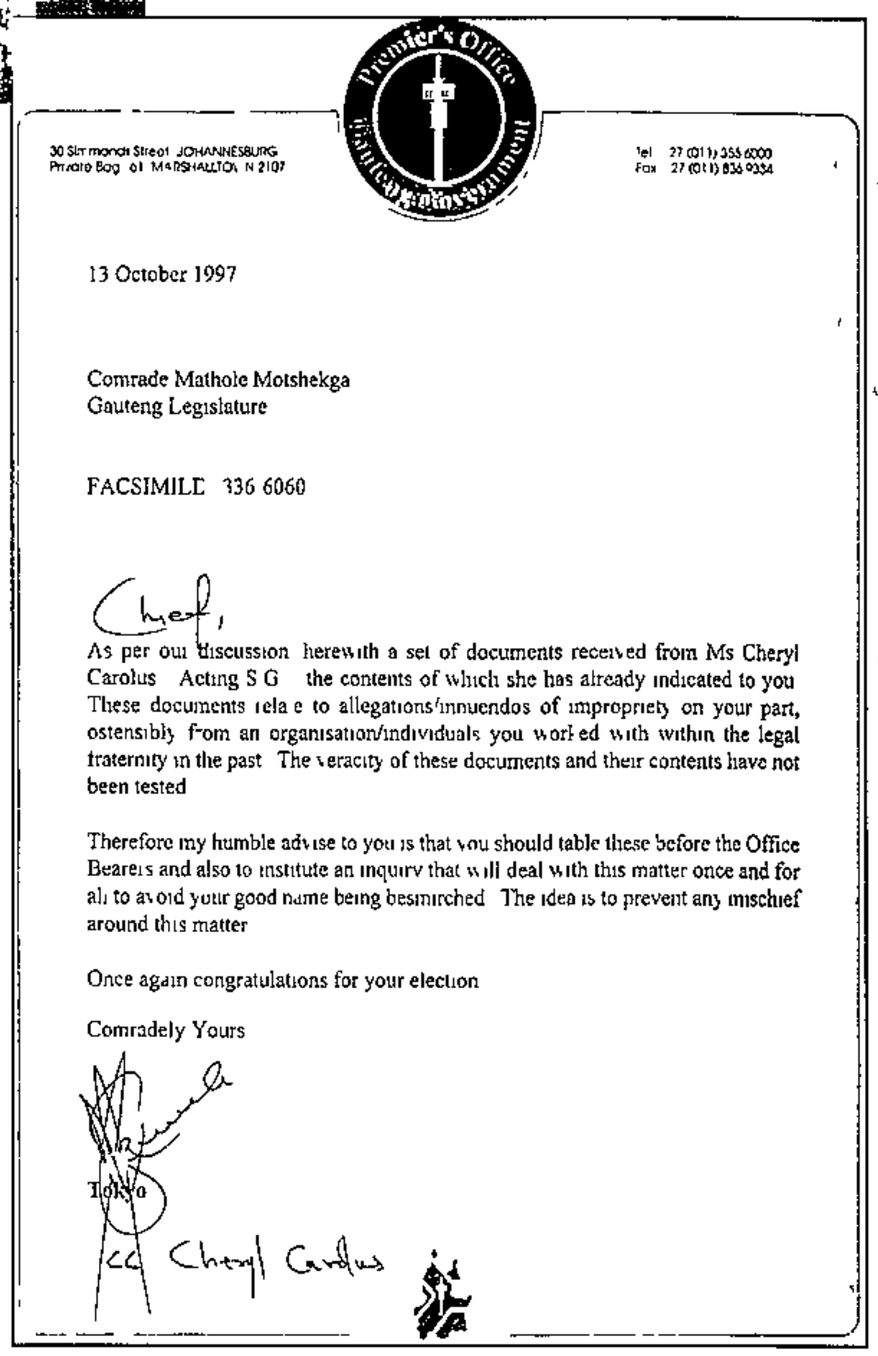
But it is fair to say that no evidence has emerged so far to refute Motshekga's explanation that maladministration during the late Eighties in Nipilar, a legal aid organisation, was due to police harassment

Suggestions that Motshekga may have misappropriated Nipilar funds from an Irish Catholic aid agency, Trocaire, are based on notes written in November 1989 by one of the agency's field officers, Chris McInerney, and a reported telephone conversation between McInerney and Pius Langa, then president of the National Association of Democratic Lawyers (Nadel) In the conversation, Langa is reported to have expressed doubts about the accuracy of a Nipilar report that Motshekga had submitted to the donors (Motshekga was then vice-president of Nadel, which in turn was closely associated with Nipilar)

The trouble is that neither McInerney, Trocaire nor Langa have since been prepared to elaborate on, or even confirm the accuracy of, the documents

New Africa Investments chairman Nthato Motlana, who was chairman of the Nipilar board at the time, says he is surprised by the charges of dishonesty against Motshekga, though he is not surprised that Motshekga and senior staff were lax in their bookkeeping

Here again, doubts are cast, at the very



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13 October 1997

Comrade Mathole Motshekga
Gauteng Legislature

FACSIMILE 336 6060

Chief,

As per our discussion herewith a set of documents received from Ms Cheryl Carolus Acting S G the contents of which she has already indicated to you These documents relate to allegations/innuendos of impropriety on your part, ostensibly from an organisation/individuals you worked with within the legal fraternity in the past The veracity of these documents and their contents have not been tested

Therefore my humble advise to you is that you should table these before the Office Bearers and also to institute an inquiry that will deal with this matter once and for all to avoid your good name being besmirched The idea is to prevent any mischief around this matter

Once again congratulations for your election

Comradely Yours

Tokyo

cc Cheryl Carolus

NATIONAL INSTITUTE FOR PUBLIC ADMINISTRATION MANAGEMENT (NIPAM)

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Our Ref | Your Ref | Date

18/11/97

Cde TOKYO SEXWALE
ANC
PER FAX 836-9334

Comrade

I acknowledge receipt of your letter and enclosures of 13th October 1997 and have noted the contents thereof

I studied the documents and found them to contain unsubstantiated vague and false allegations of impropriety by former employees of the National Institute of Public Interest Law and Research (NIPILAR) which is still operating in Pretoria It appears from the documents that senior members of the disbanded United Democratic Front (UDF) and the National Association of Democratic Lawyers (NADEL) presently holding senior positions in Government and Priva e Sector instituted secret investigation against the Institute (and myself) Such allegations were not tested at all The investigating team failed/or neglected to approach either myself or the Board of Trustees or the Auditors of NIPILAR to verify their defamatory allegations which were clearly based on hearsay and inconclusive documents

2/

IN ASSOCIATION WITH UNIVERSITY OF SOUTH AFRICA (UNISA)
INSTITUTE FOR ADULT BASIC EDUCATION (ABET INSTITUTE)
VERLOREN VAN THEMAAT CENTRE FOR PUBLIC LAW STUDIES

-2-

I noted with thanks your suggestion that I institute an enquiry that will deal with the matter once and for all I personally would welcome such an enquiry However such enquiry would require inter alia Judges members of parliament and cabinet ministers who held positions in the UDF and NADEL (and now in the ANC) to give evidence and be vigorously cross examined on unfounded statements Such may well embarrass the ANC and the individuals concerned

In view of the fact that NIPILAR and its auditors (Coopers and Leybrand) still exists I decided to ask my colleague and partner Mr Julian Meltz (of Meltz- le Roux Motshekga Attorneys) to collate and assess the relevant information and submit a report which I shall present to the Provincial Office Bearers for consideration

Yours Comradely

pp MATHOLE MOTSHEKGA

cc Cdes Thabo Mbeki
Cheryl Carolous
Paul Mashatile
Abbey Nkomo
(Chairperson of Board of Trustees of NIPILAR)

least, on Motshekga's administrative abilities Whatever excuses Motshekga offers about the difficulties of managing an anti-apartheid organisation in the Eighties, Trócaire points out that Nipilar was the only one of 25 aid projects it was funding at the time that experienced problems of that nature

Then there is the more recent case of Motshekga's belated resignation from the board of MidDev, a not-for-profit company commissioned by Johnnic to assist in its R1,8bn Midrand casino licence bid As premier, Motshekga would be party to the province's decision to award the licence

The *Mail & Guardian,* which broke the story last week, maintains that Motshekga lied in saying earlier that he resigned from MidDev last year, before becoming premier His association with Johnnic through MidDev, the newspaper says, may amount to conflict of interest

There is no evidence, however, that Motshekga has benefited financially, or otherwise, from his belated resignation, or that he might not recuse himself from the casino licence decision

Is there more to come? Motshekga must have made scores of other business associations over the years through his partnership in the Midrand-based lawyers firm Meltz, Le Roux & Motshekga Since becoming premier, he has suspended his partnership Given the current situation, he may want to deal with any overhang quickly and in public

What is questionable in Motshekga's case, however, is his tardiness (again) in getting his affairs in order It is plain bad management to have neglected such matters, especially when he knows there are still political enemies out to get him

On the positive side, Motshekga has been quick to offer the olive branch to his former enemies in the provincial executive as well as opposition political parties Safety & Security MEC Jessie Duarte, for example, openly opposed Motshekga's candidacy for the chairmanship, but has since expressed strong support for his premiership In fact, it is known that she warned Motshekga that the documents alleging his corruption were in circulation

Perhaps, Motshekga's slowness to defend himself is simply a matter of inexperience After all, he has never before held a high-profile public office

Whatever the reason, it is as well that the ANC leadership has finally taken the matter in hand

The three commissioners appear to be respected, even beyond the party But they will have to act thoroughly and openly to save — or sink — SA's most controversial premier

Peter Honey

SA-CHINA RELATIONS

Okay to trade with two Chinas

Beijing envoy sets out his country's position on the Taiwanese question

Forget all the political posturing and the rattling of military hardware it's in mainland China's interests for Taiwan to remain economically strong and prosperous, says China's first ambassador to SA, Wang Xue Xian

With the recent assumption of full diplomatic relations with China, SA has downgraded its relationship with Taiwan The change will open doors for SA businesses hoping to take advantage of China's massive growth

Economic growth has averaged nearly 9% over nine years and, says Xian, was 9,5% in 1997

He estimates foreign investment at about US$40bn a year SA Breweries is among SA companies already setting up shop in China There is also significant potential demand for SA minerals and for two-way trade in general, he says The SA armaments industry is among those in which China is interested

But none of this should deter SA business from continuing to deal with Taiwan, he says

"We have no problem with other countries continuing trade and cultural exchanges with Taiwan We want it to continue strong and prosperous The People's Republic has a lot of trade with Taiwan, and Taiwan has a big surplus We have even made proposals that will encourage direct postal, transport and commerce exchanges"

Xian suggests reunification is not a question of if, but of when As with Hong Kong, China is prepared to offer the principle of "One country, two systems" While Taiwan would be part of China, it would retain its trade and economic sovereignty "We would even consider letting them keep their armed forces"

Including SA, there are about 160 nations that formally recognise China rather than Taiwan Xian says fewer than 30 cling to Taiwan

SA's decision to switch horses is an important milestone, he says "It's a heavy blow to Taiwan's so-called pragmatic diplomacy It's in the long-term interests of all countries to recognise there is only one China They must go with the tide"

David Furlonger

Blueprint for our cities and towns takes shape

Cecilia Russell examines some implications of the White Paper on Local Government

> *Innate conservatism of existing bureaucracies must be tackled*

> *It's a disaster which no sensible person would wish to perpetuate*

A bright, clean, welcoming city, neatly maintained and safe parks, hassle-free rubbish removal, with wonderful, well stocked libraries, bills that arrive regularly and are easy to understand, a smile from officialdom and a smooth ride into town just a few of my favourite things.

If at the moment this seems beyond the capabilities of our cities, it is with these ideals – consumer-friendly, efficient local authorities, with attractive environments for investors in mind – that the White Paper on Local Government currently under discussion in government circles was developed.

The white paper precedes draft legislation which will bring to an end the present transitional phase of local government and establish a new order.

In terms of the white paper process, which brought together the inputs of an extensive public participation programme and academic research, local authorities will enjoy its new constitutionally-based status alongside national and provincial governments. It will also need to fulfil a "developmental role", remedying past inequities while kindling a fresh energy to create vibrant local economies.

Constitutional Affairs Minister Mohammed Valli Moosa explained in a recent article "Metropolitan government has to play a balancing act between the imperative for equity and poverty alleviation on the one hand and the creation of an environment which will foster investment and job creation on the other"

In an interview with The Star last year, head of the white paper political task team, Pravin Gordhan, commented that the heated debate about the future of local government was inevitable because "we have targeted redistribution and have resulted in significant tensions," the paper says.

The criticism levelled at the proposed single-city model that it will become unwieldy and presupposes a bloated bureaucracy is addressed by the paper in its administrative reform principles

Philip van Ryneveld, Cape Town Metro's finance director and a member of the Fiscal and Financial Commission, says the paper gives strategies for councils to manage service delivery without actually providing the services themselves

Outsourcing the provision of services, for example through the formation of "boards" similar to the water boards, for services like water provision, cleansing, sewerage, and the myriad of other functions will enable local authorities to "concentrate on the things that only government can do – like planning", Van Ryneveld says.

Efficiency in these "corporatised" services would be enhanced by their commercial and independent orientation

Cost-effectiveness would also increase if these outsourced services could be expanded to provide services for several municipalities as this would give the authorities the opportunity to exploit the economies of scale.

The challenge then would be to tackle the innate conservatism of the existing bureaucracies in order to change, Van Ryneveld argues

The paper motivates for a system of district government for areas outside the metropolitan areas. Because there is a lack of technical, administrative and financial resources, development is hampered

Mpumalanga's local government assistant director Sipho Mthethwa believes this

JASON ASKEW

(266)

Jo'burg two-tier system poor, but principle OK

While the present two-tier system in the Greater Johannesburg region is considered to be inefficient and expensive, this does not mean that the model is deficient, politicians and local government experts from the Durban and Cape Town metros argue.

"The present system in Johannesburg is a disaster which no sensible person could wish to perpetuate," is the assessment of Flo Bird, head of Parktown's ratepayers' organisation.

Bird's comment echoes the sentiments expressed in the White Paper on Local Government, which sees the present system as unable to fulfil the mandate to "create and sustain humane, equitable and viable human settlements".

Peter Miller, local government MEC for KwaZulu Natal, says the effect of creating a single city in the Durban area will mean a "gargantuan municipality stretching from Umkomaas in the south to Tongaat in the north (some 80km) and from the Indian ocean to Cato Ridge.

"It would encompass every known form of social organisation from communally-owned tribal settlement to first world skyscrapers in one amorphous mass. All sense of local identity and local community would be sacrificed to achieve colourless uniformity and conformity," Miller says.

Likewise, the local government MEC for the Western Cape, Patrick McKenzie, argues he has the support of "all

The businesses argued that the "Robin Hood" budget which imposed a R438-million levy imposed by the metro on the Eastern council for the purposes of redistribution to poorer councils was unconstitutional and illegal.

The businesses lost the case when the judge, Mr Justice E Goldstein, ruled that the levy was not only lawful but fulfilled the constitution's bias in favour of redistribution from richer to poorer areas.

The businesses' appeal is yet to be heard.

Cape Town Metro finance director Philip van Ryneveld says it's "probably true that Johannesburg's current structure would not work"

A lack of clarity in the division of powers between the substructure and the metro only contributes to a problem which he believes is "probably due to the boundaries and the way they were drawn".

Van Ryneveld says if the boundaries had been drawn on a north-south axis, combining areas like Sandton in the north with Soweto in the south into local councils, the disparities between a rich north and a poor south would not have been as distinct. But these boundaries wouldn't have aided service provision.

In Cape Town the local councils' tensions over the redistribution of resources have not arisen because within the six local authorities there is a "relatively even balance between rich and poor", Van Ryneveld says.

The effect of the boundary

poverty alleviation on the one hand and the creation of an environment which will foster investment and job creation on the other."

In an interview with The Star last year, head of the white paper political task team, Pravin Gordhan, commented that the heated debate about the future of local government had "raised emotions about what should calmly be spoken about with an eye to the 21st century"

But what perspectives does the paper give for the future?

Probably the most contentious is its advocacy of a single city or megacity for metropolitan areas. While the white paper's proposals are not finalised and will be released for public comment only next month, this has been described as "politically explosive", with opposition parties accusing the ANC of pursuing a party-political line to the detriment of the needs of the communities.

At the ANC conference in December the creation of a single-city model from metropolitan areas was adopted as the party's policy.

However, while there has been speculation that other models could still be included following discussions, clearly the paper does advocate a highly centralised political system for metropolitan areas

Community-based ward committees would, the paper suggests, help the local authorities counteract the tendency of local government to become distant and consumer-unfriendly Ward committees would have the right to be consulted on matters concerning the local environment but only have an advisory role.

The move away from the present two-tier system is motivated by a fear that the present inequities and tensions in the system will continue.

Moosa has commented. "There is a danger that a rigid split of powers and functions will not only perpetuate existing inefficiencies, but that it will also limit the ability of metropolitan government to adjust its delivery system over time as circumstances change or better ways of delivering services are developed."

The paper argues the two-tier system has failed to ensure that redistribution has taken place within the city. "The mechanisms for intra-metropolitan redistribution is not optimal, do not facilitate tar-

The paper motivates for a system of district government for areas outside the metropolitan areas Because there is a lack of technical, administrative and financial resources, development is hampered.

Mpumalanga's local government assistant director Sipho Mthethwa believes this system will benefit the 54 local authorities in the province, nearly half of which have a very low income.

District governments would mean that there would be shared planning and infrastructural development. Where the establishment of a municipality is not viable, the district government will assume responsibility for all municipal services.

Three types of municipalities are proposed.

- Urban municipalities which will have a full range of municipal powers and functions. Present urban demarcations are likely to be extended to incorporate informal settlement and commercial developments developed on the urban fringe.
- Amalgamated urban-rural municipalities, which will incorporate small and medium towns which have clear social and economic linkages between urban and rural settlements. This will cut the cost of duplication of multiple councils in the area.
- Rural municipalities with few executive and legislative powers, with most of the administration and service delivery drawn from the district government.

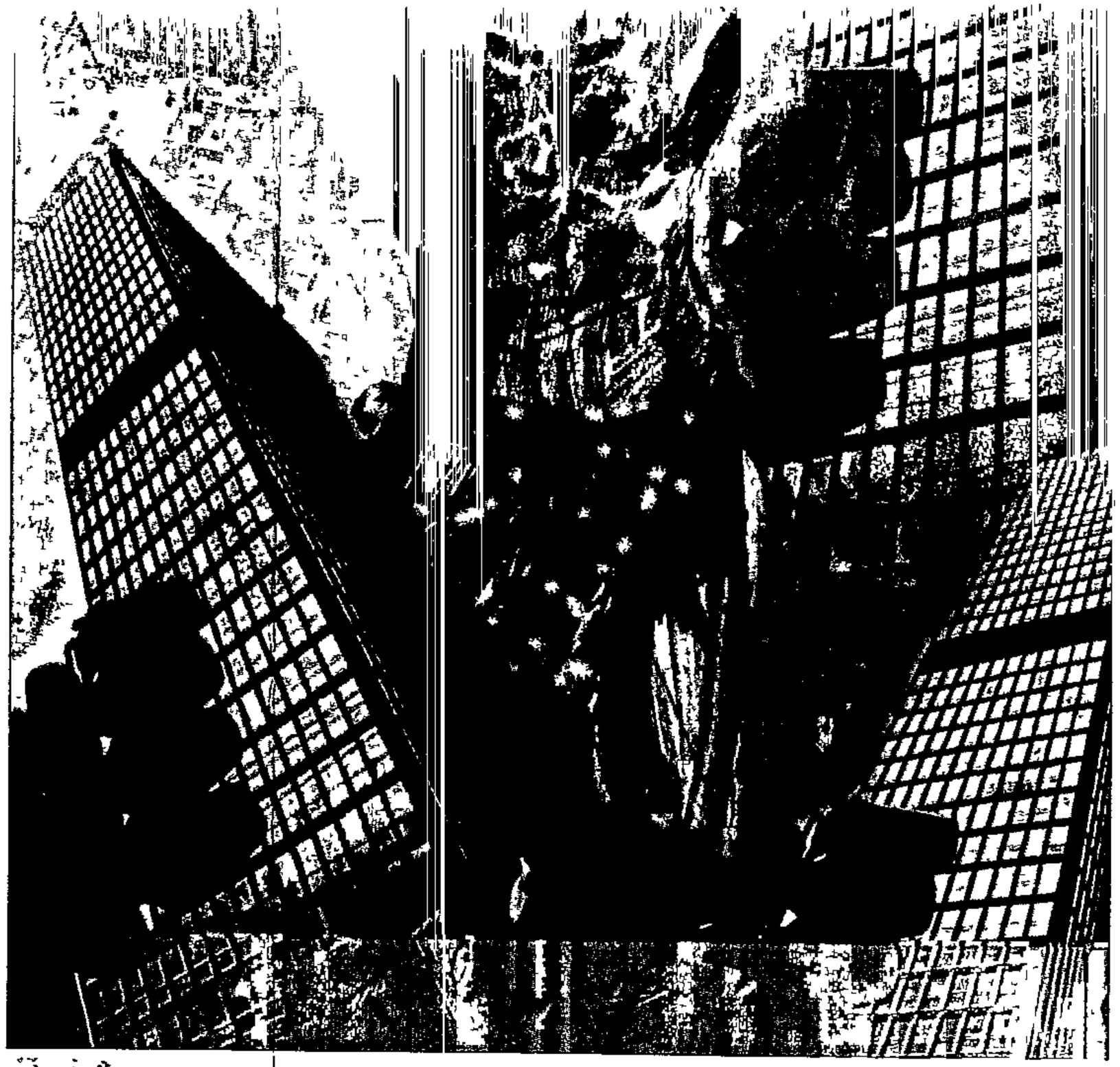
One of the aspects of the paper which needs urgent clarification is the role of traditional leaders, analysts say.

Draft editions of the paper give traditional leaders a role which is largely ceremonial.

Control over scarce resources like land, traditionally a sphere where traditional leaders have enjoyed considerable power, will come under the jurisdiction of the local authorities.

Andrew Ferguson, director of the KwaZulu Natal Local Government Association, argues that in "Africa the traditional system cannot be wished away" and a "rational symbiosis is needed to accommodate both so that they can co-exist in harmony"

Moosa says "The challenge is to develop strategies that link local economic development with improved service delivery and increased access of the poor to urban resources"



Smaller municipalities applaud funding strategies

With a third of South Africa's municipalities, including Johannesburg, facing financial crises, the white paper on local government outlines strategies which will help bring councils out of the red and on to the road to recovery.

A Project Viability report released last December shows that councils are owed at least R10-billion. Municipalities in Gauteng top the list with arrears amounting to R4,5-billion. Johannesburg and its four local councils alone are owed R1,8-billion in arrears and was only able to keep Eskom at bay by using part of a R585-million Development Bank loan

But the metropolitan areas are not the only ones with problems, many rural councils and small towns have negligible revenues and lack the technical and administrative ability to deliver services.

KwaZulu Natal Local Government Association director Andrew Ferguson says the entrenchment of the right of local government to an "equitable share of the national fiscus" is welcome, particularly in rural areas.

"For the first time local government will be able to tap into the national budget process and will no longer be seen as the poor relative in government," Ferguson says. Formula-driven inter-governmental grants, used to provide basic services to the poor, will benefit rural and urban communities which have no access to commercial funding, he says.

The objective criteria on which the grants will be paid will also remove uncertainty and irrationality in the system where historical factors still influence who gets the payments.

The paper also advocates that local revenue collection should be beefed up and those urban and rural residents who have successfully escaped the property tax net should be brought into it.

A land tax for rural areas has been mooted and it also proposes that municipalities share in the fuel levy for road infrastructure development.

Credit control needs revamping to ensure that consumers pay for the services they use, the paper suggests.

But it is probably the increase in borrowing powers of local municipalities which will give them the financial edge.

"Institutional borrowing from hard nosed bankers will promote disciplined financial practices," finance director for Cape Town Metro, Philip van Ryneveld says

If the money is used resourcefully, it could help put municipal finances on the road to recovery.

world skyscrapers in one amorphous mass. All sense of local identity and local community would be sacrificed to achieve colourless uniformity and conformity," Miller says.

Likewise, the local government MEC for the Western Cape, Patrick McKenzie, argues he has the support of "all parties" in opposing the proposal.

Both agree refinements in the two-tier system are necessary, but argue that because the system is not working in the Greater Johannesburg area, this does not mean the model is inherently flawed.

Indeed, Miller's spokesman Warwick Dorning points out that greater Durban is a "solvent city with redistribution taking place throughout the region".

"There are low-cost housing projects in all six areas, and infrastructure is being upgraded in disadvantaged areas," Dorning argues.

"Underlying the megacity approach is a strong unitary philosophy which has as its central core a desire to break down all which existed before, under the guise of transformation," Miller says.

In Johannesburg, the well publicised Sandton rates boycott gave the first indication of structural flaws in the system

The boycott, in which Sandton residents protested against 300% rates increases following a standardisation of rates across the metro, led to criticism by the ANC-led council that the wealthy were reluctant to share their wealth with the poorer councils in the region

The boycott led to a High Court battle brought against the council by 10 businesses.

aided service provision.

In Cape Town the local councils' tensions over the redistribution of resources have not arisen because within the six local authorities there is a "relatively even balance between rich and poor", Van Ryneveld says.

The effect of the boundary divisions, including the slicing up of areas like Johannesburg's city centre, originally because it was believed to be the cash cow of the city, has made the area an administrative nightmare, argues Van Ryneveld.

Bird agrees "Parktown is unfortunate in that it falls into two separate councils – the northern and eastern. In practical terms it means that on one side of Parktown you can contravene the town planning scheme with impunity, but not on the other side of the road."

Ratepayers' frustrations are confirmed in a highly critical organisational review by independent consultants Price Waterhouse, Ebony Financial Services and KMMT Brey.

The consultants found duplication of services and top-heavy structures throughout Johannesburg.

"These were clearly inefficient and ineffective. They are unaffordable, give poor value for money and poor service delivery, leading to dissatisfaction in the local community which has high expectations but currently low levels of satisfaction," the consultants concluded.

But Van Ryneveld cautions "The danger is that in trying to compromise we could come up with a half-baked system, which could perpetuate many of the problems the paper is trying to solve."

New evidence against premier (266)

M+G 6-12/2/98

Stefaans Brümmer

Evidence against Gauteng Premier Mathole Motshekga mounted this week when it emerged that the United States embassy in Pretoria had serious reservations about his administration of donor money in 1989

The *Mail & Guardian* earlier reported that the Irish organisation Trocaire, a conduit for European Union donor money, severed links with Motshekga's National Institute for Public Interest Law and Research (Nipilar) after accusing him of fraudulent administration

Trocaire, whose allegations are at the centre of a probe by the African National Congress into the new premier, has now broken its silence, saying in a terse statement "No further funds were transferred because of the lack of adequate narrative and financial reporting on the use of the funds for the purpose originally agreed

"This was one of 25 projects funded by Trocaire during 1988 in South Africa, and it was the only one with which problems of this nature arose"

The *M&G* has a letter written by the US embassy in Pretoria to Motshekga in October 1989, appearing to reinforce Trocaire's allegations

Project officer Peter Olson wrote that USAid's funding of Nipilar, of which Motshekga was executive director, was in jeopardy The reasons included the following

● It appeared that Nipilar employees, whose full-time salaries were paid by USAid, also engaged in private work "To the extent that aid funds may have been used to pay salaries of persons who engaged in these practices, that would constitute a misuse of our funds We cannot take such a matter lightly"

The *M&G* has letterheads of what appear to have been two private businesses which had the same address as Nipilar's and staff who were attached to Nipilar Progress Translations and Secretarial Services included in its list of directors Angie Ramorola, now Motshekga's wife. Legal & Labour Consultants's managers included Simon Tshidi, a Nipilar employee

Company records show that Ipopeng Community Services Centre — "financing, insurance, real estate and business services" — was registered in March 1989 with directors including Motshekga and Ramorola

Motshekga did not answer this week whether he, Tshidi or Ramorola had been paid full-time salaries by USAid while doing private work

● Olson said it appeared that Motshekga had informed Trocaire that Nipilar had no sources of funding but from Trocaire — while in fact USAid was also a major funder. "That statement suggests that information known to be inaccurate was knowingly provided to one important donor. As another such donor, this is a matter of deep concern to us"

● Olson said the resignation of a D Rosendaal, Nipilar's bookkeeper, "raises important questions about the viability and integrity of the institute's financial institutions It appears, moreover, that Rosendaal's resignation was precipitated by certain questionable events relating to payment of staff and other bills"

The *M&G* last week published extracts from a draft letter, signed by Motshekga, admonishing Rosendaal for communicating to Trocaire what appear to have been her misgivings about maladministration at Nipilar

Olson said "These three matters are only the latest, and most serious, in a long series of questions relating to the administration of grants made to the institute and to the Democratic Lawyers' Congress [which was also headed by Motshekga]."

The US Information Service said this week that Olson's letter referred to "project implementation problems which were identified and subsequently resolved", and that an audit in 1990 certified the financial position of Nipilar "conformed with generally accepted accounting practice". A review the same year found "systems of the institute were adequate"

No comment: Mathole Motshekga

The *M&G* has published information which showed the auditors, Coopers & Lybrand, had serious reservations about Nipilar's financial controls and accounting practices

Motshekga's lawyer, Julian Meltz, responded on behalf of Motshekga this week "USAid has since 1988 until the present been a major funder of Nipilar Motshekga continued as director of the institute for some five years after the [Olson's letter] was addressed

"USAid have confirmed that they were satisfied in every respect with both Dr Motshekga's handling of the institute as well as all the necessary audit and financial controls and surely would not have continued to fund and support the institute had they had any problem therewith"

Meanwhile, Motshekga's office and Midrand officials this week tied themselves in knots trying to explain the discrepancy between Motshekga's insistence that he resigned from the board of MidDev last October, and his resignation letter dated January 21 this year, shortly after his inauguration as premier MidDev is a not-for-profit development company with links to two casino applicants in the Midrand area

Motshekga's press secretary, Makhosini Nkosi, and Meltz both claimed Meltz had given Motshekga's resignation verbally to Hans Jooste, chief executive of the Midrand town council and chair of MidDev's board, in October

Jooste told the *M&G* through a representative this week "About a week before the October [24] board meeting of MidDev, Mr Jooste was informed that because of the pressure of his new position, Dr Motshekga would not be able to devote time to his duties as one of the directors of MidDev."

But minutes of the October 24 meeting indicate Motshekga's apologies for not attending No mention is made of his stepping down as director On January 27, Jooste was still blissfully unaware of any resignation, when his representative told the *M&G* "He has certainly not resigned"

The next day, ANC councillor and MidDev vice-chair Alan Dawson told the *M&G* that Motshekga had resigned — but only after his inauguration and after "we had discussed it with him"

Duarte's 'inept' secretariat slammed in report

BESIEGED: Jessie Duarte's department comes under withering fire

By JACQUI REEVES

A damning report issued this week by the Gauteng Public Service Commission (GPSC) shows the province's Safety and Security Secretariat is virtually incapable of its main function – handling complaints from the public.

Hundreds of crime-related complaints and queries have not been acted on because of the poor management of the secretariat.

Details of the report were overshadowed this week when the report led to the suspension of Theo Burgers, director of support services, for his "open defiance" against the MEC, Jessie Duarte, and his intention to act against current efforts at restructuring the secretariat. The report did, however, reveal glaring inadequacies in the secretariat's ability to handle complaints.

The GPSC said members of the complaints unit appeared uncertain about whom they should be reporting to and said none of the available management charts of the department provided a clear indication of the location of the complaints department.

The report also said functions within the secretariat were duplicated; minutes of meetings dealing with complaints were not kept; and no effective filing system existed, resulting in files being stacked in drawers in no apparent order.

Only two individuals were seconded from the South African Police Service to work in the complaints unit, one of whom was a constable with no previous experience of managing complaints from the public.

In addition to this, only one of the two incumbents had a driving licence, often forcing both to be out at the same time, so that one could drive the other to an investigation.

■ TO PAGE 2

Star 7/2/98

Duarte ...

The report stated that, while there had been attempts to develop a better system, there was "no indication of an awareness, assistance, support and management from administrative leadership"

Speaking at a press conference this week, embattled Safety and Security MEC Jessie Duarte said the investigation had revealed no evidence of impropriety but had backfired against Burgers. She did, however, admit there were areas within her department which could be improved.

The Democratic Party's Peter Leon instigated the investigation by making a formal request to then-premier Tokyo Sexwale, who then initiated the GPSC's investigation.

Yesterday, Leon claimed the report was a "withering indictment of Duarte's administration".

"From the top downwards, the GPSC report reveals that the department operates in chaos, with a lack of clarity, and prevailing confusion about powers and responsibilities and the lines of accountability in the areas of public complaints."

The report has recommended that the secretariat clarify its role with respect to handling public complaints.

Despite the uncertainties and tensions caused by leadership conflicts, the report said, the staff appeared to be highly motivated. But this motivation was not enough and needed to be "reflected in the willingness to take responsibility and provide leadership at various levels by taking on a more hands-on management".

Mystery of Jessie's self-drive car

No one in MEC's vehicle when it was hit, according to third version of accident

Star 10/2/98 (29) (26)

By Cecilia Russell, Ryan Cresswell and Derek Rodney

As the ANC in Gauteng yesterday announced the appointment of a probe into safety and security MEC Jessie Duarte, there was a surprise twist to one of the main allegations – now it is claimed that no one was driving her official car at the time it was involved in a crash.

The first version of the crash was given in allegations made by the Democratic Party, which claimed Duarte was involved in the accident while driving the vehicle in Johannesburg on October 18 last year. The DP said she did not have a licence and that she had failed to report the accident until nine days later.

Version two was given last Monday when Duarte said she had been a passenger in the car, and claimed it had been driven by her bodyguard, David Sons. She refused to say whether she had a licence.

The third version – that no one was driving – has been given by officials in her department.

Duarte faces five allegations made by the DP. Gauteng Premier Mathole Motshekga announced a two-person commission of inquiry would probe the allegations.

They are: driving a government car without a licence; failure to report an accident within the legally prescribed time; allowing the unauthorised payment of an airline ticket for a non-governmental person; employing consultants without checking their qualifications properly; and a general accusation of corruption and mismanagement.

The claim that no one was driving the car followed a series of questions put to Duarte by The Star in an attempt to clear up contradictions between her statement and the DP's claims.

Duarte, who has been in hospital since Friday recovering from a viral infection, did not reply, but officials in her department said neither the MEC nor Sons was in the car. They claimed it was parked on the corner of Market and Rissik streets when hit from behind.

Embattled Duarte who checked into the Park Lane Clinic at the weekend suffering from a nervous disorder is expected to be released from hospital tomorrow.

When The Star told DP Gauteng leader Peter Leon about the third version, he commented: "My sources say the car was driven by Duarte."

The officials' version also conflicts with a letter from transport controller Lerato Maruping to security head of department Simon Sibeko that it had been "confirmed to her" that Duarte had "personally" been driving when the accident took place, but later she was surprised when Sons' name and not Duarte's was on the official report as the driver.

Later she drafted a memo to Sibeko that she was satisfied with the explanation given.

In the latest version, officials said their information had been "obtained" from a person who had witnessed the accident and had told Sons a white Toyota Hi-Ace drove into the back of Duarte's Volkswagen Jetta.

The search for the driver of the Hi-Ace was the reason for the delay in reporting the accident to the police, they said.

Leon also said yesterday that sources had told him that Sons unequivocally denied driving the car and that the car's logbook had gone missing.

He expressed concern that further documentation could go missing.

Row over 'mystery driver' in MEC's car crash

ARG 10/2/98 (2566) (2566)

ARGUS CORRESPONDENT

Johannesburg – The mystery surrounding a car crash involving Gauteng's Safety and Security MEC has taken a surprise twist as officials gave a third version of who was driving at the time: no one.

The first version was alleged by the Democratic Party – that MEC Jessie Duarte was involved in an accident while driving a state vehicle on October 18 last year without a driver's licence

The DP said she failed to report the incident until nine days later.

Version two was given last Monday, when Ms Duarte said she had been a passenger in the car and claimed that it had been driven by her bodyguard, David Sons.

She refused to say whether she had a licence.

Yesterday, Gauteng Premier Mathole Motshekga announced a commission of inquiry into five allegations – including the car crash mystery – brought by the DP.

The third version of the car-crash saga followed a series of questions put to Ms Duarte by the Cape Argus's sister paper, the Star, in an attempt to clear up the contradictions between her statement and the DP allegations.

Ms Duarte did not reply, but officials in her department said neither Ms Duarte nor Mr Sons was in the car. They alleged it was parked on the corner of Market and Rissik streets when it was hit from behind.

When Gauteng DP leader Peter Leon was told about the third version, he said: "My sources say the car was driven by Duarte."

This version also conflicts with a letter from transport controller Lerato Maruping to security head of department Simon Sibeko saying it was "confirmed to her" that Ms Duarte had "personally" been driving the vehicle when the accident occurred, but later she was surprised when Mr Sons' name and not Ms Duarte's was given on the official report as the driver.

Later Ms Maruping wrote to Mr Sibeko, saying she was "satisfied" with the explanation given In the latest version, officials said their information was "obtained" from a person who had witnessed the accident and had told Mr Sons a white Hi-Ace Toyota minivan drove into the back of Ms Duarte's Volkswagen Jetta

The search for the driver of the minivan was the reason for the delay in reporting the accident to the police

Under scrutiny: Jessie Duarte

Opposition in walkout over Duarte debate

Star 11/2/98

266

BY CECILIA RUSSELL
Gauteng Reporter

Opposition parties yesterday staged a walkout of the Gauteng public safety and security portfolio committee after the majority ANC refused to allow a debate on corruption allegations against MEC Jessie Duarte.

The walkout by the Democratic Party, the Pan Africanist Congress, the National Party, the Inkatha Freedom Party and the Freedom Front followed a heated debate during which the parties failed to reach agreement on whether the committee should discuss the matter.

While the opposition parties wanted the matter discussed as a matter of urgency, the ANC wanted it delayed until the independent commission looking into the allegations has tabled its findings at the end of the month.

The committee will now not be able to function for at least two weeks because it will not have the necessary six members required to form a quorum.

A fracas broke out soon after the DP's leader in Gauteng, Peter Leon, asked that the normal agenda be suspended so that the committee could discuss the Gauteng Provincial Service Commission report into the safety and security department and the documents containing allegations of mismanagement and corruption against Duarte.

Leon said the commission's report "was a damning indictment of the management of the department of safety and security". He argued that the allegations against Duarte were already in the public arena, as they had been given to the Premier Mathole Motshekga and the media, and should therefore be discussed by the committee in terms of their duty to monitor the MEC and her department.

Opposition parties accused the ANC of taking "refuge in technicalities" and demanded that the matter go to a vote.

When the combined opposition lost the vote 42 to 48, Danie Bischoff (FF) announced they would no longer participate in the committees until such time as "we have the opportunity to discuss this matter".

ANC criticises safety and security leak

BD 11/2/98 (254) (266)

Bonile Ngqiyaza

THE African National Congress (ANC) has criticised the theft of confidential government documents and opposition parties for "peddling" in public information to "score political points", saying such actions encouraged corruption in government.

This follows the leak of a dossier, alleging misuse of government funds and corruption by Gauteng safety and security MEC Jessie Duarte, to the media last week by the Democratic Party (DP) and United Democratic Movement The ANC urged public servants to heed their code of conduct and to resist attempts to draw them into acts of "corruption and criminality".

Gauteng opposition parties withdrew yesterday from meetings of the safety and security standing committee until allegations against Duarte's department received consideration.

The walkout followed a failed DP request for the committee to defer business yesterday to consider the allegations, and an unsuccessful opposition bid to get the legislature to discuss two reports at its meeting next week.

The parties put the matter to a vote at the insistence of the opposition, whose combined strength of 42 votes could not match the ANC's 48.

In its opposition to the DP proposal, the ANC said several committee members not in possession of the documents would be at a "disadvantage". It also raised a technical point to do with procedure in submitting documents, saying the set of documents had yet to come before the province's cabinet.

DP provincial leader Peter Leon said he was disappointed with the ANC caucus's response to the documents. He argued that the public service commission report had been given to Gauteng premier Mathole Motshekga last month, at about the same time it was handed to Duarte. He dismissed the ANC's point that these documents still had not been tabled to the cabinet, saying they were public knowledge.

Committee chairman and Gauteng ANC deputy secretary Obed Bapela said the ANC saw it as a "pointless exercise" to institute a parallel process to the independent commission of inquiry Motshekga announced this week.

He criticised the walkout, saying it would have a negative impact on the technical work of the committee.

The National Party said the premier's investigation was his prerogative as it affected a member of his cabinet, an issue which should not affect the oversight role the committee had to play on behalf of the legislature in terms of the constitution.

Opposition walks out over stifling of Duarte debate (266)

CECILIA RUSSELL CT 11/2/98

JOHANNESBURG: Opposition parties walked out of the Gauteng public safety and security portfolio committee yesterday after the ANC blocked a debate on corruption allegations against MEC Ms Jessie Duarte.

The walkout by the the Democratic Party, the Pan Africanist Congress, the National Party, the Inkatha Freedom Party and the Freedom Front followed a heated debate in which the parties failed to reach agreement on whether the committee should discuss the matter

While the opposition parties wanted the issue discussed as a matter of urgency, the ANC majority wanted it delayed until the independent commission looking into the allegations tables its findings at the end of the month

The committee will now not be able to function for at least two weeks, as it has too few members for a quorum.

The DP's leader in Gauteng, Mr Peter Leon, argued that the allegations against Duarte were already in the public arena and should therefore be discussed by the committee.

● The ANC yesterday warned opposition parties that accepting stolen government documents encouraged criminality and corruption in government circles.

'I'm being smeared,' says Duarte

(251) (266) M+G 13-19/2/98

Sechaba ka'Nkosi

Embattled Gauteng MEC for Safety and Security Jessie Duarte came out this week with guns blazing in a bid to clear her name from what she calls a "smear campaign" against her.

In an exclusive four-hour interview with the *Mail & Guardian* at her Johannesburg home, Duarte said while she was willing to co-operate with the two-person task team appointed by Premier Mathole Motshekga on Monday to probe the allegations, she would not apologise for what she had done — even if it costs her her job.

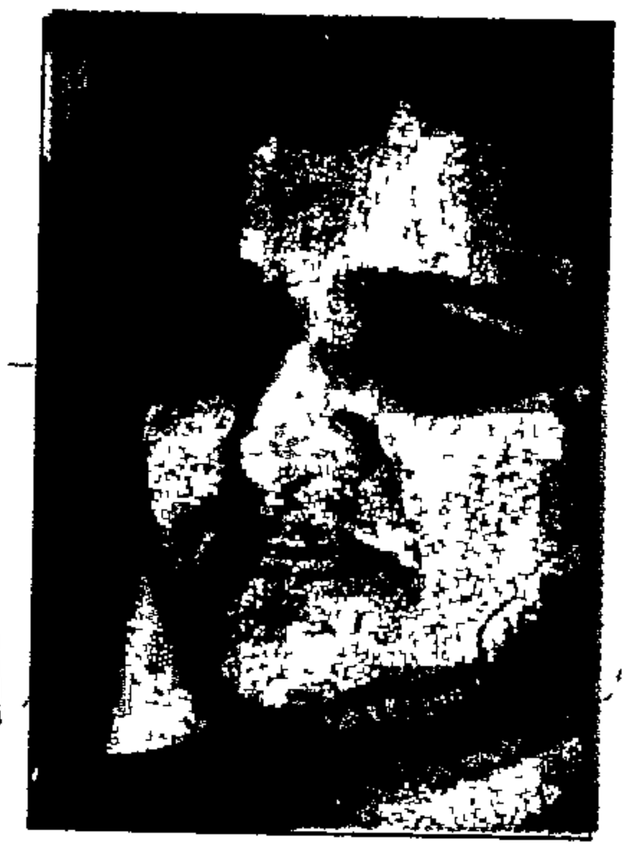
"I am going to the commission and I will answer everything I am asked. If I am guilty, I am prepared to pay. But I am not going to resign," said Duarte.

Opposition parties called for her resignation or suspension last week. Charges levelled against her include driving an official government car without a valid driver's licence and failing to report in time that her car was involved in an accident.

She is also accused of employing an underqualified consultant at nearly R300 000 a year, and of buying an unauthorised air ticket to Portugal for a friend who is not a government employee.

Duarte unleashed scathing criticism at officials in the Gauteng provincial government's civil service — particularly its Director General, Vincent Mntambo, and her department's suspended director of support services, Theo Burgers.

She acknowledged there were administrative irregularities in her department, but argued that documents leaked to the media last week were carefully selected to give a one-sided story aimed at undermining her in the run-up to the elections next year.



Jessie Duarte: Won't apologise

To prove her innocence, Duarte produced further documents which she pledged to hand in to the commission to illustrate why she took certain decisions.

The documents support Duarte's assessment that:

- An internal inquiry cleared her of any suspicions regarding the accident, and accepted that the car was driven by her driver and bodyguard, David Sons. She acknowledges the accident was reported to the police nine days later — two days later than officially required — but a departmental accident report form was completed by Sons. Lerato Moruping, who had asked in a memo leaked to the press who had driven the vehicle, subsequently wrote that she was satisfied with Sons's explanation.
- Payment for the trip to Portugal was sanctioned by former premier Tokyo Sexwale and the provincial treasury. The purpose of the trip, according to Duarte's documents, was to allay fears in Portugal about a spate of killings of Portuguese citizens in Gauteng.
- An investigation into the employment of controversial consultant Joseph Banda was conducted by Burgers only after Duarte recommended that he be employed by the department on a full-time basis. Banda holds a standard eight certificate, but Duarte said he was one of the most useful employees in her department. Once Burgers informed her of problems with Banda's past, she took action.

Said Duarte about the car accident: "I find it a bit ridiculous that [Democratic Party leader in Gauteng] Peter Leon can ask for my driver's licence while I hardly drive. I hold a very sensitive portfolio and I know I'm vulnerable. I am a security risk."

The one question that brought an emotional response is the nature of her relationship with Babalazi Bulunga, the man who went along on the Portugal trip.

She said she met Bulunga in 1995, during the violence on the East Rand. They worked together with other comrades in demobilising the ANC's self-defence units and the self-protection units of the Inkatha Freedom Party. A prominent human resource executive, he has done voluntary work for her department ever since.

"I still think I did the right thing [in taking him to Portugal]. I took people who understood the issues and who went there and reported back. In fact, ever since we started working with the Portuguese community, there have not been any killings. To me that is a success."

Burgers was responsible for keeping all the department's records and personal files. Yet days before he was suspended, sensitive files and records disappeared from the department.

The internal investigation noted that Burgers boasted he was in possession of documents which constituted "proof" of impropriety and misconduct of senior members in the department.

In an apparent reference to Burgers on Monday, Motshekga said his government was considering pressing criminal charges against individuals who steal state documents. "The theft and leakage of public documents is illegal and unacceptable Anybody found to be doing that will be dealt with severely under the provisions of the law," he warned.

Duarte said she was not directly involved with Banda's employment and remuneration. She motivated for him to be employed as a permanent employee because he was "efficient". It was only then that a background check was done on him. When his past employment record was brought to her attention, she fired him immediately, although she was not happy with the decision

"Banda was one of the most hard-working people we had in the department. We were all sorry to lose him, but I had to act because he did not disclose his previous employment. But I think if Banda was white, his qualifications would not have been an issue. What hurt most is that the democracy we fought for hurts the victims most."

Duarte said while she is not happy with the publicity she has received in the past few days, she is not bitter. When she expressed reservations about Motshekga's nomination for the premiership, she was only exercising her democratic right.

"Perhaps my weakest point is that I refuse to be blackmailed. I am not scared of dealing with issues, and that is what people probably have a problem with," she said.

M&G's descent into sleaze, PAGE 30

A matter of fact

A headline in the February 6 to 12 edition of the *Mail & Guardian* — "Lover's trip damns Duarte" — implied it was a fact that Babalazi Bulunga was the lover of Jessie Duarte. The *M&G* places on record that the article merely reported that the allegation had been made, and it was not proven. We apologise to Duarte and Bulunga for any embarrassment or hurt caused by the headline.

Star 13/2/98

New claim as commission to probe Duarte is established

(266) (25?)

By Cecilia Russell

Within hours of a commission of inquiry being established to investigate allegations against Jessie Duarte, a new claim has been made that her son was involved in a high-speed car chase and a shootout last year while driving a state vehicle.

"It is beyond belief that the MEC's son used a state-owned vehicle in a high-speed car chase and shooting," said Peter Leon, Democratic Party leader in Gauteng.

The DP said in a statement that Yusha Duarte (23) and his girlfriend, identified only as R Desai, were driving at midnight on August 15 last year in Horison on the West Rand in a state-owned vehicle, registration BBP766GP.

They allegedly had an altercation with another motorist, G A Mutlanyana, and the incident resulted in a 15km car chase down Ontdekkers Road, during which a police car also gave pursuit. During the chase, Mutlanyana allegedly fired shots at the state vehicle.

The car, a green VW Jetta, is believed to be the same vehicle that Jessie Duarte was alleged to have been driving when it was involved in an accident on October 18 last year.

Mary Martins, police spokesman for the West Rand, confirmed that Yusha Duarte was driving a state-owned vehicle but could not confirm details of its number plate.

She said Mutlanyana would appear in the Roodepoort Magistrate's Court on March 6 on charges of drunken driving.

■ Gauteng Premier Mathole Motshekga yesterday named the two commissioners who will investigate allegations against Duarte. The commission will be led by advocate Marumo Moerane, who will be assisted by the chairman of the National Public Service Commission, Professor Stan Sangweni.

The commission is to start its work on Monday and report back to the premier on February 28.

Duarte given a chance to clear her name

(291)(266) Star 16/2/98

A commission, set up by Gauteng premier Mathole Motshekga, will begin its task today

BY CECILIA RUSSELL

The next two weeks will determine whether Jessie Duarte, Gauteng MEC for safety and security, can survive the political storm that has broken out around her Opposition parties have called allegations of graft and mismanagement made about her damning, Duarte has dismissed it all as a "storm in a teacup" and a "smear campaign".

Today, a commission of inquiry set up by Gauteng premier Mathole Motshekga will attempt to establish the truth of several allegations made against Duarte

The difficulty of the task before the commissioners is compounded by the many versions of events that have surfaced in the wake of some of the allegations made. There are, for example, several versions to the high-speed car chase and shootout in Horison on the West Rand in August, in which Duarte's son Yasha is implicated.

Yasha denied in a Sapa report that he was on a joyride or driving the vehicle, saying he was running an errand for his mother when they were allegedly shot at by a drunk, gun-wielding motorist. This is contradicted by a statement by the ANC which says that Duarte had reprimanded her son following the accident.

This is the same state vehicle which was involved in an accident in October. Various statements have put Duarte, who does not have a driving licence, behind the wheel of the car at the time of the accident; or that her bodyguard, David Sons, was driving the car and that the car was parked in the Johannesburg city centre at the time of the accident.

Conflicting reports will be reviewed by inquiry

Yesterday it was reported that the department failed to follow proper tendering procedure when ordering R100 000 worth of furniture for Duarte's new office in December 1996 and January last year. Administrative head of department Simon Sibeko apparently had asked that tendering regulations be relaxed because of the growth of staff in the department.

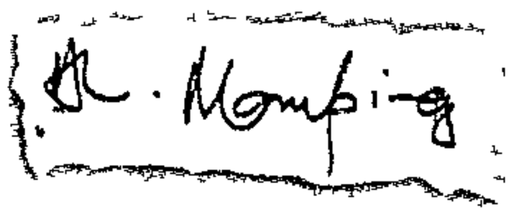
The commission has been charged with investigating the circumstances of the appointment of Joseph Banda at an annual salary of R300 000. Banda was unqualified for the job and had failed to disclose at the time of his appointment that he had been dismissed by a previous employer for alleged fraud.

Also to come under scrutiny will be the trip to Portugal by Duarte's "friend", Babalazi Bulunga. Duarte said the trip had been paid for by the Portuguese government but documents leaked to the media show that her department had paid for the trip. What was the nature of the consulting work which Bulunga apparently did for the department "free of charge"?

The commission will be led by advocate Marumo Moerane, who will be assisted by the chairman of the National Public Service Commission, Professor Stan Sangweni

...s arms in triumph as he slots goal number three of his four successful blasts into the back of the Namibian net in last night's game. Full report – Back Page

JESSIE DUARTE PROBE EXCLUSIVE



This is the signature on a letter faxed to The Star at 6.19pm on February 4. Last night the alleged writer Lerato Maruping told The Star her signature had been forged

This is the signature on a similar letter Maruping claims she was forced to sign four hours later by two of Maruping's aides. Maruping says in a sworn affidavit this letter is "null and void".

Star exposes forgery scandal

One signature was forged, the other obtained under duress in late-night drama, says official

(2220) (266) Star 17/2/98

By Cecilia Russell and Tefo Mothibeli

A Star investigation has uncovered an intricate cover-up designed to save Gauteng Safety and Security MEC Jessie Duarte's political life.

First Duarte's aides, under pressure to answer questions from The Star, sent the newspaper an alleged forged letter apparently signed by an official exonerating her from a car-crash scandal.

Then four hours later, at about 10pm, the aides visited the home of the same official, woke her up and bullied her into signing a letter that was the same, except for two technical differences.

These allegations came to light yesterday on the first day of an inquiry appointed by Gauteng Premier Mathole Motshekga to probe opposition party claims that Duarte mismanaged her department.

One of the allegations is that Duarte was driving an official state vehicle without a licence when it was involved in an accident in October last year.

Last night Gauteng transport officer Lerato Maruping confirmed that the signature on the letter faxed to The Star on February 4 at 6.19pm was a forgery.

She claimed in an affidavit that two of Duarte's officials Mbelelo Musi and Mkhabela (Simon) Sibeko, had bullied her into signing the letter on February 4 this year and that this was backdated to November 11.

The November 11 letter quotes Maruping as saying she is satisfied that Duarte's bodyguard, David Sons, was driving Duarte's official car when it was involved in an accident on October 18.

Opposition parties are claiming that Duarte was driving the car at the time of the accident – a claim Duarte has denied. They also claim that she did not have a licence at the time of the accident.

Her department, questioned by The Star, then produced the November 11 letter to back Duarte's claim.

The letter was allegedly sent by Maruping to Sibeko, deputy director-general of the secretariat for safety and security, to state that she was satisfied with the explanation that the bodyguard and not Duarte had been driving. Earlier she had asked Sibeko to probe contradictions in versions of the accident.

The signature on the faxed letter is markedly different to the signature which, Maruping claims, she later made under duress. The apparent forgery suggests that staff were engaged in rearguard action designed to protect Duarte.

At home last night, Maruping examined both copies of the letter and said the copy faxed to The Star was a forgery and not signed by her.

In her affidavit Maruping said: "On Wednesday February 4 at about 10pm, my mother Elena Lekalakala woke me up, saying that my colleagues came to see me.

"She indicated that she was

► To Page 2

P.T.O.

Shock claim hits embattled Jessie Duarte

Intricate cover-up alleged

Star 17/2/98 (266)(200)

ARGUS CORRESPONDENT

Johannesburg – A senior Gauteng official has made a shocking new claim, accusing officials of Safety and Security MEC Jessie Duarte of an intricate cover-up designed to save her political career.

The alleged cover-up involves the forced signing of a backdated letter and the apparent forging of a signature

Last night Gauteng transport officer Lerato Maruping confirmed her signature on the letter exonerating Ms Duarte "was definitely a forgery"

Ms Maruping claimed in an affidavit submitted to an official inquiry in Johannesburg yesterday that two of Ms Duarte's officials, Mbulelo Musi and Mkhabela (Simon) Sibeko, bullied her into signing the letter, dated November 11, 1997, on February 4 this year

The November 11 letter quotes Ms Maruping as saying she was satisfied that Ms Duarte's bodyguard, David Sons, was driving Ms Duarte's official car when it was involved in an accident in central Johannesburg on October 18

Opposition parties are claiming Ms Duarte was driving and that she failed to report the accident within 24 hours – a claim Ms Duarte has denied Her department has produced the November 11 letter to back the claim

But Ms Maruping claimed Messrs Musi and Sibeko visited her late at night to coerce her to sign the backdated letter

Her affidavit was submitted yesterday on the first day of an inquiry appointed by Gauteng Premier Mathole Motshekga to probe opposition party claims that Ms Duarte mismanaged her department

In a bizarre twist to the saga, The Star newspaper was faxed a letter allegedly signed by Ms Maruping four hours before Mr Musi and Mr Sibeko allegedly obliged her to sign the November 11 letter at her home in Kagiso on the West Rand at 10pm on February 4

The signature on the faxed letter is markedly different to the signature which, Ms Maruping claims, she made under duress The apparent forgery suggests that her staff were engaged in rearguard action designed to protect Ms Duarte

At her Kagiso home last night, Ms Maruping examined both copies of the letter and said the copy faxed to the Star was "a forgery" and not signed by her

In her affidavit presented yesterday, Maruping alleges "On Wednesday February 4 at about 10pm, my mother Elena Lekalakala woke me up saying that my colleagues came to see me

"She indicated that she was reluctant to wake me up that hour, but upon their insistence, did so When I came out of my bedroom into the lounge, Mr Simon Sibeko, the head of department, and Mr Mbulelo Musi, media liaison officer to the MEC, were already sitting in my lounge

"They asked me to do a special favour as they were under pressure and had a deadline for 11pm that evening as The Star newspaper was waiting for their response They had a letter that was typed and backdated to the 11th November 1997"

Beleaguered ... Jessie Duarte at yesterday's hearing of a commission of inquiry into alleged mismanagement at her department

I lied about driving Duarte's car, says bodyguard

By Cecilia Russell
Political Staff

Gauteng Safety and Security MEC Jessie Duarte's bodyguard has admitted to lying in an accident report in which he said he was the driver of her state vehicle when it was involved in an accident in October

On the second day of the official inquiry into allegations of mismanagement against Duarte, Edmund Wessels, acting for safety and security departmental head Theo Burgers, said the bodyguard, David Sons, had admitted in an affidavit that he had made a false declaration that he was the driver of the vehicle

"On about February 4, I attended a meeting Present were Mrs Duarte, Lerato Maruping, Mr (Mbulelo) Musi, Korenza Millard and myself

"Before Lerato Maruping joined us, Mrs Duarte asked me why I made a false declaration

"I again explained to her that it was in order to have the vehicle fixed.

"She asked me if she had put pressure on me to do so, and I confirmed that she had not put pressure on me"

Duarte claimed at a press briefing this month that she was in the car, driven by Sons, when it was hit from behind by a taxi.

This statement from Sons was read into the commission record when Wessels was asked by the commission's chairman, advocate Marumo Moerane, why the archives in the safety and security department should be sealed

Wessels argued that the sealing of records would ensure there were no further attempts at interference

"As long as (deputy director-general Simon) Sibeko or Mr Musi are still allowed to roam around on the premises of the safety and security department, you have no guarantee that there will be no interference."

Peter Leon, representing the Democratic Party, read from an affidavit of Maruping's saying that Duarte had threatened her Duarte had told Maruping that "if she didn't behave herself she would be fired", Leon said.

Sapa reports that Duarte's spokesman Mongezi Mnyani yesterday said Sons' retraction would be used to prove to the commission there was a conspiracy against Duarte and her department

Star 19/2/98 [redacted] (266)

Real power is economic

Gauteng declines Government aid

(266)

Sowetan 19/2/98

Province joins others in rejecting share of R1,5-m made available

By Isaac Moledi and Sapa

GAUTENG and two other provinces joined the Western Cape and Mpumalanga yesterday in declining a share of an additional R1,5 billion to be advanced to the provinces should there be a need

The Northern Cape and the North West are the provinces that declined a share in the R1,5 billion which will be made available to the provinces should the adjustments estimate budget be passed by Parliament as expected

However, KwaZulu-Natal, Eastern Cape and Northern Province indicated that they would be entering into negotiations with Government for extra funds

Free State finance officials could not be contacted for comment but were set to discuss the issue at a meeting yesterday

In an interview with *Sowetan* yesterday, MEC for finance and economic affairs Mr Jabu Moleketi said his department had declined what he described as "our own International Monetary Fund conditionality" scheme from the national Government

Accepting the money, he said, would have indicated that his department was failing to manage its finances well

"We are a province that stressed the importance of attaching conditions to the money It would have been meaningless if the provinces could demand the money without stipulating what they wanted it for," he said

Jabu Moleketi

Moleketi said his province, together with North West, were praised for good governance by Trade and Industry Minister Alec Erwin at the weekend

Moleketi said Gauteng was fortunate in that it had not inherited a bloated public service like Northern Province and Eastern Cape

Good financial skills from within the province was an added advantage as this had helped the province's financial management

However, Moleketi did not condemn those provinces who would demand their share of the money as the Constitution permits the national Government to help the provinces carry out their obligations

The chief director of Gauteng's treasury, Pradeep Maharaj, said the province had set itself the target of keeping within two percent of its budgeted expenditure and should be able to stick to this

Therefore Gauteng would not be applying for more funds, he said, as the province was not currently running an overdraft

Finance Minister Trevor Manuel said on Friday that any province wanting extra money would have to draw up a detailed plan "for achieving a reorganisation and rationalisation of its administration and services to bring expenditure commitments in line with available resources"

Negotiations between the provinces and the national Government for the extra funds would begin this week, Manuel told Parliament's finance committee on Tuesday Any agreement reached between them would be published in the *Government Gazette*

NATIONAL NEWS

Duarte's driver backs out

(852) (206) Sowetan 19/2/98

GAUTENG safety and security MEC Mrs Jessie Duarte's driver said on Tuesday night he was not driving her official car when it was involved in an accident.

And yesterday it was announced that safety and security director Mr Theo Burgers' suspension, which forms part of an investigation into Duarte, had been lifted

Burgers was suspended on February 1 after allegations that he was unwilling to work with Duarte

Driver Mr David Sons retracted an earlier statement that he was driving the car when the accident happened in October last year

The accident is one of several issues being investigated by a two-man commission appointed by Gauteng Premier Mathole Motshekga. The issues include allegations of mismanagement in Duarte's department

Duarte's spokesman Mr Mongezi Mnyani said yesterday Sons' retraction would be used to prove to the commission there was a conspiracy against Duarte and her department.

He said Sons' pocketbook showed he was at work on the day of the accident and that he noted being involved in a crash.

Mnyani said Sons had claimed overtime for working on a weekend and was paid

"The department views the retraction as confirmation of a conspiracy against it and we will be bringing this to the attention of the commission," Mnyani said.

The state attorney wrote to Motshekga to say Burgers' suspension was unlawful Motshekga's spokesman, Mr Makhosini Nkosi, said the premier met provincial director-general Mr Vincent Mntambo and Duarte on Tuesday and they agreed to lift the suspension – *Sapa*

Files seized from Duarte's offices

Star 20/2/98 (266)

Commission investigating Safety and Security department removes computer disks and documents to pre-empt destruction of evidence

By Cecilia Russell and Hopewell Radebe

In an extraordinary attempt to prevent evidence being destroyed, the commission investigating Gauteng Safety and Security MEC Jessie Duarte yesterday seized computer disks and documents from her department, The Star has learnt.

Computer technicians, acting on behalf of the Moerane commission of inquiry investigating maladministration in Duarte's department, also copied data on the department's computer hard drives.

The extraordinary step was authorised by Gauteng director-general Vincent Mntambo

It follows requests by the Democratic Party and lawyers acting for senior Gauteng official Theo Burgers, whom Duarte had earlier suspended but who was reinstated this week.

Earlier this week, The Star disclosed that two officials of Duarte's department – her media officer Mbulelo Musi and her head of department Simon Sibeko – allegedly forged a signature on a backdated letter from departmental transport officer Lerato Maruping.

According to Maruping, the two officials then coerced her into signing the letter, which had earlier been sent to The Star in reply to an urgent query sent by the newspaper.

The letter exonerates Duarte from blame arising from a motor accident in October last year. Duarte is alleged to have been driving the car without a licence.

Makhosini Nkosi, a spokesman for Gauteng Premier Mathole Motshekga, said the commission had fulfilled the DP's request that all the information in the computer and documented files in the safety and security department be sealed to prevent senior officials in the department from destroying evidence.

"Director-general Mntambo responded positively to the commission and allowed computer technicians to copy all the information available in the disks and computer hard drives

"The premier instructed the director-general to assist the commission in every manner possible to fulfil its mandate," Nkosi said.

Sources said yesterday that Motshekga has asked Duarte to resign to save her from the political humiliation of going through a public official inquiry.

But Duarte chose to face a commission of inquiry rather that resign as she believed that her loyal supporters would not desert her.

The sources said it would be surprising if Duarte survived the political storm which has broken around her.

"She had been told by Motshekga and top ANC politicians to resign," said one source.

The relationship between Motshekga and Duarte was described as "extremely strained". This is in spite of Motshekga's attempts to unite the ANC in the province by bringing the people who opposed his election closer into his fold.

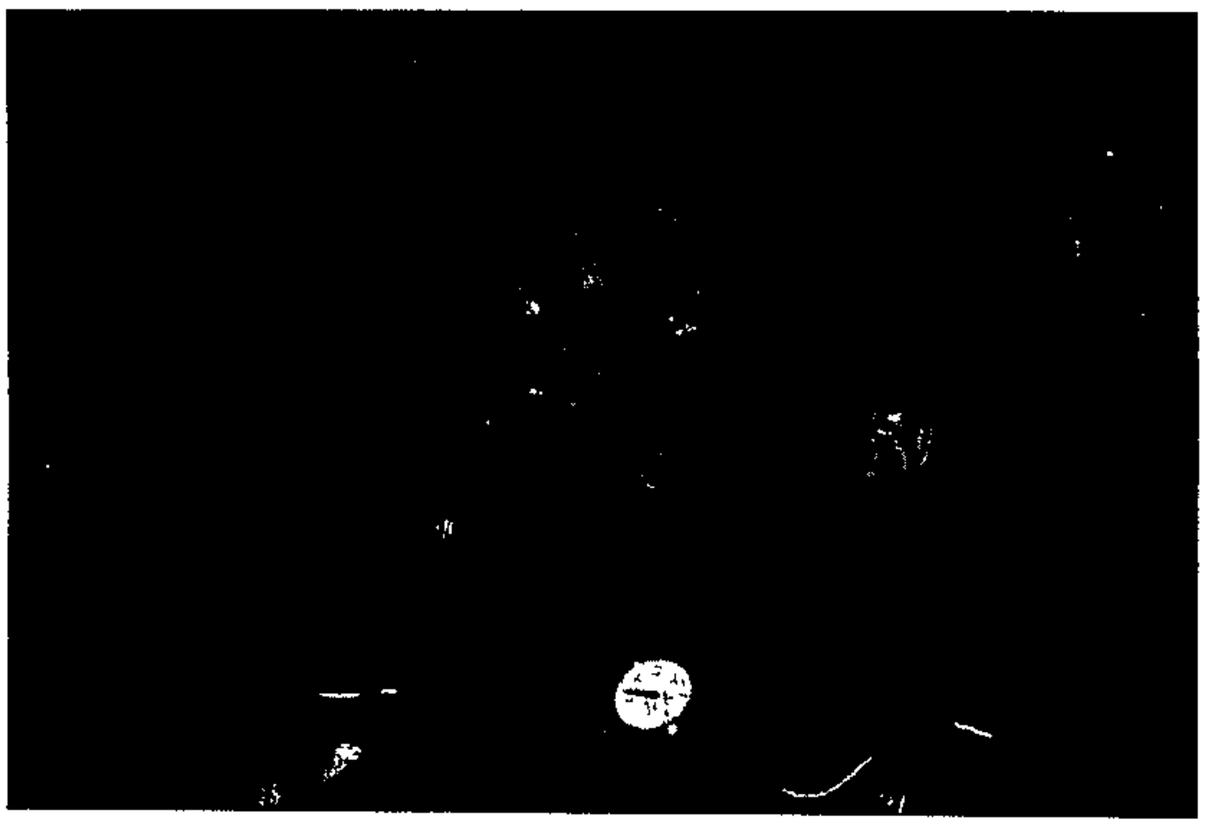
Motshekga will take his cue from the findings of the commission, and act only on its findings, the source said.

But Duarte's supporters still believe that she is more at risk from opposition political parties and officials within her department, than from pressure from people within the ANC's Motshekga camp.

"Peter Leon and Duarte have never sat around the same campfire," one source said.

And there is evidence that she can draw on the support of a few loyal aides.

According to allegations at the inquiry, it seems that Sibeko and Musi have tried to get old "allies" to stick to "old stories".



Deep, deep trouble: Jessie Duarte passed allegedly false documents to the Mail & Guardian
PHOTOGRAPH: THEMBA HADEBE

Another day, another car smash scandal

M+G 20-26/2/98 (266)

Sechaba ka'Nkosi

Gauteng MEC for Safety and Security Jessie Duarte, whose political career hangs in the balance, personally handed an allegedly fraudulent document to the *Mail & Guardian* last week in an attempt to ward off a series of damaging allegations levelled against her

The commission of inquiry investigating the charges heard this week that a staffer in Duarte's department had been coerced into manufacturing the document clearing her of driving a state vehicle involved in an accident

And the MEC faces further embarrassment with the revelation that her media adviser, Mbulelo Musi, smashed three government cars last year According to our sources, Musi only obtained his driver's licence on January 8 this year

When asked for comment, Musi said he had had a previous driver's licence which he "renewed around December I did go for test drives towards the end of last year and that is how I got my new licence "

If Musi indeed drove the three cars without a valid licence, the mystery of how the cost for the smashed cars was recovered remains unclear

Documents in the *M&G*'s possession indicate that Musi was asked on a number of occasions to submit reports on the accidents but failed do so on time

In one letter the department's director of support services, Theo Burgers, warns that Musi's failure to submit the reports might result in a suspension of his authorisation to drive a state vehicle

Musi and the department's deputy director general, Mkhabela Sibeko, are the two senior officials who allegedly intimidated an employee into retracting a statement implicating Duarte in driving a state vehicle without a valid driver's licence

As the two-person commission of inquiry took off this week, the document — which Duarte argued would form the basis of her defence against mismanagement and corruption allegations — became the centre of contest between the commissioners and legal teams representing the various parties

Gauteng Premier Mathole Motshekga appointed advocate Marumo Moerane last week to head the commission, with the assistance of the chair of the National Public Service Commission, Professor Stan Sangweni

Included in a package to the commission was a forged letter allegedly written by the department's transport control officer, Lerato Maruping, and an official accident report signed by Duarte's bodyguard and driver, David Sons, confirming he was the driver of a government vehicle involved in a car accident on October 18 last year

Duarte's version of the accident — which she said was recorded in her diary — is that on the fateful day Sons transported her to an African National Congress meeting at the party's provincial headquarters in Lancet Hall

Afterwards she and Sons drove towards the provincial legislature to fetch documents Duarte went in to the building and left Sons to look for a place to park the car

When Duarte came out a few minutes later, she saw a group of men arguing with Sons A minibus had smashed into their government car, and she decided they should leave the scene because the driver of the minibus had already left

That is why, according to her, it took days for the matter to be reported to the police Sons was still trying to track down the owner of the vehicle with the registration number given to him by the men with whom he was arguing

Although Sons — a police sergeant — does not deny he made his initial statement to the police voluntarily, he insists that he did so to protect Duarte and has since retracted it

In an official accident report given at Central Johannesburg police station with the case number BR 632/10/97, Sons admits he was the driver of the vehicle

"On the above-mentioned day I was the driver of GG vehicle [GFM 475 G] and executing protection duty to MEC for Safety and Security Jessie Duarte in Market Street I parked the vehicle in Market Street, nearest corner Loveday

"Returning to the vehicle I noticed it was damaged from the back All inquiries ended in vain as I had to rush with the MEC to her next appointment. I was told a white Hiace Toyota taxi drove into the state vehicle and chased away [sic] No further documents could be found," Sons's statement reads.

On Tuesday night this week Sons phoned Duarte to notify her that he was going to submit an affidavit to the effect that he did not drive the car — leaving Duarte, an unlicensed driver, as the only person who could have been driving the car on the day in question This makes Sons himself liable to criminal charges, since he made a sworn statement to a police station and is now retracting it.

Sons is understood to have taken the decision after interrogation by commission investigators days after Maruping decided to come clean

Duarte's department scoffed at the latest developments, saying they are part of another plot to discredit the department. Representative Mongezi Mnyani insisted Sons had driven the car

"The department views the retraction as confirmation of a conspiracy against it, and we will be bringing this to the attention of the commission," said Mnyani.

Gauteng Attorney General Andre de Vries is understood to have instructed provincial commissioner Sharma Maharaj to open a docket into possible contraventions of the Road Traffic Act, as well as fraud charges

TEMA HUN

Premier's 'dead' accuser talks out

(266) M+G 20-26/2/98

Stefaans Brümmer

Irish funding agency representative Chris McInerney this week "returned from the dead" to say he stands by allegations of maladministration he made eight years ago against Gauteng Premier Mathole Motshekga.

Motshekga's past as director of a non-governmental organisation, the National Institute for Public Interest Law and Research (Nipilar), is among matters under investigation by an inquiry appointed by the African National Congress on February 3

The inquiry was ordered by the ANC's national executive committee after details of correspondence between the institute and Irish funding agency Trocaire were published, showing European Union funds were cut off over concerns of mismanagement by Motshekga.

Motshekga's lawyer, Julian Meltz, has questioned the sources of the story — and implied McInerney, Trocaire's former project officer and author of the incriminating correspondence, was dead.

On Wednesday the *Mail & Guardian* traced McInerney, now national co-ordinator of an Irish non-governmental organisation. He had no hesitation talking about the funding to Nipilar.

He said his suspicions about the organisation were first raised when he spoke to Nomazizi Ramaphosa, former wife of Cyril Ramaphosa, at a National Union of Mineworkers rally in South Africa in early 1989 A former Nipilar employee, she claimed there were financial irregularities at the organisation.

McInerney said he raised the matter with the United Democratic Front and the National Association of Democratic Lawyers (Nadel), of which Motshekga was vice-president.

He took the unofficial route, as "we were particularly keen not to provide the [apartheid] regime with ammunition to undermine the EU funding programme".

He argues that explanations of "struggle bookkeeping" — that Nipilar, as an anti-apartheid organisation, had to disguise its accounting to stay one step ahead of authorities — did not hold water.

Trocaire had been "quite sensitive to what [information] could and what could not be requested", and it demanded no more than basic administrative information.

McInerney said he stood by notes he made in June 1989 of a conversation with Pius Langa, then Nadel president and now deputy president of the Constitutional Court.

The notes read that Langa had no doubt a report, sent to Trocaire by Motshekga in March 1989, was "extremely fraudulent".

Langa, while not confirming or denying the content of the memo, said last month. "The language attributed to me is not the language I would have used "

But McInerney said this week he would not have quoted Langa lightly as "it was quite a serious matter". Sally O'Neill, then deputy director of Trocaire, had participated in the telephone conference with Langa.

Motshekga's report listed 11 legal aid centres run by Nipilar with Trocaire funds. Langa was quoted as saying two centres in Natal did not exist. McInerney this week said staff members at Nipilar — and not just Ramaphosa — had told him of non-existent centres

Mathole Motshekga's accuser has confirmed claims that the Gauteng premier mismanaged donor money.
PHOTOGRAPH: RUTH MOTAU

A related issue was what McInerney called "double funding". He said Trocaire had been under the impression it was the sole funder of Nipilar projects, while financial records later showed USAid was providing overlapping funding.

It appeared that Nipilar's Tshwane, Mamelodi and Pietersburg offices, funded by Trocaire, were also "totally funded by USAid".

Said McInerney: "It was bad because if USAid was funding those three, what happened to the funds that Trocaire provided? If there were overruns, we should have been informed."

McInerney wrote to Nipilar in September 1989, complaining that when he first queried the "double funding", Motshekga had told him there were no funders but Trocaire.

USAid raised the same issue in an October 1989 letter to Motshekga, saying it was disturbed that "information known to be both material and inaccurate was knowingly provided to one important donor".

McInerney said Motshekga admitted the double funding to him in December 1989, but did not believe it was a problem.

McInerney said Coopers & Lybrand audits of Nipilar, held up as proof by Motshekga of his innocence, did not resolve the questions. They would not necessarily have shown double funding, and they would not have shown where funds had been used for purposes other than those agreed — audits were merely about whether books balanced.

Trocaire requested narrative reports because "there were obviously more serious questions behind the audited accounts". They were not satisfied with the narrative reports.

McInerney said Trocaire had concerns about payments on what appeared to be private expenses, but no personal misappropriation was ever proven, and Trocaire never got the answers it demanded from Nipilar "There was never enough evidence to say there was money missing here, but there were enough problems for us not to continue funding," he said.

Motshekga's representative, Makhosini Nkosi, this week slammed the *M&G* for not giving him enough time to respond to McInerney's restatement of the earlier accusations.

He said: "There are documents which have been prepared for the ANC task team by Motshekga's lawyers which will deal with the concerns of Trocaire. I can't get hold of those documents at this stage because they are with Motshekga's lawyer, Julian Meltz, who is in court until this afternoon.

"I can't respond to your queries until I have spoken to the premier, who is busy with important government matters at this stage."

He said the *M&G*'s failure to postpone publication of this story confirmed it "is leading a smear campaign against the premier, and this article is specifically aimed at clouding the opening of the Gauteng legislature by Motshekga".

Probe seizes Duarte's files

Argus 20/2/98 (265) (266)

ARGUS CORRESPONDENT

Johannesburg – In a bid to prevent evidence being destroyed, the commission investigating Gauteng Safety and Security MEC Jessie Duarte seized computer disks and documents from her department.

Computer technicians, acting on behalf of the Moerane Commission investigating maladministration in Ms Duarte's department, also copied data from the department's computer hard drives yesterday

The extraordinary step was authorised by Gauteng director-general Vincent Mntambo.

It follows requests by the Democratic Party and lawyers acting for senior Gauteng official Theo Burgers, whom Ms Duarte had suspended but who was reinstated this week

Earlier this week it was disclosed that two officials of Ms Duarte's department – her media officer, Mbulelo Musi, and her head of department, Simon Sibeko – allegedly forged a signature on a backdated letter from departmental transport officer Lerato Maruping.

According to Ms Maruping, the two officials then coerced her into signing the letter The letter exonerated Ms Duarte from blame after a car accident in October last year. Ms Duarte is alleged to have been driving the car without a licence.

Makhosini Nkosi, a spokesman for Gauteng premier Mathole Motshekga, said the commission had fulfilled the DP's request that all information in the computers and document files in the Safety and Security Department be sealed to prevent senior officials in the department from destroying evidence

"Director-general Mntambo responded positively to the commission and allowed computer technicians to copy all the information available in the disks and computer hard drives "

"The premier instructed the director-general to assist the commission in every manner possible to fulfil its mandate," Mr Nkosi said.

Sources said yesterday that Mr Motshekga had asked Ms Duarte to resign to save her from the political humiliation of going through a public official inquiry.

But Ms Duarte chose to face a commission of inquiry rather than resign, as she believed her loyal supporters would not desert her.

The sources said it would be surprising if Ms Duarte survived the political storm which has broken around her

"She had been told by Motshekga and top ANC politicians to resign," said one source

The relationship between Mr Motshekga and Ms Duarte was described as "extremely strained".

Mr Motshekga will take his cue from the findings of the commission, and act only on its findings, the source said.

But Ms Duarte's supporters still believe she is more at risk from opposition parties and officials within her department than from pressure from the African National Congress's Motshekga camp. And there is evidence that she can draw on the support of a few loyal aides.

Commission's findings may oust Duarte

EP 22/2/98 (25) 266

By JIMMY SEEPE

EMBATTLED Gauteng Safety and Security MEC Jessie Duarte's problems are deepening and there is now a strong possibility that she may be forced out of the ANC's highest decision-making body, the National Executive Committee (NEC).

If the Moerane Commission – headed by advocate Marumo Moerane – which is probing allegations of mismanagement as well as the misuse of an official vehicle against Duarte, confirms the allegations, the NEC would most likely be forced to remove her from this influential body.

The NEC, meeting this weekend to chart the path for the party's programme for this year, is under pressure to demonstrate that the conduct of its members is beyond reproach

Duarte's standing within the NEC is on rocky ground following a spate of allegations levelled against her within her department. She was elected to the NEC and stood at number 55 with 1 110 votes in her favour

The commission, expected to resume tomorrow, was postponed this week after allegations of a cover-up by department of safety and security officials emerged from documents to be handed to the commission

The NEC is meeting this weekend at an undisclosed venue in Cape Town to map out a development programme of action for 1998 leading up to the 1999 elections

The NEC is also expected to finalise discussion on some of the resolutions adopted at the party's 50th National Conference held in Mafikeng last December The National Working Committee of the organisation is also expected to be elected

The government's Growth, Employment and Redistribution policy, which has come under scathing criticism from opposition parties this week, is expected to be the focal point of discussion

The Congress of South African Trade Unions and the South African Communist Party are expected to reiterate their opposition to certain clauses in the strategy

Party insiders said that although it was widely reported that there was wide consensus on Gear at the last national conference, this is in fact not the case

The NEC suffered another setback last week with the resignation of North West premier Popo Molefe after internal provincial squabbles over his election last December.

This week several documents were brought before the commission in which safety and security department transport officer Lerato Maruping denied that she wrote two letters accepting the false claim that Duarte's bodyguard-cum-driver, David Sons, was driving the MEC's official vehicle when it was involved in an accident on October 18 last year.

Maruping's denials, followed by Sons' retraction of an earlier statement that he was driving the car when the accident happened, threw the commission into confusion and forced the postponement

Maruping's affidavit was brought to the attention of Premier Mathole Motshekga by legal representatives for the department's director of support services, Theo Burgers.

Duarte suspended Burgers at the beginning of this month for allegedly leaking documents to the media claiming corruption in the MEC's department.

He was also accused of being unwilling to work with Duarte.

The suspension was lifted by Motshekga on Wednesday after the state's attorney informed him that the suspension was unlawful

Motshekga's spokesman, Makhosini Nkosi, said the premier met provincial director-general Vincent Mntambo and Duarte on Tuesday and they agreed to lift the suspension.

Duarte's spokesman Mongezi Mnyani on Wednesday said Sons' retraction would be used to prove that there was a conspiracy against Duarte and her department

He said Sons' pocket-book showed he was at work on the day in question and he noted being involved in a crash.

Mnyani said Sons claimed overtime for working on a weekend and was paid

"The department views the retraction as confirmation of a conspiracy against it and we will be bringing this to the attention of the commission," he said

DEEPENING PROBLEM ... *Gauteng safety and security MEC Jessie Duarte may be forced to quit the ANC's influential National Executive Committee*

R2-billion Jo'burg CBD renewal set to accelerate

Star 23/2/98 (~~A7~~) (266)

Plan to clean the city of crime and grime had an indifferent start

By Lee-Ann Alfreds
City Desk

A R2-billion campaign to restore Johannesburg as the premier economic and tourist centre of South Africa is expected to gather momentum this year following a slow start with very few results to show.

Greater Johannesburg metropolitan council spokesman Graeme Reid said visitors to the city centre should see a noticeable improvement in cleanliness, while crime rates were also expected to drop

He said improved cleanliness would come about as a result of the management of hawkers and ensuring rubbish removal was more effectively dealt with

Reid said crime should drop with the setting up of more Business Improvement Districts (BID's), the regulation of the car guards industry in April and the installation of Closed Circuit Television cameras in the CBD around June.

BID's refer to blocks where business employ additional security guards and street sweepers to keep the area safe and clean while car guards refer to informal parking attendants who watch cars in exchange for donations

Reid admitted that the Mayivuke campaign, which was launched in July last year and is expected to be completed over three years, had gotten off to a slow start because of the lack of legislation in place to implement many of the projects.

Johannesburg's financial crisis also created problems as it had delayed the appointment of the city manager who is expected to co-ordinate, supervise and help speed up all the projects.

Central Johannesburg Partner-

Financial crisis has delayed appointment of city manager

ship executive director Neil Fraser said that while the city was cleaner, informal trading had deteriorated because of the inability of the council to enforce the by-laws.

He said the delay in the appointment of a city manager was also worrying.

Old Mutual Property spokesman John Dick said he was optimistic about the future of the CBD

Greater Johannesburg Tourism Authority chairman Pat Corbin said things had gotten worse – not better – because of a lack of action by the council.

"All this talk is just cheap claptrap Many initiatives do take place, but any reasonable person measures actual progress against what take place, and in some places things have actually gotten worse," said Corbin.

Reid said negotiations were underway to appoint an interim city manager The lack of legislation had also delayed the management of hawkers.

And, while legislation was now in place to enforce street trading by-laws, there was not enough staff to enforce them, Reid admitted.

He said progress had also been made around the establishment of the Newtown Cultural Precinct and the management of taxis in the inner city

Discussions around Newtown were expected to take place "within a month or so" while the Park City and Jack Mincer Park taxi ranks which would provide proper holding and stopping facilities were expected to be completed by July.

"Things are starting to work," Reid said.

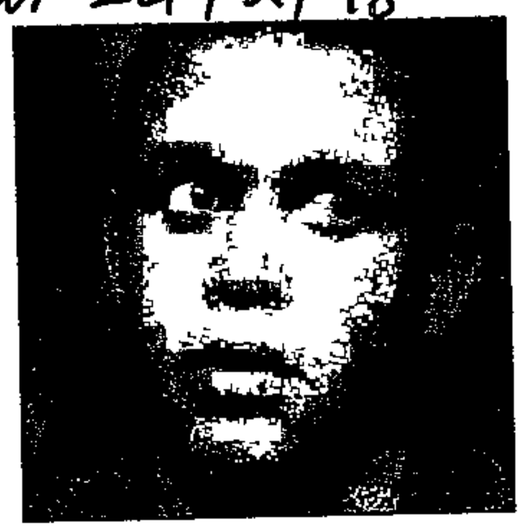
Mother tells of visit by Duarte's aides

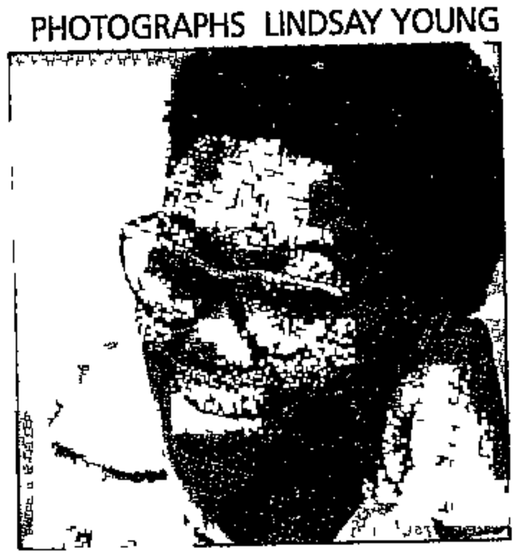
Star 24/2/98

(266)

By Cecilia Russell

PHOTOGRAPHS LINDSAY YOUNG





Players in the drama ... David Sons and Lerato Maruping.

The mother of Gauteng safety and security transport officer Lerato Maruping says she overheard two of MEC Jessie Duarte's aides tell her daughter to sign a document during a late-night visit on February 4.

Elina Lekalakala, white-haired and quietly spoken, yesterday told an official inquiry into mismanagement in Duarte's department she had agreed to spend the night at her daughter's home because Maruping had told her that she was under "pressure at work and felt stressed" Maruping had discovered that Duarte had driven a state-owned vehicle when it was involved in an accident and had been told to "protect Mrs Duarte"

Lekalakala had woken her daughter when the deputy director-general of safety and security Mkhabela (Simon) Sibeko and Duarte's media officer Mbulelo Musi had paid their late visit.

Attorneys representing Sibeko and Musi admitted the two men had visited Maruping late at night, but denied it had to do with the accident report.

"The purpose was to formulate charges against one of the employees – Theo Burgers," Anton Leshela said.

Later, Duarte's driver admitted to lying in an accident report and falsifying two police pocket books to support his claim David Sons said he was not at work on October 18, the day on which the official vehicle was in the accident.

When he reported for work the next day (on October 19) he noticed the bump in the back of Duarte's official vehicle, BBP 766 GP, and Duarte told him she had been in an accident.

He said Duarte said she had been bumped by a white Hi-Ace Toyota taxi, but when the driver of the taxi became aggressive she left. The following day Sons tried to trace the taxi driver from the number supplied to him by Duarte, but failed

A week later, on October 27, he approached Maruping and told her of the accident. But when he filled in the accident report Sons stated he had been driving the vehicle

This year Duarte asked him to write a statement on the matter but while compiling the statement she told him to attend a briefing, at which he was "pointed out" as the driver. Sons said he was not aware that Duarte did not have a licence.

Gauteng MEC for safety and security Mrs Jesse Duarte takes a break during the hearing before a commission of inquiry in Johannesburg yesterday. The inquiry is hearing allegations of corruption and mismanagement by Duarte and her department.
PIC VELI NHLAPO

Sons 'lied to protect Duarte'

Sowetan 25/2/98

By Russel Molefe (266)

MR David Sons admitted yesterday to having falsified entries in his pocket book and claiming for overtime to back his story to "protect" Gauteng MEC for safety and security Mrs Jessie Duarte

Sons is the bodyguard and driver of Duarte, who is being investigated after allegations that she was involved in an accident on October 18 last year while driving a state vehicle although she did not have a driver's licence

She also allegedly failed to report the accident to the police on time Other allegations include corruption and mismanagement in her department.

Under cross-examination by attorney Mr Edmund Wessels, Sons agreed that the initial report in which he claimed he was the driver of the vehicle at the time suited Duarte He agreed that he had changed his initial report, submitted on October 27, after being exposed as having lied about the accident

Second report

In his second report, submitted after the announcement of the commission of inquiry into the matter, Sons claimed that he was not on duty when the accident happened

This was corroborated by his wife Clareriscia, who also testified yesterday that her husband was at home preparing for the second birthday of their youngest daughter

Wessels suggested there must have been a conspiracy involving safety and security deputy director-general Mr Simon Sibeko, media liaison officer Mr Mbulelo Musi and to some extent Duarte, which led Sons to initially lie and falsify his pocket book

But Sons replied "All I know is that I was not driving the car"

This prompted Wessels to say "You are not being frank with the commission on who told you to write the false initial report In all probability there is a conspiracy involving Sibeko, Musi and to some extent Duarte"

Earlier safety and security transport officer Ms Lerato Maruping testified that Sibeko and Musi had visited her late one night and forced her to sign a letter distorting facts of the accident

Duarte probe hears of 'cover-up conspiracy'

Johannesburg – The commission of inquiry into allegations of corruption and mismanagement by Gauteng safety and security MEC Jessie Duarte and her department has heard of a possible conspiracy to cover up the truth behind an accident last October involving Ms Duarte's official vehicle.

The possibility of a conspiracy was yesterday put to Ms Duarte's driver, David Sons, who last week admitted to the commission that he was not the driver of the car when the accident happened on October 18. He said he was not on duty that day, in spite of having claimed overtime

Edmund Wessels, legal representative for senior departmental official Theo Burgers, told Mr Sons during cross-examination yesterday that his conduct at the time of his consultation with commission facilitator Niel de Villiers pointed to a conspiracy between himself, the department's head Mkhebela Sibeko, Ms Duarte's spokesman Mbulelo Musi, and Ms Duarte, to cover up the truth about the accident.

Only when Mr Sons was caught lying to Mr De Villiers did he change his story, Mr Wessels said –Sapa

ARG 25/2/98

Call to ground Oasis over

FOREIGN SERVICE

Melbourne – Australian passengers who endured yesterday's "flight from hell" with rock superstars Oasis aboard a jet from Hong Kong, today called on all airlines to refuse to carry the British group.

The passengers, who did not want to be named, travelled in business class on the seven-hour

the experience as "horrific".

They said the group were either drunk or affected by drugs when they boarded the Cathay Pacific aircraft and from then on kept up a non-stop bombardment of abuse, obscene language, illegal smoking and harassment.

The uproar subsided to a certain extent after the captain left the cockpit and told the group members that unless they behaved he would divert to the

There is commercial value in Jo'burg being an African city

The elements that make Johannesburg's city centre an African city are the same things that are perceived to be its problems. Richard Tomlinson investigates

(266) BD 25/2/98

MOST of us find it difficult to "read" and respond affirmatively to Johannesburg's changing city centre One reason is that both locals and visiting experts consider the city centre's economic decline with borrowed images For example, members of a World Bank urban mission once asked me "What's the future of Johannesburg — Pittsburgh or Detroit?" They chose Detroit, notorious for being one of the most racially torn, economically wasted and physically devastated US central cities

The reliance on US imagery pervades our thinking, so much so that despite the economic problems facing the city centre and the fact that there is R3bn to R5bn in A- and B-grade office space standing empty, there has been no far-reaching inquiry into the causes of the problems and what we might do about them

It is as if the city's decision-makers are sufficiently confident of the power of borrowed models for explaining the city centre's decline and copied policies for city centre development that further inquiry is seen as unnecessary

No doubt there are "lessons from America", the business improvement districts being implemented in the city centre are a case in point, but most of us struggle with understanding how the changes under way can be taken forward in a positive manner It is important that we should do so

The Johannesburg city centre of old was a financial and retail centre with a significant small and medium manufacturing sector It was an orderly, well-managed city from which blacks were banished at night and in which racial discord was firmly subordinated by apartheid In a sense, Africa, too, was subordinated, it was forcibly kept at bay The city centre has become the critical point of integration between black and white, rich and poor, and, to many, order and disorder

It is my belief that in broad symbolic terms, in SA or perhaps in all sub-Saharan Africa, it is in central Johannesburg where the success of this integration will be measured. But not many can envisage what this means As South Africans, we have lost our sense of self in the comparative, largely US, fog Much of the issue resides in finding value in what is African about the city

The significance of the failure to develop our own policies can be seen in the "success" of successfully revitalised US and western European cities. Follow-up research has shown that while downtown revitalisation has done much for the appearance of many central cities, it has not reduced unemployment or improved household incomes when compared with cities which have not benefited from downtown revitalisation.

It turns out that the best known US urban success stories are also the cities where income inequality is greatest. The US models for city centre revitalisation — sports stadiums, conference centres, etcetera — have not addressed poverty We should be wary of copying them

At the same time, however, it appears that downtown revitalisation does much to improve the sense of urban well-being of the city's inhabitants This is significant since during the Johannesburg inner city development forum visioning process that led to last July's launch of the Mayivuke inner-city vision and development strategy, a problem that all participants agreed on was that Johannesburg was a city without pride

The forum's visioning process was extraordinary for the lack of original inquiry and for the failure to make use of available economic data.

However, members of the forum did tour England and the US, and a US consultant worked with three of the four groups individually and all the participants in plenary Unsurprisingly, the different groups, working separately, came up with a similar city centre vision.

Do the problems they emphasise get to the core of the issue?

The visioning process particularly singled out "crime and grime" as being to blame for the decline The only other factor that received almost equal opprobrium was local authority management of the city which, in certain respects, overlaps with crime and grime

Were crime and grime to disappear there would be no rush to return to the city centre The first mention that the city centre might be in decline dates back to 1959 and suburban commercial property growth rates were double those of the city centre by 1975 This precedes problems with crime and

The Johannesburg city centre has become the critical point of integration between black and white, rich and poor, and — in the minds of many — order and disorder Picture: ANDY KATZ

image might well be one of two vastly unequal wheels turning, and the point where they grind is in the city centre For many people in the south, the city centre is an economic refuge, a role which it performs rather poorly

So what does it mean to find value in what is African about the city centre? The answer lies in where we see value, in both cultural and commercial terms, and what this means for how we use the city To date, most of the changes in the city have been viewed as part of the problem.

An effective development strategy will capitalise on the changes and, in addition to serving the existing business lobby, as has been the focus, will pay particular attention to identifying investment opportunities for small, medium and informal businesses, thus promoting job creation. A few examples will demonstrate what is possible

First, SA has a tremendously dynamic music scene. This musical diversity is particularly concentrated in Johannesburg as it is the most cosmopolitan city in Africa. But the music lacks adequate air time and a home and is increasingly Americanised. The Johannesburg city centre offers the ideal home Soweto does not, because the [illegible] suburbs will [illegible]

only by managing the streets better, but with entertainment and other features to attract shoppers from north and south

Third, linked to the refocusing of the retail market has been the rapid growth of small black manufacturing enterprises They have close links to the Indian population in Fordsburg, who market much of their produce The businesses face many obstacles, especially a lack of access to capital and technical assistance

Thus while the city centre has become a small manufacturing incubator for emerging businesses and a retailing centre with links throughout sub-Saharan Africa, this potential could still be vastly enhanced.

Fourth, the city centre, with a plentiful supply of cheap space in offices, workshops, and other areas available for training, is positioned to serve a population that chronically lacks access to education services and infrastructure for schooling, technical and business skills

Education facilities and hospitals can eventually constitute an export industry, since when such institutions draw fee-paying students and patients from throughout the country and elsewhere in Africa and when they win research contracts, they bring millions of rands into the community

Finally, to reverse the decline of the commercial property market in the city centre and surrounding areas, government and the private sector should consider an opportunity raised by having a megacity

In the past local authorities competed for commercial and retail development. There was little metropolitan co-ordination of this development and little regard for whether development in one location might be to the disadvantage of another

A single metropolitan government offers the opportunity of rationalising the hitherto unrestrained commercial and retail property development

The underlying principle is to respect context and to believe that there is commercial value in the city's being an African city Further, it is to believe that the failure to discover investment opportunities arising from, and benefiting, those who use the city centre will lead to the city centre's ultimate collapse

In a heterogeneous, unequal society, public safety and respect for and the maintenance of public spaces and public infrastructure can only come about if there are jobs and if there is social integration.

□ *Tomlinson is a professor at the University of the Witwatersrand's Graduate School of Public and Development Management.*

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The visioning process particularly singled out "crime and grime" as being to blame for the decline. The only other factor that received almost equal opprobrium was local authority management of the city which, in certain respects, overlaps with crime and grime.

Were crime and grime to disappear there would be no rush to return to the city centre. The first mention that the city centre might be in decline dates back to 1959 and suburban commercial property growth rates were double those of the city centre by 1975. This precedes problems with crime and grime. In other words, other factors such as the desire for personalised, low-rise and high-technology offices in landscaped environments that boost corporate identity, are probably more to the point.

What one can say correctly of crime and grime is that this, with racism, speeded up decentralisation. During a time of upheaval and uncertainty, crime and grime became symbolic of declining order. At present the business improvement district system and better policing are helping to bring crime down; public perceptions are lagging. They are also lagging in realising the extent of the problem in Sandton.

There is a need to incorporate into a development strategy the vast and rapidly growing low-income population in the south. This is where most blacks were forced to live under apartheid, and it primarily is here in poorly serviced informal settlements and in new subsidised housing projects that people spreading out from the townships and migrants are settling. These areas lack jobs and social services.

Due to the convergence of transport routes on the city centre, the appropriate

The Johannesburg city centre has become the critical point of integration between black and white, rich and poor, and — in the minds of many — order and disorder. Picture ANDY KATZ

image might well be one of two vastly unequal wheels turning, and the point where they grind is in the city centre. For many people in the south, the city centre is an economic refuge, a role which it performs rather poorly

So what does it mean to find value in what is African about the city centre? The answer lies in where we see value, in both cultural and commercial terms, and what this means for how we use the city. To date, most of the changes in the city have been viewed as part of the problem.

An effective development strategy will capitalise on the changes and, in addition to serving the existing business lobby, as has been the focus, will pay particular attention to identifying investment opportunities for small, medium and informal businesses, thus promoting job creation. A few examples will demonstrate what is possible.

First, SA has a tremendously dynamic music scene. This musical diversity is particularly concentrated in Johannesburg as it is the most cosmopolitan city in Africa. But the music lacks adequate air time and a home and is increasingly Americanised The Johannesburg city centre offers the ideal home. Soweto does not, because the northern suburbs will not go there. Neither does Sandton, because it is difficult and expensive for those in the south to get there and they are not all that welcome. If there is security, and one of the casino proposals would extend a security blanket over an extensive area of the city centre, then it will offer a point of integration unlike any other site in SA and enhance its tourist potential.

Second, more can be made of the city centre's potential as a major retailing centre.

The retailers who redirected their market to serve the 790 000 daily commuters to the city, Saturday shoppers, and the hundreds of thousands of sub-Saharan "tourist shoppers" have prospered. But these shoppers also complain about crime and crowding on the streets. And there is not much to do besides shop.

The city centre should compete with the threat of new malls in the south luring away shoppers, not

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Duarte 'cover-up'

ET 25/2/98

CECILIA RUSSELL (266)

JOHANNESBURG. Gauteng Safety and Security MEC Jesse Duarte has been implicated in a conspiracy to cover up her alleged involvement in an accident in her official vehicle last October

On the third day of an inquiry into mismanagement in her department, Mr Edmund Wessels, acting for departmental head Mr Theo Burgers, said the "remarkable similarity" between the pocket book entries of Duarte's two bodyguards, Mr David Sons and Mr Madiba Shiburi, pointed to a "conspiracy" between them, the department's deputy director-general Mr Simon Sibeko, Duarte's spokesperson Mr Mbulelo Musi and Duarte.

Sons testified on Monday that he had made a false report claiming he was the driver of the vehicle on the day of the accident, October 18.

He said he had falsified his pocket book — used by bodyguards to detail their day's activities — to indicate he had reported for duty

Sons' wife said he had taken her shopping on that day

Sons said he had got a second pocket book, from the police station, to fill in the accident details.

Urban threat as short staffed councils' fail to stop the rot

Star 26/2/98 (266)

Greater Johannesburg councils can do little to stop booming home businesses

By Anna Cox

An estimated 20 000 businesses are operating illegally throughout Greater Johannesburg, posing a headache for municipalities as they struggle to enforce health, fire, town planning and environmental regulations

Municipal officials said the number of illegal traders could be considerably higher because they were unable to establish the number of hawkers in the metropolitan area

There are about 7 300 officially reported cases, but council law enforcement officers said this week that this was just the "tip of the iceberg".

Eastern council executive committee chairman Sizakele Nkosi said people were taking advantage of the transition period

"Interim periods, which are the most critical, are not budgeted for. Our priority is not to allow urban decay to set in and to increase visible service delivery which will change attitudes," she said

Nkosi said the long grass along the city pavements, the perceived lack of maintenance of infrastructure, deteriorating services, broken traffic lights and potholes appeared to have had a psychological influence on residents

She said this had led many residents to believe that urban decay had set in, and there was no longer any control, and that as a result, they could defy the law, she added.

The Greater Johannesburg's four local councils have five enforcement officers and very little finances to afford proceeding with action against those breaking the law.

Eastern council law enforcement chief Alan Wheeler said the lack of manpower restricted them from investigating unreported cases, creating the impression that those who were breaking the law could not be caught.

And, he pointed out, even if they were caught, offenders paid a fine of up to R600, then resumed their business, in the knowledge that the councils' staff shortages meant their cases could not be followed up

Wheeler said councils preferred not to issue fines because they resulted in law enforcement officers spending manhours in court appearances.

As a result Wheeler said the council was losing out on income from rates, and this had placed more strain on provision of infrastructure such as roads, sewage and bulk services. Although the problem is spread throughout the entire metro, the Eastern council area – which includes Sandton, Hillbrow, Bertrams, Troyeville and Alexandra – is the worst hit

The Southern council has 3 427 reported cases and only two law enforcement officers.

In the Northern council there are no law enforcement officers while in the Western council there is one.

Wheeler said the problem was escalating and could result in slum areas in many suburbs because unhappy owners who could not sell their properties simply abandoned them, leaving them vacant. Squatters had taken over some homes

"People living in their comfortable homes in the suburbs should know it could happen there next Already it is happening in areas like Kensington, from Malvern.

"People are opening restaurants and antique shops wherever they want without even bothering to ask permission," he said.

The councils, he added, which were owed thousands of rands in rates and services on these properties, did not want to attach them because they had no value and could become liabilities.

Embattled Motshekga defuses ouster bid

Star 26/2/98. (266)

ANC in Gauteng holds meetings behind closed doors to ensure that Gauteng premier is re-elected unopposed

By Hopewell Radebe
Political Reporter

Gauteng Premier Mathole Motshekga has defused a bid to remove him from the chairmanship of the ANC in Gauteng when the party holds its provincial conference next month.

The ANC in Gauteng has been holding discussions behind closed doors to reach an agreement to ensure Motshekga is re-elected unopposed when the party meets in Johannesburg on March 27-29

Motshekga became premier after a battle for the party chairmanship late last year. He has been considered vulnerable to a challenge from his party colleagues. He was not the ANC national leadership's favourite for the post but his popularity at grassroots level ensured his victory

Sources close to the provincial executive committee (PEC) said Motshekga was fighting an uphill battle behind the scenes to unite the two groups which either supported or opposed his election last year. He wanted them to agree on a common list of candidates for the top five provincial positions

"Those who were against Motshekga's appointment last year were hoping they could still use the conference to oust him, but a series of negotiations have attempted to bring the groups together," said the source.

The lobby groups have agreed not to challenge Motshekga's chairmanship. This was confirmed by another PEC member who said: "The debate by any lobby group should not be misconstrued to mean there was a battle for positions in the organisation."

Fighting an uphill battle ... Gauteng premier Mathole Motshekga.

The pro-Motshekga group was understood to have "extended an olive branch" by nominating provincial secretary and Transport MEC Paul Mashatile for the position of provincial deputy chairman. But, he will contest the position against the Khayalami region's nominee, Planning and Development MEC Sicelo Shiceka

The source said: "It was crucial for the province to strike a balance between the influential groups before the conference The main criterion was to find people to work with Motshekga to bring the province together."

But, the dynamics of Motshekga's problems were complicated by the upcoming politicians at the local government level who also wanted a stake at the provincial level.

Health MEC Amos Masondo and Safety and Security MEC Jessie Duarte were expected to resign as members of the PEC because they were elected to the ANC's national executive committee at the national conference in Mafikeng last year. The two opposed Motshekga's election last year.

The PEC was said to be unlikely to support their continuation to occupy both positions "because it would be ideal to give a group of leaders at local level an opportunity in the PEC to grow politically", a PEC source said.

"They worked hard to influence branch structures to vote for Motshekga last year. They are pushing for the nomination of Greater Johannesburg Metropolitan Council deputy chairman, Kenneth Fihla, as provincial secretary," a source at the Soweto ANC branch said

But the provincial leadership was targeting the provincial deputy secretary, Obed Bapela, for the same position Others wanted ANC member of the provincial legislature Mondli Gungubele to stand

The Gauteng ANC Youth League was also planning to nominate Parliament's safety and security portfolio committee chairman Rapu Molekane for the position. Another MP, Cass Saloojee, and Housing MEC Dan Mofokeng were both nominated for provincial treasurer

Duarte put pressure on me – official

(264) (266)

Maruping claims she was threatened after questioning traffic-accident details

Star 26/2/98

By Cecilia Russell
Political Staff

Gauteng government official Lerato Maruping claimed yesterday that Safety and Security MEC Jessie Duarte intimidated her after she questioned the details of a traffic accident involving Duarte's official car in October last year.

Maruping was giving evidence before the Moerane commission which is looking into allegations of corruption and mismanagement in Duarte's department.

One of the issues being examined is a traffic accident involving Duarte's official car last year and allegations of a subsequent cover-up by Duarte's officials, who are alleged to have forged Maruping's signature.

Maruping told the commission she had written to Duarte's deputy director-general, Mkhabela Sibeko, telling him she was surprised that the accident report "came out stating that Sons (Duarte's bodyguard David Sons) drove the car" when "it was confirmed that the vehicle in question was driven by the MEC personally".

"Duarte was not happy about this letter (to Sibeko). She said that she had wide powers and the right to hire and fire me," she said.

"I told Sibeko she is now intimidating me. Sibeko never said anything," Maruping said.

She told the enquiry she only became aware there were two letters bearing her signature and exonerating Duarte after The Star contacted her on February 17.

She told The Star reporter that she wanted to see the two letters "because I can only remember signing one".

Maruping said she signed a letter during a late night visit to her home by Sibeko and media officer Mbulelo Musi saying she was satisfied with the explanation that Duarte's bodyguard was the driver of the official vehicle.

She said she had asked Sons why he had filled in the accident report and he said "there was nothing he can do as he had to protect the MEC".

She said she had a problem with the accident report and was advised by the labour relations department to write a letter and make sure a copy was given to a number of people.

Yesterday Duarte's advocate Reenen Potgieter reacted to commission advocate Niel de Villiers leading evidence about tendering procedures for furniture.

"Over-zealousness to get things done in time can never be dishonest and is not evidence of corruption," Potgieter said.

Furthermore, he said De Villiers had alleged Duarte was corrupt because she had not reconciled accounts relating to the daily allowance for her trip to Portugal. Potgieter said De Villiers had earlier confided in him that the commission had not found any "evidence of corruption anywhere".

Referring to Duarte's trip to Portugal, Potgieter said all allegations of corruption had centred on the allowance which enabled politicians to draw money for the trip.

Duarte had not reconciled the allowance as it was not yet year-end, Potgieter added.

Inquiry told of Duarte's 'threats'

By Russel Molefe

GAUTENG safety and security department transport control officer Mrs Lerato Maruping was "threatened" by MEC Mrs Jessie Duarte after she questioned the discrepancies in a report about an accident in which Duarte had allegedly been involved

This was said yesterday to the commission of inquiry into allegations that Duarte had been involved in an accident while driving a state vehicle without a driver's licence on October 18 last year

Other allegations to be probed include corruption and mismanagement in her department

Maruping testified before the commission that Duarte's driver and bodyguard, Mr David Sons, brought a report to her on October 27 in which he stated he was the driver of the vehicle when the accident happened.

This was in spite of the fact that Sons had told Maruping on two occasions that Duarte had been the driver of the vehicle on that day

Involved in the accident

"I asked him why he had stated he was involved in the accident when he had told me earlier it was the MEC," Maruping said "Sons told me there was nothing he could do as he had to protect the MEC

"I later wrote a letter to the government garage. I then went to the labour relations section on November 3, where I told the officials that I had a problem (concerning the accident)"

She said Duarte later summoned her to her office through the department's deputy director-general, Mr Simon Sibeko

"In the presence of Sibeko, Duarte expressed her unhappiness about my questioning the different stories about the accident She told me she had the power to hire and fire and who did I think I was to investigate the MEC," Maruping said

She also testified that Sibeko and Duarte's spokesman, Mr Mbulelo Musi, visited her late one night and coerced her into signing a letter exonerating the MEC

How to reach Sowetan ...
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Help us wash dirty linen, Duarte is told

Star 27/2/98 (266)

By Cecilia Russell

Gauteng MEC for safety and security Jessie Duarte and her departmental head, Mkhabela Sibeko, had not fully co-operated with the commission, said Niel de Villiers, who is leading evidence for the commission.

The commission had not been able to limit the scope of the inquiry to specific allegations because we "have not received or been provided with any relevant documents from Mr Sibeko or Mrs Duarte," De Villiers said yesterday. He was speaking during the fourth day of public hearings into allegations of corruption and mismanagement on the part of Duarte and her department.

De Villiers said that many of the allegations could be settled without leading evidence but his investigation was hamstrung without Duarte's and Sibeko's co-operation and he called on them to "help him".

This particularly applied to allegations of mismanagement which needed to be dealt with sensitively, De Villiers said.

"We are airing the dirty linen of the department in public. If it (the department) has to function with integrity and without the impression among the public that it's a waste of time ... then we need to deal with the matter with sensitivity," De Villiers said.

However, he said the allegations were serious.

"There is evidence that the department was not a happy ship, there are great divisions in the department and allegations of favouritism," he added.

De Villiers said there were allegations that rules were not uniformly applied.

Edmund Wessels, advocate for Theo Burgers the departmental official who Duarte suspended and later had to reinstate, said this favouritism could be demonstrated by the R75 000 used to attempt "convict" Lerato Maruping last year for making an overpayment, when no disciplinary procedures had been brought against a member of the department who was involved in three accidents using state vehicles, all without having a valid driving licence.

The commission was adjourned until Monday after Duarte's advocate, Reenen Potgieter, assured the inquiry of his clients' co-operation.

GAUTENG GOVERNMENT

FM 27/2/98

Cracks widen in 'best-run' province

(266)

The furore over alleged corruption and fraud by Gauteng Safety & Security MEC Jessie Duarte and some of her senior staff has distracted public attention from a broader malaise in the provincial government — widespread maladministration, probable corruption and rank incompetence of key officials in many, if not all, Gauteng departments

The province which, in a wide-ranging provincial audit headed by Public Service DG Paseka Ncholo, was declared last August to be the best-run of the nine administrations, is rife with tendering irregularities, double payments (even triple payments) for purchases and a general disregard for financial rules, says a former provincial official

The official, who wants to remain anonymous, left the province's employment last year after completing a contract in which, she says, she encountered numerous irregularities, some of which "bordered on corruption, if they were not actual corruption"

Inspecting computerised payment advice forms processed between late 1996 and mid-1997, the official identified more than 100 instances of double payment for purchases from 34 companies, involving about R165 000 Three of the invoices were paid three times, several companies were double-paid for numerous purchases, with one — cellphone service provider Vodac — being double-paid on at least 24 occasions

While the official had access to procurement records of only six provincial departments and agencies — Safety & Security, the Office of the Premier, Sport & Recreation, Co-operative Services, the Provincial Service Commission and Information Technology — cases of double payment have been reported independently from the departments of Housing & Land Affairs and Health

Both the Democratic and National parties in the province have called for a judicial inquiry and a forensic audit of the administration's financial controls

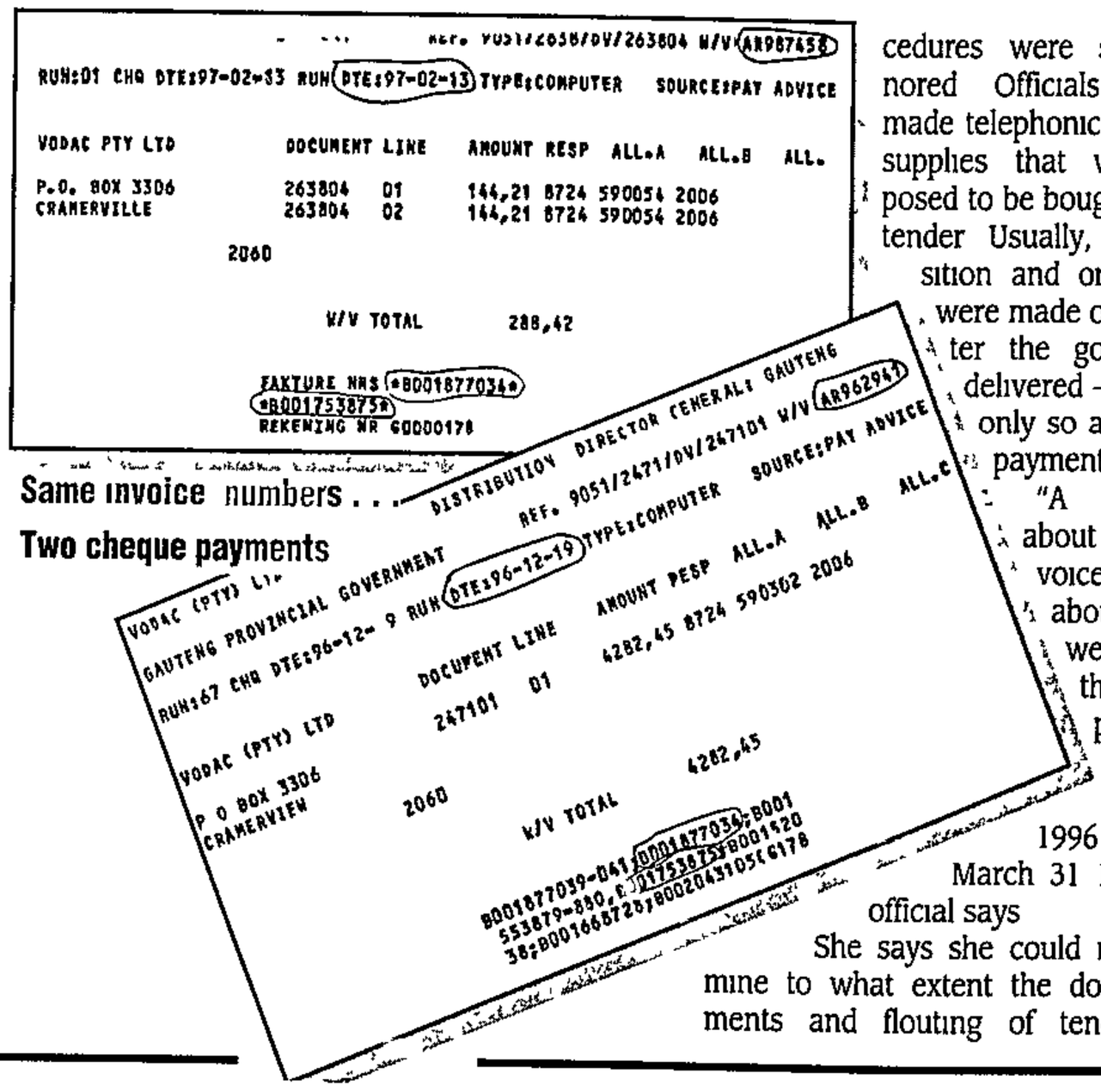
It was documentary evidence of tender fraud and other irregularities handed to Gauteng DP leader Peter Leon which led to investigation of Duarte and her department this month This week NP Gauteng leader Johan Kilian called for the firing of Housing & Land Affairs MEC Dan Mofokeng over prima facie evidence pointing to widespread corruption in that department

Reasons for the administrative breakdown appear to be various The former official says the transfer of financial controls from the Department of Finance & Economic Affairs to individual departments towards the end of 1996 caught many departments unawares

"They simply did not have the staff with the necessary training and experience to handle their financial affairs properly," she says

In a memorandum to the directorate of the Department of Finance & Economic Affairs in mid-1997, she detailed "dozens" of cases in which tender pro-

Two Gauteng government payment advice forms showing double payments to a cellular service provider



Same invoice numbers . . .

Two cheque payments

cedures were simply ignored Officials regularly made telephonic orders for supplies that were supposed to be bought only on tender Usually, the requisition and order forms were made out only after the goods were delivered — and that only so as to effect payment

"A total of about 3 500 invoices worth about R9m were put through for payment between October 1 1996 and March 31 1997," the official says

She says she could not determine to what extent the double payments and flouting of tender rules amounted to theft or fraud or how much was due to ignorance of the rules

But she also blames established white officials who had become so demoralised and uninterested that they no longer cared for correct procedures and honest government

She recounts how, shortly before leaving the administration she wrote to then-premier Tokyo Sexwale, outlining some of the irregularities and offering to help with administrative training The premier replied that he had passed on her letter to Economic Affairs & Finance MEC Jabu Moleketi for action

That was the last she heard of the matter until, making her own inquiries, she discovered that her letter had been forwarded to a senior white official in the economic affairs department She found the official at his desk, playing a computer game

"Quite frankly, I don't care anymore," he said, throwing his arms in the air in a gesture of defeat "In a few months I'll be picking up my retrenchment package, and I won't be looking back" **Peter Honey**

Partnerships 'will not raise rates, cut jobs'

Deborah Fine

BUSINESS should assist in assuring communities that public-private partnerships did not necessarily mean expensive municipal services and job losses, Johannesburg southern local council executive committee chairman Prema Naidoo said on Friday

He was speaking at a function held to update the business community on the progress made by Greater Johannesburg's five local authorities to stabilise the cash-flow crisis which threatened to impede service delivery throughout the city last year

He said the city had managed to reverse severe liquidity constraints by dramatically slashing capital and operating expenditure, and cracking down on municipal payment defaulters by cutting off their services The city was owed about R1,7bn in outstanding municipal debts

Apart from narrowing the significant gap between the city's expenditure and income, the five councils were also being reviewed to ensure that their limited resources would be used more efficiently

This entailed eliminating the duplication of functions within and between councils, and identifying the core functions of local government Peripheral activities such the management of cattle farms and beer halls would no longer be carried out

The city was also looking at forming partnerships with the private sector where private firms might be better equipped, financially and technically, to provide more effective, value-for-money services

Moves in this direction were being strongly resisted by civic organisations and the labour movement, who had expressed concerns that such partnerships would lead to soaring services tariffs and large-scale retrenchments

Naidoo said these reservations were based on perceptions that the private sector would seek to maximise their profits at the expense of communities

Meanwhile, the National Business Initiative (NBI), the Rand Water Board and Standard Corporate & Merchant Bank have jointly set aside R2m to fund a five-year training programme aimed at providing local authorities with the skills and expertise needed for successful private/public sector partnerships and improved service delivery

"Such partnerships are essential for the delivery of basic services and infrastructure in an environment where local authorities are experiencing financial constraints," NBI director Andre Fourie said

Duarte – damning evidence

(266)

By Russel Molefe

THE transport control officer at the Gauteng department of safety and security, Mrs Lerato Maruping, told the Moerane commission of inquiry yesterday that the department had made a number of improper payments to several companies. However, under cross-examination, Maruping said she was unable to provide details.

The commission is investigating allegations of corruption and mismanagement by MEC Mrs Jessie Duarte and her department.

Other allegations include that Duarte was involved in an accident while driving a state vehicle without a licence. She allegedly failed to report the accident to the police in the proper time and connived with some of her officials to to cover it up.

Maruping said substantial amounts of money were paid to the Devonshire and Parktonian hotels in Johannesburg for planned meetings which were later cancelled at the last minute. "Had the meetings been cancelled earlier, it would not have cost the department."

Money was also spent on a meeting at Alpha Training Centre last year which she did not believe was work related because no memorandums were distributed to staffers as was the norm in the department.

Maruping told the commission that the department paid thousands of rands to the law firm Webber Wentzel on matters relating to her disciplinary inquiry in which she was accused of double paying a temporary worker.

"What made me unhappy was that the investigator into the matter was allocated a state vehicle which he used to go to Umtata for personal reasons. (He) spent about R9 000 on the trip ... paid by the department."

Officials quitting GJMC over morale

(266)

4/3/98

Sowetan

By Joshua Raboroko

THE Greater Johannesburg Metropolitan Council and its four substructures have been hard hit by resignations of senior and junior officials who have cited, among other things, low morale as the reason for quitting

The council's senior executive, Mr Shaun Balton, told a media conference in Johannesburg yesterday that workers had left the council, but could not give the exact number of people who had resigned

However, it is believed that about 50 staffers in each of the four substructures have retired or resigned

Balton said there were many reasons given for the resignations These included low morale among staff, which has resulted in a decline in the standard of service deliveries in the GJMC and its four substructures

The chief executive officer of the Greater Johannesburg Southern Metropolitan Local Council, Mr Chris Ngcobo, confirmed that four senior officials and several staff members had left the SMLC

He said some officials had taken retirement packages and others had resigned

Balton said budget cuts and low staff morale were among the factors that had contributed to the present decline in the standard of service delivery throughout Greater Johannesburg

In recent months, numerous complaints had been received about potholes in roads, disfunctioning traffic lights, poor water supply and streetlights that were not working, he said

The council is to introduce specific programmes for every service presently provided by specialised teams

Transport officer waging a vendetta, Duarte inquiry told

By Cecilia Russell
Political Staff

Gauteng transport officer Lerato Maruping exaggerated mismanagement in Jessie Duarte's safety and security department because she was waging a vendetta against the MEC, an official inquiry into allegations of corruption and mismanagement heard yesterday.

Maruping told the commission that since her appointment in October 1997, officials had repeatedly flouted rules and regulations.

They ignored logsheets, and failed to report accidents or supply proof that they possessed valid driving licences.

Duarte's media officer Mbulelo Musi used an official vehicle for a private trip to Transkei last year. He later failed to give her a copy of his driving licence, which she asked for after his official car was broken into last year, Maruping said.

When she asked him for his licence, he said the department's deputy director-general, Mkhabela Sibeko, had it. When she asked Sibeko for it, he told her that he had left it in his jacket at home. When she finally got a copy of the licence, it was dated January 9 1998.

Musi's lawyer Anton Leshila told the commission Musi had a licence issued by the now-defunct KwaNdebele homeland. Because there was no official record of the licence, he resat the driver's test this year.

Under cross-examination, Maruping said she believed Duarte hated her.

Duarte had screamed at her because she did not like the curtains she (Maruping) had arranged for her office, Maruping said.

This had made her frightened of Duarte.

Maruping had also twice been suspended, once for making an overpayment for which she was found not guilty and once for allegedly taking payments from two subordinates to secure permanent positions in the department. She was also cleared of this charge but was found guilty on the lesser charge of "indolence and neglect".

Duarte's advocate Reenen Potgieter said Maruping had failed to point out serious mismanagement.

"You are waging a vendetta against MEC Duarte," Potgieter said. "You are much given to exaggerate matters out of all proportion; this is amply demonstrated by the evidence you have about the so-called improper payments."

He accused her of pettiness and of regarding matters of little significance as important.

He claimed Maruping was confused about who drove Duarte's official vehicle when it was involved in an accident in October last year. Rather than signing a backdated letter on February 4 under duress, Maruping had signed the letter because she was "confused".

The hearing continues today.

(266) Star 3/3/98

Duarte object of vendetta — claim

(266) CT 3/3 P18

CECILIA RUSSELL

JOHANNESBURG: Gauteng transport officer Ms Lerato Maruping exaggerated mismanagement in Ms Jessie Duarte's Safety and Security Department because she was waging a vendetta against the MEC, an inquiry into allegations of corruption and mismanagement heard yesterday

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He alleged Maruping was confused about who drove Duarte's official vehicle when it was involved in an accident in October. Rather than signing a backdated letter on February 4 under duress, Maruping had signed the letter because she was "confused" The hearing continues today

Official accused of waging a vendetta

BD 3/3/98 (266)

Bonile Ngqiyaza

AN IMAGINED sense of having been treated unjustly drove a Gauteng safety and security department official to wage a vendetta against MEC Jessie Duarte, the Moerane commission heard yesterday.

In his cross-examination of local transport control officer Lerato Maruping, advocate Reenen Potgieter concentrated on constant disagreements between Maruping and Duarte, starting with one over a cellphone taken from Maruping and given to someone else

The commission was appointed by Gauteng premier Mathole Motshekga to probe allegations against Duarte of corruption and mismanagement

In a line of questioning emphasising Maruping's aggrieved state, Potgieter put it to her that the perceived injustices included three internal inquiries she was subjected to last year and this year

Summing up, Potgieter said: "Ms Maruping, I will argue that you are given to blowing things out of proportion I will argue that you are petty in your approach to administration . more concerned with form than substance "

He said he would argue that Maruping was waging a vendetta against Duarte because, in her mind, she was the cause of the disciplinary hearings last year, one of which flowed from a double payment she made to a new recruit

The second departmental inquiry, relating to charges of selling jobs for R300, acquitted Maruping of all charges In the last inquiry, she was accused of having received a portion of someone else's salary.

Maruping testified that she felt she was a victim of unfair treatment — particularly when Duarte's spokesman, Mongezi Mnyani, who had been ordered to pay up after a government vehicle was used on an unofficial trip to Umtata, became investigating officer in one of the hearings

Andrew Lesheba, counsel for the department's head, Mkhabela Sibeko, and another Duarte spokesman, Mbulelo Musi, said Musi would deny a night visit to Maruping early this year was to get her signature on a false memorandum accepting that Duarte was not the driver of a government vehicle involved in an accident last year

Musi, Lesheba told the commission, would testify that the visit was prompted by a remark she made that support services director Theo Burgers, who was under investigation at the time, had been blackmailing her for years

In her response, Maruping said: "I would say that (Sibeko and Musi) are lying because I share offices with them They should have gathered their information during the day."

Gauteng local transport control officer for the safety and security department, Lerato Maruping, testifying yesterday at the Marumo Moerane commission of inquiry into allegations of mismanagement and corruption against MEC Jessie Duarte and her department

Picture LORI WASELCHUK

Duarte 'cannot pay' her lawyer

GAUTENG MEC for safety and security Mrs Jessie Duarte has withdrawn from the commission of inquiry into allegations of mismanagement and corruption by her and her department

Her legal representative, Mr Reenen Potgieter, told the commission yesterday that his brief had been terminated as Duarte could no longer afford his services.

Potgieter and the state attorney's office could not come to a satisfactory arrangement about the extent of financial assistance to Duarte

Duarte said she would continue to cooperate with the commission, but would only appear before the inquiry if subpoenaed

She said she could not appear without legal representation

Earlier Duarte's spokesman, Mr Mbulelo Musi, was unable to produce before the commission the original of a drivers licence he said he had obtained in KwaNdebele

The commission asked for the original licence on Monday after the department's transport control officer, Mrs Lerato Maruping, said Musi had only obtained his licence on January 9

Maruping said she had asked all staff in the department to submit copies of their drivers licences to her in December When she asked Musi for his he told her it was with department head Mr Mkhabela Sibeko

Sibeko told her he had left the licence at home, and Musi subsequently produced the licence issued on January 9

Musi's legal representative Mr Anton Leshila told the commission on Monday that Musi's original licence had been issued in KwaNdebele But when he approached the Department of Home Affairs for a copy they had no record of it.

Musi went for a retest in January Leshila told the commission Musi would produce the original licence yesterday But yesterday Musi produced an old ID book from which his KwaNdebele licence had apparently been removed – *Sapa.*

Duarte 'cannot pay' her lawyer

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Cash-strapped Duarte pulls out of inquiry

Star 4/3/98

(266)

Safety and Security MEC says she can't afford legal cost of being present at commission investigating her department

By Cecilia Russell
Political Staff

Gauteng Safety and Security MEC Jessie Duarte yesterday pulled out of the commission probing her department, saying she could no longer afford to pay legal fees estimated at R66 000 so far.

Neither Duarte nor her legal team was prepared to discuss costs yesterday But legal experts told The Star the commission could have cost Duarte in the region of R66 000. This is calculated at seven days for an advocate at about R5 000 a day, and nine days for an attorney at about R3 500 a day

Duarte's withdrawal was announced to the commission by her advocate Reenen Potgieter, who said. "Mrs Duarte cannot afford to pay me, and under the circumstance we cannot fund ourselves

"If you subpoena Mrs Duarte she will come to the commission but she does not have the luxury of sitting here listening to lie after lie while not in the company of her legal representatives."

And Duarte told the commissio.. "It was not willingly that we have taken this step but, honestly, it's a question of fund ng tn out of my own resources."

She was due to meet state attorneys today to negotiate funds for her legal battle.

Although the law on commissions in Gauteng does not commit the State to paying for any of the legal costs incurred, Duarte had already been offered some assistance by the Gauteng government.

The Star understands, however, that the state attorney's office which determines the extent of funds available, would be unlikely to offer more than about R4 000 for an advocate and R2 000 for a supporting attorney.

This means the amount offered will not be enough to

> **She does not have the luxury of listening to lie after lie**

pay her high-powered legal team, which consists of Potgieter and her attorney Rischard Cassim

Potgieter said Duarte had made representations to Gauteng Premier Mathole Motshekga and it had been agreed that legal fees would be paid from Monday this week. But the state attorney's terms were not acceptable to Duarte's legal team, Potgieter said.

The offer to pay was "an empty gesture", Potgieter said. And Cassim described the offer of assistance from the state attorney as "unacceptable".

Commission chairman Marumo Moerane said that, while he was personally reluctant to get into a dispute relating to fees and legal representations, he felt it was "highly desirable" to have legal representatives for the parties, especially as much of what was under the spotlight in the inquiry "happened during the course of their official duties".

In other developments yesterday, Sapa reports that Duarte's spokesman Mbulelo Musi was earlier unable to produce the original of a driving licence he said he obtained in KwaNdebele.

The commission asked for the original licence on Monday after the department's transport control officer, Lerato Maruping, said Musi obtained his licence only on January 9

Maruping said she had asked all staff in the department to submit copies of their driving licences to her in December

When she asked Musi for his, he told her it was with departmental head Mkhabela Sibeko Sibeko told her he had left the licence at home, and Musi subsequently produced the licence issued on January 9.

Licence wrangle in Duarte probe

ET 4/3/98

JOHANNESBURG. Gauteng Safety and Security official Mr Mbulelo Musi was yesterday unable to produce the original of a driving licence he claimed he had obtained in KwaNdebele

The commission of inquiry into allegations of mismanagement and corruption against Safety and Security MEC Jesse Duarte and her department heard that "licensing officials" had removed a copy of his licence from his ID book, saying he no longer needed it.

The commission had asked for the original licence on Monday after the Department's Transport control officer, Ms Lerato Marupng, said Musi obtained his licence in January.

She said she had asked all staff in the department to submit copies of their driving licences to her in December When she asked Musi for his, he told her it was with departmental head Mr Mkhabela Sibeko Sibeko told her he had left the licence at home, and Musi subsequently produced the licence issued on January 9

Musi's legal representative, Mr Anton Leshila, on Monday said that Musi's original licence had been issued in KwaNdebele But when he approached the Department of Home Affairs for a copy, they had no record of it.

Leshila told the commission Musi would produce the original licence yesterday. Instead, he produced an old ID book from which his KwaNdebele licence had been removed Commission chairman Mr Mairumo Moerane said the proper way to solve the matter was to wait for Musi to testify before the commission under oath

Meanwhile, Duarte yesterday said she has withdrawn from the commission for financial reasons

Her legal representative, Mr Reenen Potgieter, told the commission his brief had been terminated as Duarte could no longer afford his services Potgieter and the state attorney's office could not come to a satisfactory arrangement about the extent of financial assistance to Duarte

Duarte said she would continue to co-operate with the commission, but would only appear before the inquiry if subpoenaed She said she could not appear without legal representation —Sapa

Duarte quits commission

ARG 4/3/98 (266)

ARGUS CORRESPONDENT

Johannesburg – Jessie Duarte today pulled out of the commission probing her department, saying she could no longer afford to pay her lawyers

Legal experts estimated these had cost her about R66 000 so far

Neither Mrs Duarte nor her legal team were prepared to discuss costs

Her advocate, Reenen Potgieter, said: "Mrs Duarte cannot pay me and under the circumstance we can't fund ourselves"

Duarte legal team says she can no longer pay their fees

Bonile Ngqiyaza

BD 4/3/98

LAWYERS for Gauteng safety and security MEC Jessie Duarte dropped a bombshell at the Moerane commission yesterday afternoon, announcing the termination of their brief as she could no longer afford legal fees

The two-man commission of inquiry — headed by advocate Marumo Moerane — was appointed last month by Gauteng premier Mathole Motshekga to investigate allegations of corruption and mismanagement against Duarte

Advocate Reenen Potgieter told the commission a meeting with the state attorney on legal fees failed to produce results acceptable to the team. Another meeting between the state attorney and legal teams also in need of the state attorney's assistance is scheduled for today.

In what other legal teams later described as a "premature and improper" remark, Potgieter lamented that Duarte could be forced to appear before the commission of inquiry without legal representation and listen to what he said was "lie after lie" told by witnesses.

He expressed strong views on the quality of evidence brought against Duarte, saying that to call it false would not do it justice.

"It has swerved from fiction to lies," Potgieter said.

Counsel for the Democratic Party (DP), advocate Paul McNally, objected to the claim, saying it was an "improper and premature" submission

Potgieter said the submission was a view adopted by his team from the onset.

"Mr Chairman, I have expressed those views, I won't take (the matter) further".

Chairman Moerane said he was reluctant to enter into a dispute relating to representation and fees. However, it would be "highly desirable" to have (Duarte) represented, particularly when the matter being investigated related to public duty

Duarte and her lawyers indicated she would be willing to return to the commission if subpoenaed, but said a lack of legal representation would be prejudicial to the case she wanted to make

The DP opposed the suggestion that the state attorney pay for Duarte, pointing out that, while in essence it was the complainant in the matter before the commission, the party had gone to the expense of paying its own legal fees

Support services director Theo Burgers empathised with Duarte and her legal team

His view was that funding should be provided by the state.

Duarte back at probe after promise of help

Star 5/3/98 p26

By Cecilia Russell

Safety and Security MEC Jessie Duarte returned to the Moerane Commission of Inquiry yesterday after Gauteng's executive council promised her state help for her legal expenses.

On Tuesday, Duarte claimed she could no longer afford to pay her legal team.

In a letter to the state attorney, which was read to the commission, Gauteng Premier Mathole Motshekga said the executive council also guaranteed state assistance to other government officials involved in the hearings

The DP said it found the claim that the executive committee would guarantee that the state would pay legal expenses for Duarte and the officials "astonishing"

It also slated Duarte's interview with Radio 702, saying it seemed the interview anticipated the commission's findings

Commission chairman Marumo Moerane called for transcripts and said "if (the interview) amounts to an offence, appropriate steps will be taken"

In other developments, safety and security department communications director Mengezi Mnyani told the commission he had obtained the letter dated November 11 exonerating Duarte from involvement in an accident – in which the MEC's car was involved – from the file of the department's transport officer, Lerato Maruping

Maruping on Tuesday told the commission that this letter, bearing her signature, was a forgery and that her colleagues Mkhabela Sibeko and Mbulelo Musi had paid her a late-night visit on February 4 to coerce her to sign a similar letter

Mnyani said he had visited Maruping on February 4 and inquired about the letter she wrote. She said it had been confirmed to her that Duarte was driving her official vehicle when it was involved in an accident on October 18

Mnyani asked for her accident file and found two similar copies of letters, both dated November 11, and the accident report Just after 6pm he faxed the letter, the report and a press statement to The Star, he said

■ The ANC's Gauteng section has denied that a meeting held on Tuesday evening was to "discuss the future" or the ousting of Duarte

Councillors to get R4,5-m

(266) Sowetan 5/3/98

By Joshua Raboroko

THE Greater Johannesburg Southern Metropolitan Local Council has budgeted for an estimated R4,5 million towards the mayor's, executives's and councillors' allowances and other benefits for the present fiscal year

According to a report of the executive committee meeting, the mayor will be paid a monthly allowance of R16 000, the 10 executive members R12 000 each and the 59 councillors R4 000 each

The report was confirmed to *Sowetan* by the council's finance and budget executive Mr Shaun Balton, who said the council had been asked to consider its allowances to councillors

The council will pay an additional allowance of R250 to each executive and councillor for each meeting of the Greater Johannesburg Metropolitan Council they attend

However, the council has stopped the monthly travel allowance of R3 895,50 to each member of the executive committee and the chairman, saying a logbook system should be introduced for all members using their own car

It was also resolved that all councillors who received an additional allowance of R1 000 from March 1 1997 to June 1997 should repay the R4 000 to the council with effect from February 1 1998.

The report was considered after Gauteng MEC for development planning and local government Mr Sicelo Shiceka sent a circular requesting all local authorities in the province to revise their budgets

Province to pay MEC's legal fees

DP 'astonished' at executive decision to pay Duarte's lawyers

THE Gauteng provincial executive agreed yesterday to pay the legal fees of MEC for safety and security Mrs Jessie Duarte and those of her officials involved in the commission of inquiry into allegations of mismanagement and corruption against her and the department.

According to a letter sent to state attorney Ms Kalyani Pillay, the payments would be backdated to the start of the commission on February 16

Duarte and her legal team withdrew from the commission on Tuesday, saying she could no longer afford the fees

Her lawyers and the state attorney's office did not agree on how much help Duarte needed to be represented

But her legal team, Rischard Cassim and Reenen Potgieter, were back at the commission yesterday morning after Premier Mathole Motshekga wrote to Pillay about the executive's decision

Pillay yesterday instructed interested parties to make written representations to her, and said she would use her discretion to decide on the extent of the aid

Intervention

When the commission resumed, the Democratic Party's Mr Peter Leon objected to Motshekga's intervention He said the Premier was using discretionary powers he did not have and it was up to Pillay to consider the matter

Leon said he wrote to the Premier, informing him that the DP found his actions astonishing and impertinent

He said if Motshekga went ahead with the allocation of funds the DP would consider it unauthorised expenditure and would ask the Gauteng auditor-general to intervene

When the inquiry was about to resume yesterday, Leon asked that Duarte's conduct on a Radio 702 phone-in programme on Tuesday night be discussed

Duarte was on journalist Jon Qwelane's radio show and the commission has asked for the tapes of the programme, in which the public also participated.

Leon said it seemed from the programme that Duarte had anticipated the commission's findings and conveyed selectively her version of events as presented to the commission – *Sapa*

Centralisation will hasten Jo' burg's decline

(26L) BD 5/3/98

The committee of 10 set up to run Johannesburg might be a short term cure but a long-term poison, writes Frances Kendall

JOHANNESBURG's financial crisis has precipitated a situation in which the city is being run by a single committee known as the committee of 10, under the guidance of various private sector consultants.

During the past four years a series of disastrous political decisions by inexperienced councillors has brought the city to its knees. The private sector consultants are giving the committee of 10 good advice which must be followed if Johannesburg is to be saved

In that a crisis requires drastic measures, the current situation is welcome Only stringent cuts in expenditure and proper debt collection and billing procedures can prevent the city grinding to a halt, and only authoritarian measures can discipline the various councils to undertake these measures.

The work of the consultants has been important in that it has forced the ANC to face unpalatable truths and shocked it into some understanding of the dire predicament of the city

However, the status quo includes negative aspects which cast a shadow on the city's future Democratic processes have come to a halt

The metropolitan council and four local councils have ceased to take meaningful decisions.

Theoretically the committee of 10 is subject to the various councils and their executive committees, de facto the committee takes all the important decisions regarding expenditure and staff matters and the exeecutive bodies and councils are not involved at all

The centralisation of decision-making in the committee of 10 foreshadows the ANC's plans for a megacity — indeed it heralds the end of Johannesburg's short-lived flirtation with two-tier metropolitan government — from now until the next local government elections Johannesburg will probably continue to be run by one committee

This bodes ill for the future, because although some of the short-term recommendations of the technical advisers need to be imposed with a heavy hand, the proposed long-term measures to build a healthy city require flexible and diverse solutions which depend on decentralisation of decision-making, and devolution of power

Investigations by the private sector financial technical task team under the chairmanship of Jeff van Rooyen proved that without severe budget cuts there will be no money left to supply services in Johannesburg by the middle of this year, Consequently the financial team has recognised the five councils' budgets to control cash flow and introduce proper billing and debt collection procedures, and the consultants monitor the financial management of the city on a weekly basis

The committee of 10 has accepted the need for the following cuts R30m for public lighting has been reduced to R50 000 in the CBD, R8,6m for the electrification of affordable housing has been reduced to R2,7m, R9,60m for upgrading inadequate infrastructure has been cut to R2,5m, R35,412m for refurbishment of Kelvin and Orlando has been reduced to R5,5m for Kelvin only, buses cut from R11m to R1m, taxi ranks from R6,8m to zero, and sewerage from R262,9m to R182,7m

These unavoidable cuts mean that existing infrastructure will not be upgraded and will continue to deteriorate, and the much vaunted promises of new infrastructure for the poor will not transpire. Survival is contingent on a downward slide of services

In addition to the financial task team, a consortium of consultants headed by Price Waterhouse was engaged by the councils to conduct an organisational review.

This team has identified a number of fatal flaws in the current system These include:

- ☐ Too many people in management;
- ☐ Too many managers in support functions and too few in operational positions,
- ☐ Over-generous benefits for managers;
- ☐ Uncompetitive service delivery;
- ☐ An abundance of non-core activities;
- ☐ Unclear roles and responsibilities; and
- ☐ Overlapping and duplication.

The organisational review team argues that to restore the city to health the councils must cut out all extraneous activities and focus on the delivery of key services.

The organisation must be decentralised and employee benefits become realistic. The roles and responsibilities of the various departments and the councils must be described and the councils must not unambiguously and should overlap Services that can be provided more efficiently and cost effectively by the private sector must be outsourced

The private sector consultants to the city have avoided the highly political issue of the megacity's constitutional structure This is understandable, but what are the chances of achieving their goals in a megacity?

The answer is nil — unless Johannesburg can succeed under circumstances where all other cities have failed.

Throughout the world, wherever centralisation has been tried to solve the problems of big cities, it has always failed

The committee of 10 may be able to snatch Johannesburg from the jaws of disaster now, but the executive of the megacity will discover that concentrated power will not solve the city's long-term problems

On the contrary, centralisation will hasten Johannesburg's decline

☐ Kendall is a councillor in Johannesburg's eastern metropolitan substructure

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THE Convention on International Trade in Endangered Species of Wild Fauna and Flora (Cites) was powerless to prevent the destruction of tropical rain forests and coral reefs

It failed to prevent poachers from killing half the elephants in Africa in just 10 years.

In spite of Cites, the number of African black rhinoceroses plummeted 95% Some species of seal, whale, turtle and tiger, as well as several species of alligators and snakes, could soon be extinct

Yet conservationists do not consider it a total failure. "If Cites did not exist it would have to be invented," said Jon Hutton of Africa Resources Trust in Harare, Zimbabwe.

Created on March 3 1973, Cites turned 25 this week. Its task has been to try to limit trade in wild animals and plants and so prevent their extinction.

About 5 000 different species of animal and 25 000 species of plant are protected by Cites Nonetheless, illegal trade in these species and in products derived from them, such as tiger ointments or rhinoceros horn powder, continues to flourish.

Smugglers frequently drug exotic animals to export them live.

Two men in Papua New Guinea

Gauteng agrees to pay Duarte's legal fees

(254) (266) BD 5/3/98

Bonile Ngqiyaza

THE Gauteng cabinet has agreed to foot the legal bill for safety and security MEC Jessie Duarte after her lawyers said on Tuesday that they were ending their services as she could not pay her legal fees

Gauteng will also pay for other department officials appearing before the Moerane commission probing irregularities in Duarte's department. The lifeline, announced after a meeting of the provincial cabinet yesterday, will be backdated to when the commission began sitting.

The move was criticised as a "blatant interference" in the discretion of the state attorney, with the Democratic Party (DP) suggesting it was illegal.

In a letter to the state attorney, Gauteng premier Mathole Motshekga said the cabinet believed all the state officials called to testify should be provided with counsel of their choice within the parameters of the regulations.

Continued on Page 2

Duarte (254) (266)

Continued from Page 1

BD 5/3/98

The DP said neither the Gauteng government nor its executive had powers to direct the state attorney to provide legal assistance at state expense to officials appearing before the commission. It described the announced bale out as an "impertinence" — particularly after an invitation yesterday by the state attorney to interested parties to make representations to her about the matter.

Gauteng DP leader Peter Leon said unless the matter was resolved properly, the DP would be forced to call for the auditor-general's intervention.

The two-man commission of inquiry, headed by advocate Marumo Moerane, was appointed last month by Motshekga to investigate allegations of corruption and mismanagement against Duarte and her department.

The commission yesterday heard evidence on whether Duarte had a driver with her on the day a government vehicle was involved in an accident last year.

A diary entry by SA Police Service member Suzette Gordon, who testified that a meeting between her and Duarte was to have taken place before the accident occurred, appears to contradict Duarte's entries indicating the meeting was for later that day.

Advocate Reenen Potgieter, for Duarte, emphasised the power tussle between the department's administrators and policy makers. He said support services director Theo Burgers and local transport control officer Lerato Maruping were running subdivisions from which most of the mismanagement and corruption ascribed to the department emanated.

Council suspends three members

(266)

Jan 6/1998

Mawufa

By Joshua Raboroko

THREE staff members of the Greater Johannesburg Southern Metropolitan Local Council have been suspended after investigation of various allegations of maladministration and corruption estimated at involving hundreds of thousands of rands

In a circular to employees and senior personnel, SMLC chief executive officer Mr Chris Ngcobo said the members were suspended pending finalisation of the cases

The police were investigating allegations of theft of council vehicles, furniture and computers and claims of accepting bribes from customers in the execution of their duties

Ngcobo said to maintain a respectable and sound administration within the SMLC, a disciplined staff was a prerequisite

The staff had been notified that R1 000 reward would be paid to any person providing information that led to conviction of any employees found guilty of a contravention of the regulations

Information in that regard should be forwarded to the office of the CEO

Some of the punishable offences included the misuse of council property and corruption

Councillors have also complained about the misuse of council vehicles, saying some had "disappeared, while others were driven by unauthorised people"

Duarte letters 'missing' from computer backup

(266)

Information technology experts could find no trace of files in safety and security department, commission told

Star 6/7/98

SAPA

Letters handed to the commission of inquiry into allegations of corruption and mismanagement against Gauteng safety and security MEC Jessie Duarte and her department were missing from the department's computer back-up files, the commission heard yesterday.

Commission facilitator Niel de Villiers said information technology experts brought in to assist the commission could find no trace of two letters officials testified about earlier.

The first letter, dated November 10, was given to transport control officer Lerato Maruping by department head Mkhabela Sibeko.

The letter stated that Duarte's driver, David Sons, was driving the MEC's vehicle when it was in an accident on October 18

The letter was apparently a response to a letter drafted by Maruping on November 3, saying her information was that Duarte was driving the car.

One of the allegations is Duarte was driving the car without a driver's licence at the time of the accident.

Maruping testified earlier that Sibeko gave her the letter exonerating Duarte to sign on February 5 this year, but it was backdated to November 10.

She also said Sibeko and Duarte's spokesman, Mbulelo Musi, had visited her at home the previous night and asked her to sign another letter, backdated to November 11, stating she was satisfied with the explanation Sons was the driver.

The November 11 letter was also missing from the computer, De Villiers said. There were also no copies of the November 10 letter among Sibeko's documents.

Safety and security spokesman Mongezi Mnyani earlier told the commission he had seen the November 11 letter in the accident file.

He had faxed a copy of the letter to The Star on February 4 with a statement saying Maruping had confirmed the November 3 letter, which implicated Duarte, was dictated to her by department director of support services Theo Burgers.

It was put to Mnyani by Burgers' counsel, Edmund Wessels, that he had drafted the statement. Mnyani denied this, saying Musi had drafted it

Mnyani's cross-examination yesterday was characterised by answers such as "I don't know" and "I can't remember".

■ The Star's Political Reporter Hopewell Radebe reports the Gauteng cabinet's decision to pay legal costs for Duarte foiled her intentions to resign from her post before the commission of inquiry could complete its function, according to sources.

Sources close to Duarte said yesterday she had planned to relinquish her post in a bid to save her political career.

Duarte lays into Motshekga

CP 8/2/98

Remarks by Jesse Duarte could trigger a rift within ANC

By SEKOLA SELLO

AS BELEAGUERED Gauteng Safety and Security MEC Jessie Duarte battles for political survival, the question being asked in political circles is why did she choose to go on a radio talk show programme to attack Premier Mathole Motshekga and also question the integrity of the Moerane Commission?

It is generally agreed that she could not have been unaware of the implications of her attack on Motshekga, which indirectly challenged the integrity of the commission

There is a school of thought which avers that her broadsides against Motshekga could be calculated to trigger another bloodletting between the two powerful ANC factions in the province and cloud the gravity of the problems she is facing

Duarte's claims that unnamed people surrounding Motshekga were waging a vendetta against her could revive the differences between the "pro Motshekga and anti Motshekga" factions in the ANC Gauteng provincial administration

Speaking on a radio talk show this week, Duarte said the government could have used other structures within the legislature instead of instituting a commission, which she hinted was a waste of money.

The Democratic Party has accused Duarte of anticipating the findings of the commission and also of impugning the integrity of Motshekga and the commission by claiming that its institution was a waste of money.

Differences between the two ANC factions in Gauteng emerged last year after Tokyo Sexwale announced that he was stepping down as premier and ANC chairman.

Duarte aligned herself with those who opposed Motshekga. After several months of a debilitating power struggle, Motshekga brushed aside opposition from Amos Masondo and Frank Chikane.

Following his election as provincial Premier and ANC chairman, the party hurried to paper over the cracks in the provincial leadership. For two months there was a semblance of peace and unity – until this week when Duarte fired what could be the first salvoes in intra-party fighting

Apart from claiming a vendetta against her, Duarte said the commission was not a proper mechanism to test the allegations levelled against her, which include driving a government vehicle without a valid driver's licence, mismanagement, the inappropriate employment of a consultant who was paid almost R300 000 and an unauthorised overseas trip for a friend.

A day after Duarte criticised her leader on the talk show, ANC spokesman in Gauteng Obed Bapela spoke to another talk show host in glowing terms about Duarte's role in the struggle days

He cited her many spells in detention and general harassment by the State.

It is open to conjecture whether this was purely coincidence or if there is more to it than meets the eye

While the ANC provincial leadership is not expected to distance itself from Duarte – after all nothing has yet been proven against her and she is still presumed innocent until proven otherwise – it might have been prudent for Bapela to have been neutral until the commission had run its course.

Two years ago when the storm broke around former Western Cape provincial chairman Allan Boesak, the ANC rallied around him and, just like Duarte today, his struggle credentials were bandied about. This was despite the fact that he was facing what should have been an embarrassing if not damning charge – allegedly taking money from overseas donors which was meant for the poor – to maintain an ostentatious lifestyle.

Given the seriousness of the allegations against her, it is doubtful whether Duarte will continue as an MEC Her criticism of Motshekga may be the final straw that could force the Premier to axe her.

Duarte's bodyguard admits that he lied

Bonile Ngqiyaza

BD 9/3/98

GAUTENG MEC Jessie Duarte's bodyguard David Sons admitted to the Moerane commission that he lied deliberately while under oath when he testified in his first appearance that he found his police pocketbook by chance in a police drawer.

Sons altered his evidence at the weekend, saying the original pocketbook from which he copied entries leading up to an accident involving a government vehicle on October 18, had been at home.

Commission chairman Marumo Moerane refused to comment on Sons' testimony, saying it would be dealt with at the close of the commission.

The weekend appearance, Sons' second before the commission, was for him to be cross-examined on government garage employee Dawn Hartzer's testimony last week that Sons had given the impression Duarte was the driver of a car involved in the accident last year

Hartzer said she gave Sons a form and told him Duarte should complete it, as he had told her he was not the driver. But when Sons returned the form, she noticed he had completed the form. Asked the reasons, he said he did not want drama.

Sons has already testified that he had obtained illegally a second police pocketbook.

The two-man commission was appointed last month by Gauteng premier Mathole Motshekga to probe allegations of corruption and mismanagement against Duarte and her department.

Parties lambast premier's R5-million publicity plan

By Hopewell Radebe
Political Staff

(266)

Gauteng Premier Mathole Motshekga will spend R5-million on a communications strategy, including roadshows, to promote infrastructure projects worth R1-billion.

Government spokesmen yesterday defended the expense, while opposition politicians lambasted the cost

Johan Kilian of the NP has accused the premier of using public money to promote the ANC ahead of next year's elections "This is part of their electioneering campaign "

And the DP's Gauteng leader, Peter Leon, said the "amount is completely excessive and the premier cannot justify to the people why it should be spent on promoting the Gauteng government's propaganda while schools are without books".

But Motshekga's spokesman Makhosini Nkosi said: "The programme is specifically to promote the R1-billion worth of projects the premier announced at the opening of the legislature "

Gauteng communications director Noel Ndhlovu said his department requires general support to assist in the implementation of the communications strategy, which was approved by the provincial cabinet last year

The communications strategy was put out to tender recently and applications closed on Friday The successful tenderer will probably be announced before the end of the month.

Star 10/3/98

Contradictory evidence given at Duarte inquiry

By Cecilia Russell

Gauteng MEC for Safety and Security Jessie Duarte's media officer Mbulelo Musi contradicted the testimony of his colleagues at the Moerane Commission of Inquiry yesterday.

Musi told the commission he found two letters dated November 11 bearing transport officer Lerato Maruping's signature on the desk of his colleague Mongezi Mnyani on the morning of February 5.

Musi said he had instructed Mnyani to fax through a media statement, a report about a trip which Duarte took to Portugal, and a letter allegedly signed by Maruping to The Star on the evening of February 4.

He said he instructed Mnyani to send the letter because he had had an urgent meeting at 4pm on February 4. Musi then visited the offices of The Star with the deputy director-general of the department, Mkhabelo Sibeko.

Because he was not going to return to the office, he had told Mnyani to fax the press release that was designed to clarify the issue of who was driving when Duarte's official car was involved in an accident on October 18 last year.

Last week, Mnyani testified and confirmed under cross-examination he had noticed two similar letters in Maruping's accident file.

He had assumed they were identical and returned one of the letters to the file.

DP advocate Paul McNally accused Musi of lying because "Mnyani had left the other letter in the file".

Musi said he had been dealing with an avalanche of media inquiries after the DP had made the allegations known. He said he felt the media's handling of the allegations was one-sided and did not reflect the full picture, and he had decided to send the letter and other documentation to The Star.

Musi said he ridiculed allegations of forgery when asked to comment on claims that The Star was in possession of two documents from the office that were apparently not the same.

Musi denied having forced Maruping to sign a letter backdated to November 11 on the night of February 4. He said he and Sibeko had gone to Maruping's home to discuss charges against Theo Burgers, who had been suspended from work.

McNally also cross-examined Musi on questions put to Duarte's bodyguard David Sons at a meeting held on the morning of February 4.

Musi explained that Duarte had asked Sons whether she had instructed him to report the accident to the Government Garage; whether Sons was pressured to make a statement, and whether Sons ever told Maruping he was not driving the car

Musi said Duarte had asked the questions because it was necessary to provide the media with a clear picture of what was going on

McNally accused Musi of fabricating a letter absolving Duarte of driving the car when it was involved in an accident on October 18, and Musi denied the charge.

Jo'burg joins those who can pay their way

Star 12/3/91

Gauteng's principal city wards off bankruptcy, but there are plenty others in deep financial trouble

(266)

By Lee-Ann Alfreds
City Desk

Johannesburg is no longer on the brink of financial collapse and now ranks among, Gauteng's most financially viable municipalities along with Midrand and Khayalami.

Gauteng Local Government MEC Sicelo Shiceka said yesterday that Johannesburg had turned the corner and was considered a category 1 local authority

Municipalities on the brink of collapse were Brakpan, Bronkhorstspruit, Cullinan and Vereeniging/Kopanong, he said These are category 4 municipalities.

Category 1 refers to municipalities that have the "managerial and financial resources to handle their own affairs with only minor instructions from the provincial government" Category 4 councils are municipalities who "lack both the managerial skills and financial resources to handle their own affairs and will need provincial government or outside assistance"

Other category 1 municipalities are Khayalami, Pretoria, Alberton, Centurion, Midrand, Lekoa/Vaal, Benoni, Boksburg, Germiston, Heidelberg, and Kempton Park/Thembisa

Carletonville, Edenvale/Modderfontein, Westonaria and Northern Pretoria fell into category 2, while the financial situation of category 3 municipalities Krugersdorp, Nigel, Randfontein, Springs and Western Vaal was grave, Shiceka said.

The categories are based on benchmarks determined by Project Viability, a national study of the financial and administrative capacities of cities and towns.

Johannesburg's new status follows the intervention by the province in October to ward off looming bankruptcy 'At the time of the intervention, Johannesburg had defaulted on payments to Eskom and its other suppliers for months and had been forced to abandon certain services in favour of others.'

A financial review of the financial situation subsequently revealed that Johannesburg's five municipalities were overspending by R130-million a month and would be bankrupt within about three months if matters were allowed to continue.

But Shiceka said yesterday Johannesburg had turned the corner and had the financial resources, as much as the administrative and managerial capacity, to be financially viable.

Shiceka said provincial authorities had intervened in the category 4 municipalities and ordered them to set up technical task teams to revise their budgets and implement cr control measures.

The province had also spent about R12-million to help municipalities, and more money was intended for Bronkhorstspruit, Cullinan and Lekoa/Vaal, he said

Shiceka said the money was not an attempt to bale out the local authorities, but was rather to help them with debts they had inherited

Local government department head Silas Mbedzi said non-payment and mismanagement constituted a very small component of the municipalities' debts.

Shiceka said he would issue a circular tomorrow to ensure that municipalities implemented credit control and that chief executive officers would be held accountable

Duarte driver's story backed by her media officer

Star 12/3/98 (26) (2nd)

By Cecilia Russell

Safety and Security MEC Jessie Duarte's media officer said yesterday that Duarte's driver's statement, about a meeting held in February, was true.

Mbulelo Musi agreed with a statement by Duarte's driver, David Sons, that during a meeting on February 4, Duarte had asked Sons why he had made a "false statement" reporting that it was he and not Duarte who was driving her official vehicle when it was in an accident in October.

Musi agreed that Sons said he made the statement in order to have "the car repaired".

Sons testified earlier that Duarte had asked him if she had pressurised him to make the statement and he had replied that he felt no pressure. Musi agreed that this was his understanding of the meeting.

Musi later denied aspects of The Star journalist Hopewell Radebe's version of his visit to The Star on February 4.

He disputed the story that he and Mkhabela Sibeko came to The Star offices between 5.30 and 5.45pm and that he had been shown a letter by Radebe, written by transport officer Lerato Maruping on November 3, which stated it had been "confirmed" that Duarte and not Sons was driving her vehicle when it was involved in an accident.

Earlier in the proceedings Musi's advocate Sezile Memani tried to ban the media from the proceedings.

He objected to reports on Radio 702 and Sowetan which, he said, stated his client was not at the proceedings on Tuesday.

He also objected to a report in The Star which focused on the contradictions between Musi and his colleague Mongezi Mnyani's evidence. He said the report "puts my client in a bad light, as though he was not co-operating".

He felt the media should focus on both sides of the story and The Star had failed to report on some successes of the safety and security department.

Jessie Duarte's tough image a key factor in inquiry

00 12/3/98 (Sat)(A6)

The picture painted of Gauteng safety and security MEC Jessie Duarte at the inquiry into mismanagement and corruption allegations against her is one of a tough and uncompromising woman, writes Bonile Ngqiyaza

Jessie Duarte and her department have been shrouded recently in allegations of corruption and mismanagement

IN MANY ways, Gauteng safety and security MEC Jessie Duarte calls to mind the teak-tough, uncompromising image embodied in, or at least cultivated by, another personality in SA politics — Winnie Madikizela-Mandela.

Duarte and Madikizela-Mandela have had a tempestuous, largely antagonistic, relationship with the media because of suspicions that it, on the whole, has not been fair to them personally or to their work.

Both have been forthright in their political views — including in matters affecting the ruling African National Congress (ANC) — to a point where they have publicly expressed views at variance with either the organisation or the popular will of its supporters

What subsequently happened to Madikizela-Mandela is a matter of public record In Duarte's case, speculation and rumour — which the Gauteng ANC has consistently rejected as false — abound that she is on her way out because she has finally fallen out of favour with powerful people in provincial structures and government

Denials are not enough, however, as it is a fact that Duarte is facing a commission of inquiry into her department, very much alone and with few prominent people in leadership positions seen at the Karos Indaba Hotel in Fourways, Johannesburg

Political allies attending the commission set up last month by Gauteng premier Mathole Motshekga to probe allegations of corruption and mismanagement into her department have been limited to a circle of close friends and colleagues

And Business Day has it on good authority a public service commission report on her department that is critical of the actions of at least one protagonist in the tug-of-war between her and some of her officials was disallowed before a provincial cabinet meeting this week.

During the past week, the Moerane commission probing allegations of corruption and mismanagement in Duarte's department has heard from at least two witnesses how they had been on the receiving end of her volatile temper

The perception of her as a person who witnesses say engenders fear is one her legal team does not seem to want to counter In fact, it seems part of the team's strategy to show that quite a number of the witnesses against her are motivated by feelings of resentment, and a largely imagined perception of one injustice or another at Duarte's hands

The only counterpoint to this, thus far, has been Duarte's personal friend Kerensa Millard In testimony this week she said she had admiration and respect for Duarte, describing her as a direct, straight-talking person who "if she does not like something, she tells you"

This differed vastly from departmental local transport officer Lerato Maruping's own evidence, that she was apprehensive of Duarte after a clash over a memorandum she wrote questioning a report that Duarte had not been driving a government vehicle involved in an accident last year

At least three other witnesses — bodyguard David Sons, Gauteng internal auditor Ntombizodwa Lekubu and government garage employee Dawn Hartzer — all at some stage had head-on clashes with Duarte

Questions directed at safety and security officials by the DP's legal representative, advocate Paul McNally, and by those representing support services director Theo Burgers have, in the main, sought clarification on who authored a letter — which the commission has been told is a forgery — purporting to be from Maruping, accepting that Duarte had not been driving the vehicle involved in an accident

Among other issues that Burgers' lawyer, advocate Edmund Wessels, has seemed eager to counter, are allegations he said were by department officials and contained in a public service commission report and in the media last month, stating that Burgers admitted leaking information outside the department.

The public service commission report recorded that Burgers vowed to continue the practice with the intention of undermining public confidence in the department The department, in one of the first briefings on the issue on February 2, described his conduct as blackmail

Advocates Reenen Potgieter, who leads the team representing Duarte, and Fezile Memani, for department spokesman Mbulelo Musi and head of department Mkhabela Sibeko, have concentrated on questions that emphasise the conflict between two opposing factions — the policy-making sub-division and the administrative section

The line of questioning emphasises that financial mismanagement, corruption and incompetence emanated from the administrative sub-division. The witnesses from the policymaking section called before the commission so far have stressed their inexperience at the time most of the staff was hired permanently in 1996

All the legal teams appear to be aware of the political dynamic the presence of the DP lends Whatever the findings of the commission, these could well be used by both the DP and the ANC in their electioneering next year to paint themselves as intolerant of government corruption.

As if he had this in mind, commission chairman Moerane told McNally this week that he would allow questions related to Duarte's personal relationships, but would do so only reluctantly

"People's reputations have to be safeguarded here," he said.

Retrenchments certain as Gauteng aims to cut salary bill

(266) Star 19/3/98

By Cecilia Russell
Political Staff

Gauteng wants to cut its salary bill to half of its total expenditure and wants to retrench public servants to achieve the goal, Finance MEC Jabu Moleketi told the legislature yesterday.

He repeated President Nelson Mandela's statement that the "Government is not an employment agency" and said it was necessary to reduce the province's spending on the public service from 60% of the total R15,07-billion budget to about 50%. The education department spends 86% of its budget on personnel

While the budget provided for existing personnel, the current pattern was not sustainable in the long term, especially as this "squeezes out other spending on items such as capital projects, textbooks and stationery for schools, and medical supplies", Moleketi said.

"Once a retrenchment tool is in place, we will make use of it to become a more developmental government," he said, adding that retrenchments would be carried out in consultation with trade unions and worker representatives.

Revenue to the province would be boosted by a 10% increase in vehicle licence fees in June, and the province would try to collect R80-million owed to it by local authorities that collect licence fees for the province

Moleketi announced a hotline for the reporting of fraud and corruption in the provincial administration Last year, 83 cases of fraud were investigated, with 61 resulting in disciplinary hearings In a large number of cases, criminal investigations are continuing

"Tell us in confidence if you have any knowledge of, been party to or are aware of acts of corruption and fraud. A teacher sitting in a shebeen during school hours, I want to know about it An official receiving kickbacks, I want to know about it .. Any act that smells fishy, I want to know about it We commit ourselves to zero tolerance on fraud and corruption "

The hotline number to phone is 0800 600 933

Moleketi committed the province to "combating the scourge of Aids" and had put aside R44-million from the proceeds of the restructuring of horseracing and an additional R3-million from other sources

He challenged big business – Anglo-American and De Beers and the province's bankers, Standard Bank – to divulge what they were doing about "this terrible epidemic that is sweeping our province".

Moleketi said his budget had been presented in the context of a province that had huge disparities in access to education, economic resources and health.

Education was allocated R5,83-billion – marginally up from last year – of which R203-million was allocated to building new schools

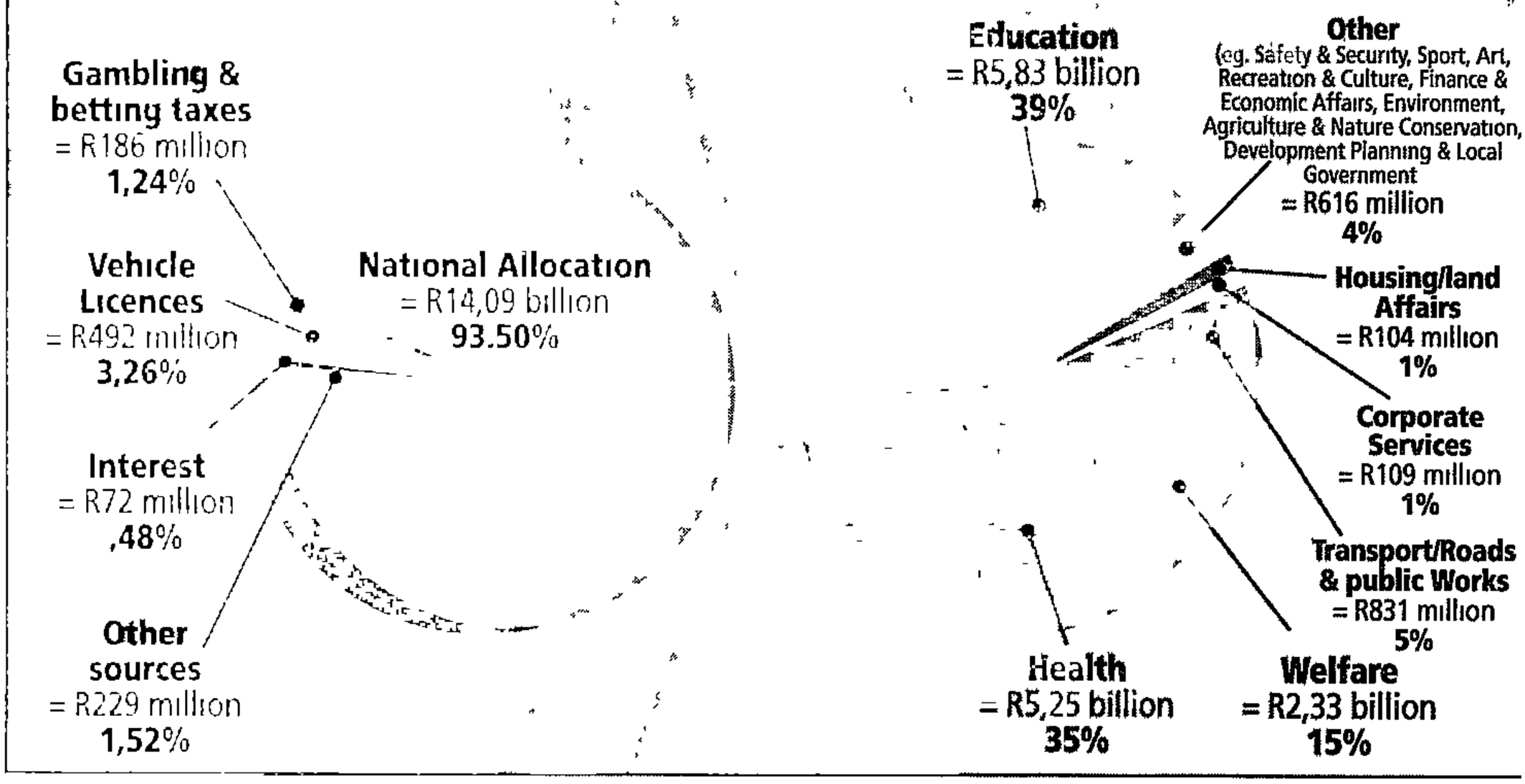
The health budget increased by 3% from last year and was allocated R5,25-billion – of which R546-million would be spent on capital projects including clinics and improvements to hospitals.

Some R1,9-million of the allocation was in the form of a conditional grant from the

► To Page 2

GAUTENG BUDGET

Where the money comes from . . . and how it is spent



Retrenchments of public servants certain as Gauteng aims to cut salary bill

From Page 1

national Government to fund tertiary healthcare and medical-training functions.

"It has now been recognised that central referral hospitals and medical-training facilities are national resources that should be funded by a conditional grant," Moleketi said

Welfare received R2,33-billion, up from R2,17-billion last year, for grants to its 316 000 beneficiaries.

The province allocated R1,1-billion of the overall budget to build new roads, schools, clinics and houses and the upgrading of existing facilities

"The objectives of the capital programme are to address capital backlogs left by the inequalities of the past, to create employment, to enhance skill development, and to provide opportunities for small, medium and micro enterprises," he said.

"We call upon better-off communities, whose historical circumstances are known to all of us, to share in the emotional and spiritual fulfilment that comes from extending services and improving the livelihood of the poor, who for reasons which were not of their own making, found themselves at the bottom end of society," Moleketi said

"With the limited resources that we have, let us extend the vision of a better life to all South Africans, particularly Africans, coloureds and Indians." The province would collect R186-million from gaming taxes, including horseracing, casinos and other forms of gaming

Casinos would be taxed at 9% of their gross gaming win but the horseracing industry tax would decline from 9% to 5% of the net turnover from the day the new horseracing company is listed on the Johannesburg Stock Exchange

GAUTENG'S BUDGET

Better management, more redistribution

(266) FM 20/3/98

Finance MEC Jabu Moleketi's approach looks credible

The airconditioning in Gauteng chief treasury director Pradeep Maharaj's office is programmed to switch on at 8 30 am and switch off at 4 pm A small measure it might be, but applied to the entire Gauteng Economic Affairs & Finance building, it is saving the taxpayer R10 000 a month

It is certainly a less controversial change than last year's rearranging of overtime management in the province's hospitals, or the decision not to top up the stock of textbooks, but it shows Gauteng is serious about cost savings at all levels

Finance MEC Jabu Moleketi tabled his provincial budget this week Like national Finance Minister Trevor Manuel's Budget, the R15bn Gauteng budget is tight, and it makes no bones about its intention to redress inequity Indications are that, after last year's teething problems, the province will make inroads into better delivery

It's been a tough year for Gauteng The province's adjustments budget — in which figures are adjusted to actual spending — for 1997/1998 showed an 11% increase in health expenditure "We've had a 4% rise in patient admissions and a 22% rise in headcount at outpatients and casualty, which works out to an extra 1,4m people," says Maharaj

And there was a 6,4% increase in pupil enrolments, compared with an average of about 3% over the past five years

Because of the pressures on spending, Gauteng has planned for bridging finance of about R290m to cover shortfalls in the budget

Maharaj says the exact amount of the province's overdraft is expected to be closer to R200m because of outstanding cheques and cashflow factors

"We've set aside a R234m reserve to pay the overdraft, and the full amount will be retired in the first week of April We're trying to make sure we won't run into that problem again "

The province's list of priorities includes reducing personnel costs from 60% of spending to 50% within the next three years That requires a "retrenchment tool" from national government

But the moratorium on public service retrenchments cannot be lifted, because severance packages are too costly, says Maharaj

So national government has to renegotiate the lifting of the moratorium, linked to an affordable package That has been tabled at the central bargaining chamber

If the problem is solved, Gauteng will be able to catch up its infrastructure backlog in five years If not, it will take seven The health backlog has been audited at R2bn, education at about R500m and roads R1bn

An amount of R1,1bn has been set aside for those departments in the 1998/1999 year That's about 7,5% of spending Gauteng aims to grow it to 10,4% in three years' time — 15% if it can retrench

This year the province is taking a new approach to capital expenditure From now on, departments get only what they can spend in one year

Previously, for example, health would get R300m for a new hospital But detailed preplanning would only start as the budget was tabled, so in year one perhaps only R30m would be spent and the rest rolled over In later years more money might be needed, which often meant government lost track of the total cost

Departments were informed of the capex allocation last June, so they started planning and by April 1 they should be ready to start construction

The 178 capital projects planned are listed in the back of Gauteng's budget pamphlet, which is being distributed widely This means government can be held accountable if it doesn't deliver

It's a sobering list About a quarter of education's projects are to install working toilets

Moleketi's approach to eking out additional revenue is at least as creative as Manuel's While Manuel is cashing in on the demutualisations this year, Moleketi is extracting R44m from the "corporatisation" of the horseracing industry All racing will come under one company, which will be listed on the JSE this year

The R44m, and a further R3m from the province's budget, will go into a special initiative targeting Aids education and prevention "It's not a lot of money, but it's a start," says Maharaj

"We believe we are sitting on an epidemic Eleven percent of cases seen at hospitals test HIV positive As we're providing 27% of the SA work force, there's a huge problem looming "

Gauteng is also addressing its shortage of financial management skills Maharaj says there is not one chartered accountant in the health, education or welfare departments And those have budgets of R5,2bn, R5,8bn and more than R2bn "There are JSE-listed companies with far smaller budgets, but they have hoards of specialised financial managers," says Maharaj

Gauteng's medium-term solution is contracting out It has created three financial management posts and is planning to pay market-related salaries, which it hopes will attract applicants of a high calibre

Adrienne Roberts

THE GAUTENG BUDGET

Revenue:

R15 1bn – R14 1bn national allocation and R1 [illegible] source

Expenditure:

R15 1bn 3% higher than the adjusted R14 7bn for 1997 1998

Education:

R5 3bn, no change from the adjusted [illegible] About 90% personnel costs and national government pays the salary increase In a year the province paid R250m for voluntary severance packages and R003m for a lump sum salary increase So more [illegible] will be offered and applied in the coming year

Health:

R5,3bn up 5% from R5 1bn Again salary increases came from national, so this represents a reasonable increase in nonstaff spending

Welfare:

Up 7% from R2,2bn to R2 3bn Province have to fund the R20 increase to pensioners plus the additional child support grant decided in the National Budget

Capital budget:

[illegible] goes to health education and roads

Who crashed Mathole's car?

(266) M+G 20-26/3/98

Stefaans Brümmer

Gauteng Premier Mathole Motshekga has spun a web of lies around an accident three years ago in which his luxury Toyota was wrecked. Afterwards, he ran up a car-finance debt of more than R140 000, but ignored a court order to settle.

The inconsistencies appear to include perjury, when Motshekga insisted in an affidavit to insurers that his nephew, Lannie Ramothwala, was at the wheel of the car. He said Ramothwala had lost control during a "hijack attempt". Evidence suggests Motshekga was the driver.

A first police accident report identifies no driver, stating simply "Vehicle overturned and rolled. Driver ran away." This is backed up by a witness, who says he saw a man crawl through the car's smashed windscreen before disappearing into the night. The accident happened in Midrand after midnight on December 16 1994.

A second report shows police were told, presumably by Ramothwala and at least nine hours after the accident, that Ramothwala drove the car and rolled it during what appeared to be an attempt to "rob" him of the car.

It is not clear why the driver fled and delayed so long before going to police with what is claimed was a serious criminal matter.

Ironically, Motshekga, then deputy chair of the Gauteng African National Congress, was also chair of the province's legislature transport committee at the time.

Motshekga has declined to give the *Mail & Guardian* detailed answers on the accident or the debt, accusing the newspaper of an "unwarranted and malicious smear campaign".

In his insurance claim form, signed on January 27 1995, Motshekga appeared unsure who the driver was.

Initially he wrote that the "insured" (himself) was driving, and signed the form both as "driver" and "owner". He then changed the word "insured" to "insured driver", whom he maintained was Ramothwala even after his insurance brokers pointed out that the policy listed him, Motshekga, as the only insured driver.

On another page, Motshekga listed S Motshekga as a passenger — something which the report to the police did not disclose. Motshekga's second initial is "S" and he went by the name "Sam" before.

That Motshekga was in the car seems clear. Witnesses say a briefcase and papers belonging to a lawyer — Motshekga's profession — were strewn all over scene. And acquaintances and fellow politicians tell about injuries Motshekga had to his face, especially around his mouth.

In the affidavit to his insurers, which Motshekga made to explain why he submitted his claim late, he talks of "extensive dental procedures" in early January 1995. A provincial legislator says Motshekga told him about surviving an accident in which his car rolled.

Is this man fit to drive? Mathole Motshekga is embroiled in a web of lies surrounding a car accident three years ago. PHOTOGRAPH: RUTH MOTAU

A witness has told the *M&G* the Toyota Camry was so badly damaged that it looked "like a bakkie". He only saw the driver, no passenger. The witness went to call emergency services and returned to find that the man seen emerging through the windscreen had disappeared.

In January, Motshekga took delivery of another Camry, also financed through Stannic. He submitted his insurance claim on the first Camry in February, but it was rejected as it was lodged well after their 30-day cut-off period.

Soon Motshekga went into arrears with Stannic, which cancelled the contract on the new car in October 1995. It was unable to repossess the car, so it issued summons for the outstanding amount. In December 1995, Motshekga indicated he would defend the court action.

But when the case was heard at Randburg Magistrate's Court in April 1996, he failed to appear. The court awarded judgment of R141 010 plus costs to Stannic. The court files show a number of sheriff's notices to Motshekga, including two summonses to appear in court again in March and May last year.

These were section 65 notices, under which debtors were often locked up in the past. Motshekga failed to respond, but by then it had been found unconstitutional to jail debtors.

Stannic reached the end of its legal options, still with no settlement, when Motshekga's political career began skyrocketing last August. Insiders say Stannic transferred the matter to its headquarters when it realised who he was. Settlement may or may not have been reached after that. Stannic has refused to comment.

Motshekga's lawyer, Julian Meltz, responded in writing. "The vehicle was driven, without [Motshekga's] permission, by a driver who did not have a driver's licence and accordingly the insurance claim was repudiated.

"Dr Motshekga was burdened with immediate repayment of the sum of about R140 000. Due to the fact that Dr Motshekga never had the aforesaid amount readily available, the matter was settled on the basis of a negotiated arrangement."

The response does not explain why two years passed between Motshekga first defaulting and possibly settling. Neither does it explain why Motshekga said in his insurance claim that Ramothwala drove with his permission — and included a copy of Ramothwala's driver's licence.

If, however, Meltz's statement referred to another accident, in the second Camry, there is no explanation why traffic records show Motshekga renewed the licence on that car in December 1995, long after Stannic had cancelled the deal.

Motshekga would not give more details. He instructed Meltz to write another statement accusing the *M&G* of a smear campaign and indicating that only questions of "national or government interest" would be answered.

Provinces swallow the bitter pill: cut and save

(266)

The provinces spend almost half of SA's Budget. They do so with mixed results. BT looks at the four key provincial budgets released this week

ST(BT) 22/3/98

THE Finance Ministry has sent out an unequivocal message overspending will no longer be tolerated The provinces are heeding the call and none of the nine Budgets presented this week tabled a deficit for 1998/99 Whether they can keep to budget remains to be seen

KwaZulu-Natal

KwaZulu-Natal's R1 9-billion overspend in the past financial year has effectively eliminated the province's safety net and put all provincial capital projects on ice, writes **MICHAEL SCHMIDT**

Construction will grind to a halt and maintenance slow to a trickle under the R17 9-billion "austerity budget" announced by Premier Ben Ngubane at Ulundi on Friday Despite Kwazulu Natal getting the biggest of the nine provincial budgets, and an increased central government commitment of 8 5%, the province received 21% less than it asked for

Ngubane said the province's large population meant that its per-capita budget still lagged behind that of provinces like Gauteng and the Western Cape

The freeze on capital projects has been dictated by the total elimination of all "roll-over" budgets, the funds usually reserved for long-term construction

"This overexpenditure has eaten into everything," Ngubane said, adding that the province would "look at every source of revenue to try and finance capital projects and infrastructure"

Ngubane blamed the R1 9-billion "expenditure surge" over the previous financial year's R16 6-billion budget on increases in personnel costs and the payments of social grants

The situation was exacerbated by an overexpenditure of R2 64-billion by the key education, health and welfare departments, which the national government has insisted get 85% of the budget

Ngubane said "It's a very tight budget and it's going to mean cutting every department to the bone — except health, welfare and education, but even those won't be fully funded "

With one in four people in the province infected with HIV, the health department welcomed its budgetary boost of 20% to R4.4-billion

The troubled education and culture department — which will cut 5 000 temporary teachers' jobs at the end of the month — will get 12.2% more at R6 8-billion

The welfare department's funding goes up by 18 8% to R3 9-billion

In calling for a belt-tightening exercise, Ngubane resolved to put his own house in order first, cutting the budget for the premier's office by 32% to R59 4-million.

Gauteng

Like the rest of the country, Gauteng experienced poor economic growth in 1997/98, with new jobs proving elusive, writes **SVEN LUNSCHE.**

In fact, says MEC Jabu Moleketi, job losses amounted to 12 000, many of them in the depressed mining and manufacturing industries

The R15 07-billion budget for 1998/99 holds out little prospect for public-sector led employment creation The reason 58% of the budget's total spending is devoted to salaries of the province's 122 000 workers

And, laments Moleketi, "the province has no mechanisms to reduce staffing numbers other than by natural attrition and voluntary severance packages"

The portion of funds dedicated to salaries is particularly high in education (86%) and health (60%) which combined employ 92% of Gauteng's public servants This leaves only R1 2-billion of the Budget to be dedicated to capital spending, which Moleketi estimates will create 13 000 direct and 19 000 indirect jobs, less than 10% of which are sustainable.

He expects casinos to play a significant role in boosting job numbers The four casinos licensed to date will generate investment worth R4-billion over the next two years, creating 16 500 new jobs during construction and 8 800 long-term jobs

Western Cape

Taking into account its R9 5-billion allocation from national government and the revenues it raises, the Western Cape will have just over R10-billion to spend, R59-million more than the previous year **MARCIA KLEIN** reports that about 86% of the total budget will go to education, health and social services A budget deficit of R627-million from the past financial year will be repaid to central government in four yearly tranches, the first of which is R114-million.

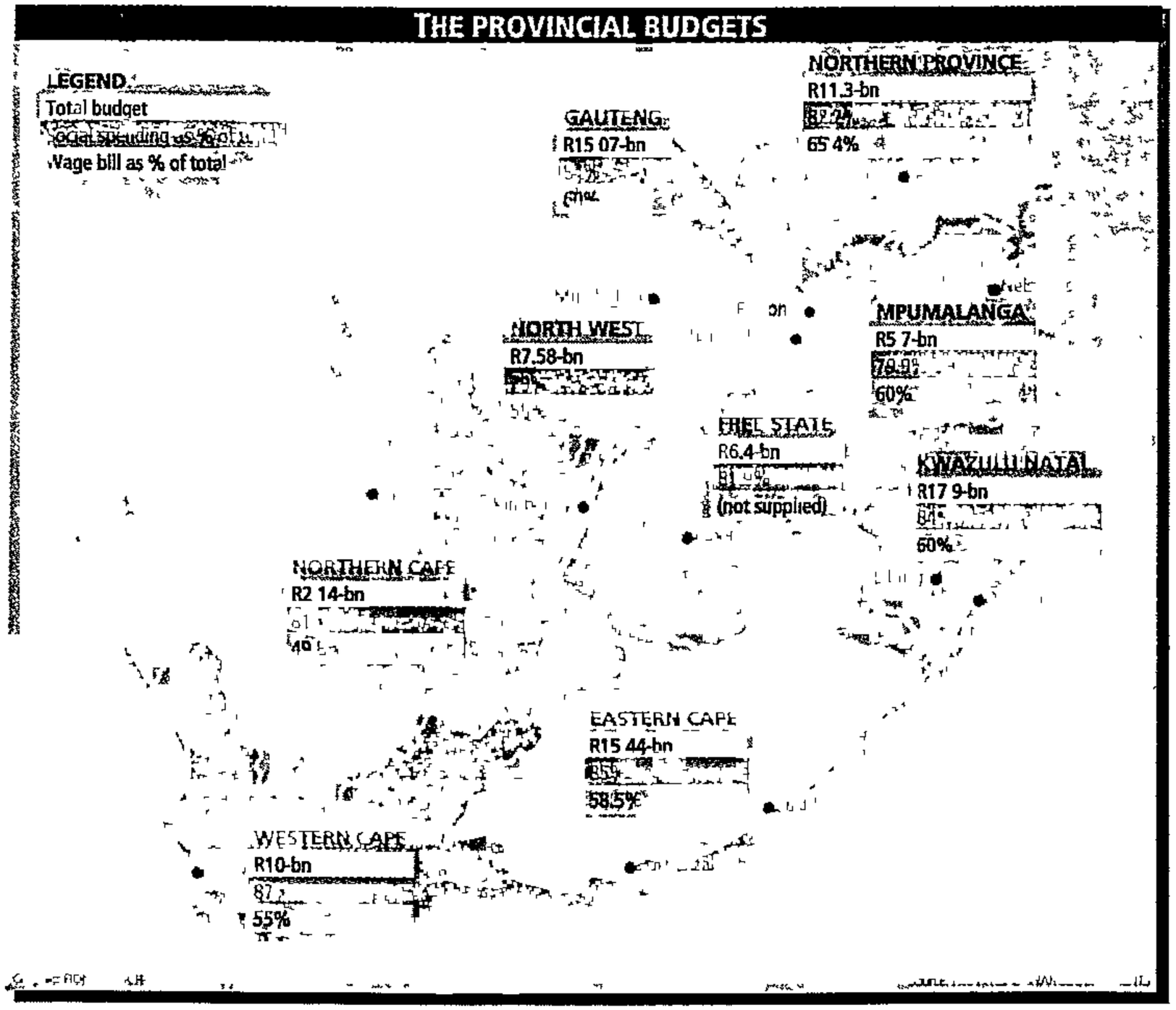
The Western Cape received R9.5-billion from national government and will collect revenue of R624 7-million from motor and casino licences and hospital fees

Personnel expenditure currently accounts for 58% of the total, and this will be adjusted to 55% during this year and 53% in three years

The Western Cape is thriving compared with certain other large provinces Last year its economy grew on average at 1% more than the national economy There was a net loss of 10 000 jobs, but unemployment rates are the lowest in the country

The province has budgeted for 3% growth in the current fiscal year, but it expects formal sector jobs to grow by only 2% Provincial MECs deny that 10 000 jobs will be cut this year The education allocation of R3 6-billion was higher than expected, and will lead to fewer cutbacks than originally planned About 2 000 people, and not the 4 500 initially expected, will lose their jobs

Health, which this year receives R2 9-billion, has already shed 6 000 jobs in three-and-a-half years



'We don't know how much was stolen'

"WE DO

Duarte resigns

Star 24/3/98 (266) (255)

By Cecilia Russell
Political Staff

But cloud of official inquiry into allegations of irregularities in her department remains

Gauteng Safety and Security MEC Jessie Duarte has resigned from office, Gauteng Premier Mathole Motshekga announced today.

Motshekga said Duarte would vacate her position on April 15. She will remain an ANC member of the Gauteng legislature.

But the cloud of an official inquiry into allegations of irregularities in her department remains. The commission will continue its work, said Motshekga. Public hearings of the commission will resume on April 28.

There has been speculation that Duarte may be given a top position on the ANC's election staff.

The inquiry, headed by advocate Marumo Moerane, was appointed to investigate claims that Duarte drove a state vehicle without a valid driver's licence and that she failed to report an accident to the police on time.

Allegations were made before the commission that two members of Duarte's department, Mbulelo Musi and Mkhabela Sibeko, attempted to cover up her involvement in the accident by intimidating the department's transport officer Lerato Maruping into signing a backdated letter which exonerated her from driving the vehicle.

The commission is also probing alleged mismanagement and allegations that Duarte's department paid the air-fare and other expenses of a non-government person, Babalazi Bulunga, during her official trip to Portugal.

It is also probing irregularities in the appointment of consultants and remunerations for Duarte's administrative assistant, Joseph Banda.

Duarte was considered to be one of Motshekga's primary political opponents within the ANC. While publicly the ANC gave assurances that her relationship with Motshekga was healthy, sources have privately confirmed tensions between the two.

It is believed Duarte wanted to resign earlier this month, citing a lack of money to pay for her legal costs at the commission. Motshekga then offered her state financial assistance.

Out of office .. Jessie Duarte will vacate her post on April 15

R26-m shot in the arm for city projects

(266)

By Bunty West

Star 24/3/98

Johannesburg will receive a R13-million kickstart for four inner-city projects as part of a R26-million investment by the Gauteng government, local authorities and private enterprise. The other R13-million will be used to fund 11 projects throughout the rest of Gauteng

The Johannesburg projects include grants of R12,26-million for Albert Street to be used to green the area and improve lighting, R445 000 for car guards in the inner city, and R654 000 for litter bins, informal trading sites and pedestrian walkways in the Kerk Street Mall

The R26-million project named the Vusani Amadolobha Fund, will impact directly on more than 3 million people and is designed to provide 3 500 jobs

The government has given R6-million to the fund, and provincial authorities have added R7,8-million The rest of the money, R12,2-million, is from private enterprise.

"Urban regeneration is high on the agenda of the Gauteng government. A number of efforts are being undertaken by the government including new legislation and catalysts such as the Vusani Fund.

"The criteria for the fund include the gearing of additional resources from local government, business and other civil society formations," said MEC for Development Planning and Local Government, Sicelo Shiceka

Selection of the 15 projects, from 91 proposals submitted, was made by a steering committee made up of members of both civil society and local government departments

The other projects and costs include

- R1-million for the Alexandra Development Forum. The money will be used to fund the forum and support local community organisations
- R468 000 towards informal trading sites in Crossroads and storage containers in Orange Farm.
- R1,25-million to provide toilets and storage space for traders in Marabastad, near Pretoria.
- R1,75-million for a park, taxi rank and business sites at the Ivory Park transport terminus.
- R550 000 for a traditional African market, taxi points and formal/informal trading sites at the Market Precinct in Newtown, Johannesburg
- R3,55-million for a sports facility at the Riverside precinct
- R2-million towards marketing and providing business sites in Sebokeng Zone 14.

Asking questions in legislature is a test of patience for some

Star 24/3/98 (266)

By Cecilia Russell
Political Staff

Opposition members of Gauteng's provincial legislature are still waiting for replies to dozens of questions posed last year, including a question asked almost a year ago

Written questions posed to the MECs of health, education, safety and security, housing, finance and economic affairs, and local government and development planning, as well as questions put to former premier Tokyo Sexwale, remain unanswered, DP whip Jack Bloom said

Among the unanswered questions were several inquiries directed at Health MEC Amos Masondo.

In May, Brian Goodall (DP) asked Masondo how many vehicles had been approved for use by his department, how many had been stolen or written off, and how many were fully operational at the time

In July, Masondo was asked about casualty admittances at six state hospitals – Johannesburg, Chris Hani Baragwanath, Hillbrow (now downgraded to a community healthcare facility), Pretoria Academic, Helen Joseph and Ga-Rankuwa. He was also asked to give an indication of the waiting period for specialist operations at Chris Hani Baragwanath.

Masondo was asked about the costs of patients referred to Gauteng hospitals by other provinces and the steps taken to recover these costs.

Bloom asked Masondo questions regarding a number of issues, among them the stock-control mechanisms for the administration of medicines in state health institutions, the conditions of service for physiotherapists in state hospitals; administrative staffing at Chris Hani Baragwanath; and the state of emergency casualty facilities in East Rand hospitals.

In desperation, this year, Bloom posed a question about questions, and asked Masondo when he could expect answers to 10 questions he posed last year.

Local Government MEC Sicelo Shiceka failed to reply to questions about the financial viability of municipalities in the province and about the cost of a function to launch the Gauteng Tourism Agency in September.

Education MEC Mary Metcalfe was asked about the fate of 15 dismissed teachers at the Gift Secondary School in Orange Farm and about the academic merits of monastic (single-sex) schools in the province.

Safety and Security MEC Jessie Duarte was to tell the legislature about complaints made to the department about the South African Police Service and about compensation to be paid to a police informer, Ronnie Chetty, after his house was petrol-bombed in an alleged revenge attack

History has answered Goodall's questions to Finance and Economic Affairs MEC Jabu Moleketi about the granting of casino licences. Likewise, questions to Land Affairs MEC Dan Mofokeng regarding the charges against head of department Enos Ngutshane are no longer applicable Ngutshane, suspended last year, was found guilty of mismanagement at his disciplinary hearing

Sexwale is unlikely to return to the legislature to answer questions posed about the loss or theft of motor vehicles and computers since 1994.

According to the rules, replies should be tabled within 10 working days If this deadline is not met, the answers should be given orally at a sitting of the legislature.

Because the questions from last year remained unanswered, they are off the order paper and will have to be asked again.

Jessie Duarte quits as minister

ARG 24/3/98

(266)

POLITICAL STAFF

Johannesburg – Gauteng Safety and Security MEC Jessie Duarte has resigned from office, Gauteng premier Mathole Motshekga announced today.

He said Ms Duarte would vacate her position on April 15. She will remain an ANC member of the Gauteng legislature and there is speculation that she may be given a top position on the ANC's election staff.

But the cloud of an official inquiry into allegations of irregularities in her department remains

The inquiry was appointed to investigate claims that Ms Duarte drove a state vehicle without a valid driver's licence and that she failed to report an accident to the police on time

Allegations were made before the commission that two members of Ms Duarte's department, Mbulelo Musi and Mkhabela Sibeko, tried to cover up her involvement in the accident by intimidating the department's transport officer, Lerato Maruping, into signing a backdated letter which exonerated her from driving the vehicle.

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It is also probing irregularities in the appointment of consultants and remunerations for her administrative assistant, Joseph Banda

Ms Duarte was considered to be one of Mr Motshekga's primary political opponents within the ANC. While publically the ANC gave assurances that her relationship with Mr Motshekga was healthy, sources have privately confirmed tensions between the two.

It is believed she wanted to resign earlier this month, citing a lack of money to pay for her legal costs at the commission. Mr Motshekga then offered her state financial assistance.

Bape a tipped for safety post

Sowetan 25/3/98 (ST) (266)

By Joe Mdhlela

GAUTENG African National Congress (ANC) deputy provincial secretary Mr Obed Bapela is likely to replace Ms Jessie Duarte next month following her resignation yesterday as the province's MEC for safety and security

Duarte's resignation comes into effect on April 15, provincial secretary and MEC for transport Mr Paul Mashatile said yesterday

Duarte will, however, remain a member of the Gauteng Provincial Legislature.

ANC and Government sources speculated yesterday that there was a strong possibility that the position of Duarte would go to Bapela, a loyal and long-standing stalwart of the organisation Bapela, also a Member of Provincial Legislature (MPL), is one of the most senior ANC provincial leaders.

He is no stranger to security issues, having brokered peace on the East Rand and Alexandra during the early 1990s between the now disbanded ANC-aligned self-defence units and the Inkatha Freedom Party's self-protection units.

Sources also suggest that Premier Mathole Motshekga may use Duarte's departure to reshuffle his cabinet to put his own stamp on it.

In the event of a reshuffle, MEC for local government and housing Mr Dan Mofokeng "may just be another name that could pop out of the hat for the crucial position of safety and security" sources said.

Others said a possible new entrant to the cabinet could be MPL Mr Mondli Gungubele, who was Mathole's staunch supporter during the fracas that preceded his election to lead the ANC in Gauteng

"A decision on who will replace Duarte will be finalised in a few days As to who will replace her, that is something on which I cannot speculate," Mashatile said.

He said Duarte had not been forced to resign, but had been involved "all the way" in helping the ANC resolve the problem about her.

"The present situation in which the department has no leader is untenable It is imperative that the situation was speedily corrected. If not addressed urgently it may have led to the possible paralysis, if not the complete collapse of the department," he said.

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Bapela is tipped for Duarte's post.

Duarte's resignation comes into effect on April 15.

On how Duarte had been affected by the decision to resign, Mashatile said "It was not as if Duarte was summoned to the boardroom for a dressing down. She was part of the process

"The point is that a mechanism had to be found to create a space for the ANC to address a problem that was threatening to collapse the department."

Over the past six weeks, damning evidence against Duarte and the way she handled her department was the subject of scrutiny by the Moerane Commission

Charges levelled against her included that she had driven an official car without a driver's licence and had been involved in an accident.

She subsequently lied about driving the car, according to the allegations levelled against her.

She was also alleged to have "intimidated" an official in her department who dared to question details of the accident.

The decision to resign will not affect the public hearing of the commission, which is due to resume its business on April 28.

"The resignation should not be understood to mean that this in any way prejudges the Moerane Commission," Mashatile said.

Duarte's decision to resign was received with mixed feelings

The Azanian People's Organisation (Azapo) said it was not impressed by her resignation

"We see this as an attempt to pull the wool over the eyes of taxpayers and a smokescreen by the ANC-led Government to facilitate the granting of a golden handshake to her in the face of a pending report by the Moerane Commission," publicity secretary of the organisation Ms Kelibone Molema said.

The National Party welcomed the decision

"It is regrettable that Duarte did not have the insight to resign much earlier," a statement by the NP said.

Media director of the United Democratic Movement Ms Annelize van Wyk said: "The UDM welcomes the resignation of Jessie Duarte"

Political reporters **Cecilia Russell** and **Hopewell Radebe** discuss the life, work and departure of Gauteng's safety and security MEC, who resigned yesterday

Comforter: a shoulder to cry on

Feminist: working with women.

The president's team. with Nelson Mandela and Tokyo Sexwale

Making peace keeping taxi drivers apart.

Roughing it: one of the boys

Star 25/3/98 (266)

The rise and fall of Jessie Duarte

Jessie Duarte may have fobbed off the allegations against her as "a storm in a teacup", but it has proved to be the storm that took the wind out of her sails

When she takes her place in the Gauteng legislature on April 15 it will be as an ordinary member She will still have to face another three weeks of the Moerane inquiry into mismanagement in her department.

So far that commission has heard testimony which suggests a department in disarray and ridden with divisions, although the ANC was at pains to point out that her resignation was not to be construed in any way that would pre-empt the findings of the commission.

How did it go so wrong for Duarte, with her impeccable struggle credentials, her high standing in the ANC and her visit to Portugal in April last year which the department paid for even though Bulunga does not work for the government. And there were allegations of irregularities in the appointment and remuneration of a consultant, Joseph Banda.

Several conflicting images of Duarte and her department have been painted during the gruelling two weeks of public hearings.

One painted by her legal team is of Duarte as a "workaholic" politician who left the management of her department to the "technocrats".

Her advocate, Reenen Potgieter, said many of the allegations had arisen due to her anxiety to perform.

"Overzealousness to get things done in time can never be dishonest and is not evidence of corruption," he argued.

Contrary to this is a perception by the department's deputy for the ANC provincial chairmanship, which nevertheless failed to stop Motshekga from taking over the reins of provincial premier. The campaign included the dirtiest mudslinging and vilification of candidates nominated for that position in the history of the organisation.

Even though it was firmly denied both by Duarte and Motshekga, the provincial discussion document of the ANC acknowledges the damage that the election process did to the image and political unity of the organisation, and advises that the conference due at the weekend should deal only with issues.

But Motshekga yesterday denied that any tensions still exist. "After I took over (the chair of the province) I never heard of any tension," he said.

Any criticisms that may have been voiced about Duarte in the organisation have been exploited by a vociferous opposition.

DEBBIE YAZBEK

Backstreet fighter who went with a whimper

Jessie Duarte, streetfighter-turned freedom fighter and politician, stunned friends and opponents yesterday when she meekly relinquished her post in the provincial government.

Was this a ploy designed to position herself for a new career or had Duarte merely succumbed to unrelenting pressure and stepped down?

As recently as last month, Duarte was telling interviewers. "If I am guilty, I am prepared to pay. But I am not going to resign."

In 1994 Duarte took on one of the toughest portfolios in Gauteng, that of heading the province's police force and crime-fighting efforts.

She came into office with impeccable credentials. She had a long history of community involvement in Riverlea, Johannesburg, and had paid the price for it. In the late 1980s she spent a lonely 32nd birthday in detention, having seen her children only twice in the six months she was kept in custody.

Before the 1994 elections she was at the forefront of the women's struggle and led a march against train violence.

After Nelson Mandela's release from prison Duarte had the resilience and determination needed to tackle the safety and security portfolio.

She said in an interview in 1994. "I didn't stand a chance of being feminine. I lived in Newclare as a child. It was a tough place.

"I learnt to be a good streetfighter. I was the best catty shot on the street. You know, I didn't even know I was a girl until I was seven."

Within the first few months of her appointment Duarte had to tackle huge problems – not least of which was her relationship with the macho-dominated world of the police.

The first sign of tension between her and the police hit the headlines when police opened a docket on her for allegedly obstructing the administration of justice.

Apparently she had intervened to have a bodyguard of former minister without portfolio Jay Naidoo released on his own recognisances after he had apparently been arrested for a traffic offence. Duarte was not prosecuted and the action prompted Mandela to come to the defence of her leadership.

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Jessie Duarte

Jessie Duarte may have fobbed off the allegations against her as "a storm in a teacup", but it has proved to be the storm that took the wind out of her sails.

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How did it go so wrong for Duarte, with her impeccable struggle credentials, her high standing in the ANC and her personal friendship with President Nelson Mandela, whom she once served as an aide?

The allegations against Duarte are well documented, although not yet conclusively proven

Her problems appear to have begun in October last year, when her official car was involved in an accident.

It is alleged that Duarte, Gauteng crime-fighter number one, had broken a traffic law because she did not have a licence.

Questions were also asked when she took a "friend", Babalazi Bulunga, on an official visit to Portugal in April last year which the department paid for even though Bulunga does not work for the government. And there were allegations of irregularities in the appointment and remuneration of a consultant, Joseph Banda.

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One painted by her legal team is of Duarte as a "workaholic" politician who left the management of her department to the "technocrats"

Her advocate, Reenen Potgieter, said many of the allegations had arisen due to her anxiety to perform.

"Overzealousness to get things done in time can never be dishonest and is not evidence of corruption," he argued.

Contrary to this is a perception by the department's deputy director-general, Mkhabélo Sibeko, that he was effectively stripped of his powers in May last year while Duarte took over the driver's seat of the department.

A commission facilitator summed up the perceptions, saying during the public hearings that the "department is not a happy ship, there is great division in the department and allegations of favouritism"

Duarte's opposition to Premier Mathole Motshekga's appointment as leader of the ANC is well documented.

Duarte joined a faction which opposed Motshekga's bid for the ANC provincial chairmanship, which nevertheless failed to stop Motshekga from taking over the reins of provincial premier. The campaign included the dirtiest mudslinging and vilification of candidates nominated for that position in the history of the organisation.

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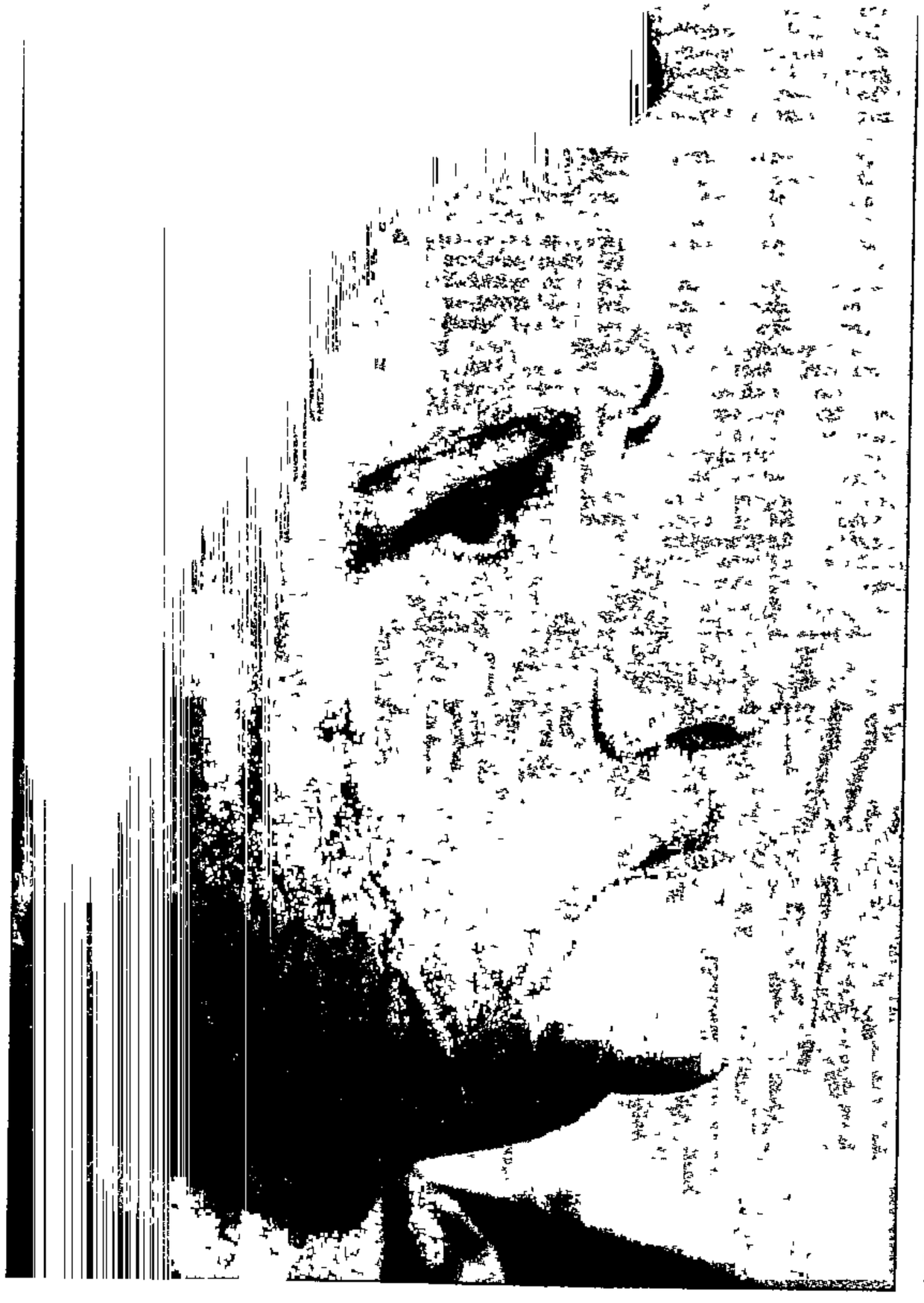
But Motshekga yesterday denied that any tensions still exist. "After I took over (the chair of the province) I never heard of any tension," he said.

Any criticisms that may have been voiced about Duarte in the organisation have been exploited by a vociferous opposition.

Because of DP member Peter Leon's complaint about inefficiencies in Duarte's department in November last year, the Gauteng Public Service Commission investigation was launched. This probe seemed to find a handy scapegoat for the department's problems, and departmental head Theo Burgers was suspended after its findings were made known.

In various interviews, Duarte admitted there were minor irregularities in her department, but opposition parties were not going to back off. They demanded her suspension or resignation.



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Was this a ploy designed to position herself for a new career or had Duarte merely succumbed to unrelenting pressure and stepped down?

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She came into office with impeccable credentials. She had a long history of community involvement in Riverlea, Johannesburg, and had paid the price for it. In the late 1980s she spent a lonely 32nd birthday in detention, having seen her children only twice in the six months she was kept in custody.

Before the 1994 elections she was at the forefront of the women's struggle and led a march against train violence.

After Nelson Mandela's release from prison, Duarte became his personal assistant and was one of a team of women for whom he had high praise. "These women play a crucial role in the (ANC) president's office. They are a competent collection of women and comrades who put this office at the level of efficiency at which it operates.

"They are strong personalities They don't hesitate to correct me if I'm wrong. That is the strength of an office that attaches importance to collective thinking," Mandela said.

Duarte grew up in Newclare, a tough neighbourhood, and this probably gave her the resilience and determination needed to tackle the safety and security portfolio.

She said in an interview in 1994. "I didn't stand a chance of being feminine. I lived in Newclare as a child. It was a tough place.

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During her first year in office Duarte plunged herself into work dealing with the many problems which beset the province.

Newspapers reported on her first "bold plan for peace" two months after she came to office. The plan included the development of strong community policing forums.

Duarte demanded a commission of inquiry into allegations of police torture at the Vanderbijlpark Murder and Robbery Unit after a torture device had been found at the station

She never shied from controversy, and last year, ahead of any initiative taken nationally, she announced moves to decriminalise prostitution.

Annual report tells of tough beginnings, and then strides of progress

Jessie Duarte's annual report for 1997, released to the media last week, starts on an optimistic note.

Her secretariat, which was started in 1994 in a small office with a broken telephone, had completed filling vacancies in the department, the report says. Relationship with "all levels of police management at station, area and provincial level were deepened" According to the report, "co-operation and accountability is being maintained"

It says regular meetings with the police have resulted in communications channels being opened and the police being transformed "from a force to a service" "This has led to healthier relations between the police and the community. Consequently, the legitimacy of the SAPS has grown immensely"

The report states that the "facilitation subdirectorate" has tackled conflict resolution in various spheres, including that of taxi violence, hostel violence, and violence in KwaThema and informal settlements "These (efforts) are bearing fruit, particularly in KwaThema, where peace and stability have been brought in "

The groundwork for the "safety lung" project in Johannesburg and Pretoria was laid in 1997, with the installation of closed-circuit television in Johannesburg's city centre expected this year.

The department contributed R1 million to the training of 1 800 police officials in the handling of rape and in cases of child and domestic violence

The report states that the department has tackled a number of projects aimed at dissuading youths from gangsterism and organised crime in Soweto, Kathorus, Westbury and the Vaal.

A draft policy document on the decriminalisation of sex work was developed and forwarded to the Government for consideration, as has a concept document on metropolitan policing.

A total of R55-million was allocated for the building of five police stations in the province.

Work on the construction of the stations at Alexandra, Eldorado Park, Diepkloof, Ivory Park and Orange Farm began late last year and the projects are due to be completed sometime late in 1998

The department has also introduced measures to deal with escapes from police custody, ensuring that police station commissioners take direct responsibility for escapes.

Fears of Gauteng cabinet purge

Star 27/3/98

(266)

Concern that a reshuffle could be on the cards after the resignation of Safety and Security MEC Jessie Duarte

By Hopewell Radebe and Cecilia Russell

Gauteng Safety and Security MEC Jessie Duarte's resignation has sparked a wave of uncertainty in the provincial executive, with some MECs planning to jump ship before Premier Mathole Motshekga surprises them with a cabinet reshuffle

Duarte's resignation, effective from April 15, was announced by the ANC's provincial executive yesterday

A source in the provincial cabinet said the other MECs were worried about their uncertain political future, "especially after the elections next year"

Health MEC Amos Masondo, who stood against Motshekga in his messy internal election battle last year, was likely to announce his resignation from his post to join the ANC elections preparatory task team, a source in the provincial government said Other MECs could follow Masondo's example, the source said, but would not name them

Likely to leave ... Health MEC Amos Masondo.

Duarte's resignation, in the midst of an official inquiry into allegations of mismanagement in her department, will enable Motshekga to place one of his supporters in a key job

Last year, Duarte opposed Motshekga's rise to the premiership, and others who failed to support him are now nervous about their positions.

This weekend, the ANC in Gauteng will hold its provincial conference, where it is likely that the pro-Motshekga faction will be further bolstered

ANC provincial secretary Paul Mashatile told The Star that Duarte's department had effectively stagnated while she and her senior department officials were attending the proceedings of the commission.

Duarte has denied that she decided to "jump out" of her office or that she was being pushed, but said her decision to resign was prompted by her regard for the ANC and its programmes

Before the announcement, Duarte looked relaxed and smiled, despite the devastating news the ANC leaders in the province were about to give

"It's difficult to work in an atmosphere which is consistently interrupted," Duarte said afterwards

In an interview yesterday, Motshekga told The Star that MECs had nothing to fear because he "had no intention to reshuffle the cabinet and would only be looking at replacing Duarte after proper consultation" In the meantime, the official inquiry would take its course.

Opposition spokesmen have welcomed Duarte's decision.

National Party spokesman on safety and security Kobus Bosman said Duarte's energy would be missed, but that she lacked the ability to execute "the most difficult job in the country, that of monitoring and transforming the police".

IFP whip Gertrude Mzizi had no sympathy for Duarte

"She has no role in the legislature anymore," she said

DP provincial leader Peter Leon, who has fought a one-man crusade against Duarte, is known to have a love-hate relationship with her. He said she had to deal with a constitutional conundrum of having a responsibility without powers, and that she fumbled by challenging provincial director-general Vincent Mntambo over an internal audit of her department

Frontrunner for Duarte job may decline

Gauteng ANC deputy provincial secretary Obed Bapela, the frontrunner to take Jessie Duarte's job, will probably decline it, sources told The Star.

Bapela was hotly tipped to take over the safety and security portfolio in the Gauteng cabinet following Duarte's resignation

But Bapela is said to be vying for the post of provincial secretary-general, currently occupied by Paul Mashatile. If he wins this post when the ANC in the province elects its leadership at the weekend, Bapela will not be available to take the position of safety and security MEC, sources say

Bapela is currently a member of the legislature and heads the safety and security portfolio committee He would have been a logical contender to replace Duarte – Political Staff

FINISHED?: Jessie Duarte

Resignation of Duarte sparks MEC jitters

(266)
CT 25/3/98

HOPEWELL RADEBE AND
CECEILIA RUSSELL

JOHANNESBURG: Gauteng Safety and Security MEC Ms Jessie Duarte's resignation has sparked a wave of uncertainty in the provincial executive, with some MECs planning to jump ship before Premier Mathole Motshekga surprises them with a cabinet reshuffle.

Duarte's resignation was announced by the ANC's provincial executive yesterday.

A source in the cabinet said that other MECs were worried about their political future, "especially after the elections next year".

Health MEC Amos Masondo, who stood against Motshekga in last year's messy internal election battle for ANC elections preparatory task team, a source in the provincial government said. Other MECs would follow Masondo's example, the source added.

Duarte's resignation, in the midst of an official inquiry into allegations of mismanagement in her department, will enable Motshekga to place a supporter in a key job. Last year Duarte opposed Motshekga and others who failed to support him are now worried about their positions.

Duarte forced to step down as MEC, but she remains an ANC MP

(266) BD 25/3/98

Bonile Ngqiyaza

GAUTENG safety and security MEC Jessie Duarte was forced to step down yesterday in what is seen as a move by the provincial African National Congress (ANC) to counter perceptions that it is soft on mismanagement and corruption.

Gauteng premier Mathole Motshekga and provincial general secretary Paul Mashatile said the resignation was not calculated to prejudge the Moerane commission of inquiry probing allegations of mismanagement and corruption in Duarte's department.

The Gauteng ANC said the provincial executive decision was taken in consultation with Duarte. Mashatile said Duarte would remain an ordinary ANC MP in the legislature The chief whip would decide what functions to give to her. Her resignation would take effect on April 1, but she would remain in office until April 15 when her replacement would have been appointed.

Sapa reports that Duarte said it had not been a difficult decision to make. "It was a political decision and I was party to that decision," she said

Her forced resignation follows a list of corruption allegations against ANC leaders, including Motshekga. The housing department has also been accused of mismanagement.

All opposition parties welcomed the move as being "long overdue", but said it should not pre-empt the commission's findings. The commission resumes its work on April 28

The National Party (NP) said Duarte's resignation had more to do with in-fighting in the ANC and its alliance partners than with a commitment to a clean and accountable government It reiterated its call for a probe by the auditor-general and the public protector into allegations of mismanagement in the housing department to be treated with equal vigour

The NP said the cloud of controversy surrounding Motshekga himself should be investigated — particularly with regard to an accident two years ago in which his vehicle was involved Provincial leader Johan Kilian said the NP had submitted documents to the speaker last Friday demanding that a committee probe the latest allegations against Motshekga. Other allegations relate to his activist days in the 1980s and his tenure as a provincial MP.

Democratic Party provincial leader Peter Leon said that given the severity of the accusations against Duarte and her department, she had a personal responsibility to face her accusers and table her answers to the commission.

Comment: Page 13

Motshekga's position stabilising

(766) Sowetan 26/3/98

By Pamela Dube
Political Reporter

THE POSITION of Gauteng Premier Mathole Motshekga seems to be growing stronger by the day with the announcement of the departure of the Health MEC Mr Amos Masondo a day after safety and security MEC Jessie Duarte's resignation

Motshekga, flanked by other members of the provincial executive of the African National Congress in Gauteng, yesterday confirmed that Masondo was redeployed to the party headquarters to head the election department

He said Masondo would vacate his position at the end of June, and by then his replacement would be in office

Masondo's departure now leaves the Gauteng cabinet short of two MECs, yet Motshekga disputed suggestions that there was a reshuffle in the offing "There is no reshuffle, we are just going to fill two vacant positions," Motshekga said

While continuing to deny any divisions in the Provincial Executive Committee (PEC), the departure of Masondo and Duarte – a few days before the provincial conference starting tomorrow – raised speculation that Motshekga's shaky position seemed to be stabilising

During the premiership debacle, the PEC went public in support of Masondo against Motshekga

On the eve of the election of the premier, Masondo together with Duarte and finance MEC Mr Jabu Moleketi, withdrew their candidacy in support of Reverend Frank Chikane, a director in the office of the Deputy President,

Motshekga, however, denied that the moves were in any way related to the events, insisting that there was not a rift within the PEC

"There is no intention by the premier to purge any MEC from cabinet The PEC and the cabinet are acting in unison on all matters of public importance," Motshekga declared

He said Masondo's redeployment was not the decision of the Gauteng executive but that of the national working committee of the ANC, which was taken at the beginning of the month The PEC only endorsed the decision on Monday "after thorough consultation and consideration"

While the provincial executive insisted that Masondo's redeployment was temporary and he would return to the province after the 1999 elections, his re-election to the PEC this weekend seems unlikely

Masondo's name does not feature in the nominations list for the top five positions On the other hand, provincial and regional structures continue to nominate Motshekga as the sole candidate for the chairmanship

Masondo joins cabinet exodus

Star 26/3/98 (2bb)

Gauteng premier denies he is getting rid of political opponents

By Hopewell Radebe
Political Reporter

The outcome of elections in the ANC's Gauteng congress will determine who assumes two soon-to-be-vacant posts in the provincial cabinet.

Two MECs, both fierce opponents of premier and ANC provincial chairman Mathole Motshekga, announced their resignations in the past 48 hours, sparking furious lobbying in ANC ranks.

Safety and Security MEC Jessie Duarte said on Tuesday that she would step down on April 15 and yesterday Health MEC Amos Masondo said he would step down in June to lead the ANC's elections task team

Duarte resigned because mismanagement and corruption controversies dogging her portfolio were leading to a "possible paralysis, if not complete collapse, of the department". Both opposed Motshekga during last year's bitter contest for the provincial chairmanship.

Insiders said yesterday the race to fill the two posts would begin in earnest at the weekend provincial congress, where a new leadership will be elected.

Addressing a media conference yesterday, Motshekga said the ANC provincial executive committee had decided to ask Duarte to quit her post on the grounds that her department had stagnated while she and senior department officials were no longer able to run the department because they were attending the Moerane Commission

Motshekga defended Masondo's move as having been sanctioned by the ANC national working committee, which had decided that ANC members of the national executive committee would be deployed to the party's head office when needed.

Masondo and Duarte were elected to the NEC at the organisation's national conference in Mafikeng last year and would not be standing for any top provincial positions, including membership in the provincial executive committee.

Motshekga added that Masondo would return to the province after the 1999 elections.

He denied reports that he was getting rid of opponents in the cabinet

Sapa reports that President Nelson Mandela yesterday responded to Duarte's resignation by commending the decision of the Gauteng ANC leadership.

"I fully support them, notwithstanding my love for Jessie Duarte, who is a wonderful lady," he said

"It was the only way in which they could deal with a very complicated situation."

Trustees paid R60 000 for 'a job well done'

(266) (FILE) MTG 27/2/98

Bongani Siqoko

Members of the Krugersdorp Development Trust — a site-and-service project of the now defunct Kagiso Town Council — have been ordered to repay more than R60 000 they paid themselves for a "job well done"

A commission of inquiry demanded late last year that the money paid to 12 trustees by the trust's chair, Ben Ntsimane, be paid back before March 2 To date, not a cent has been repaid.

Ntsimane says this is because he has not received the report: "One of the unfortunate things is that the affected party has not received it, while other parties have."

The chair of the commission of inquiry, Zola Malvern Majavu, found there was no basis for the payments. Ntsimane had told the hearing that the trustees "deserved to be thanked" and he decided to give them R5 000 each. He said the trust was accountable only to the trustees.

The Krugersdorp Development Trust was launched to identify sites for potential homeowners in Kagiso. But it soon attracted accusations of mismanagement and incompetence

The trust ignored these complaints, and the community marched to the town council and the office of the MEC for Development Planning, Sicelo Shiceka, who instituted the inquiry.

Alan Velcich, who audited the trust's records, told the inquiry its operations were satisfactory but its financial administration was "sloppy" He refused to sign off the 1997 financial statements because he believed there was no basis for the payments to the trustees

Kagiso residents told the inquiry there were irregularities in the allocation of sites The trust had 2 300 applicants but only 2 146 sites available. Those applicants who earned less than R1 500 a month qualified for sites

Michael Phillip Morkel, an independent adviser to the Independent Development Trust, made it clear there was no misappropriation of funds by the Krugersdorp trust.

Morkel told the inquiry his organisation was so impressed with the level of professionalism at the trust that it made a further R250 000 available for community development projects

Majavu did not find that any of the trustees had enriched themselves. "I am not in a position to nail anyone or grouping of individuals to a particular gross misconduct," he said.

ANC warned it could lose Gauteng

(266) MHG 27/3 – 2/4/98

What does the dramatic departure of Jessie Duarte mean for the ANC's Gauteng conference this week? **Wally Mbhele** *reports*

A senior member of Gauteng's faction riven African National Congress has warned before its provincial conference this weekend that the divisions tearing the party apart may see it lose next year's election in Gauteng

The political future of the provincial premier and the Gauteng ANC chair, Mathole Motshekga, hangs by a thread as an ANC commission of inquiry into allegations of mismanagement of donor funds winds up its work

The problems are further compounded by mounting tension over who will fill the shoes of MEC for Safety and Security Jessie Duarte and MEC for Health Amos Mason do It is understood that the two factions that emerged in Gauteng in the run up to Motshekga's election as provincial chair last year are gearing up to intensify their fight for political supremacy this weekend

According to sources, Motshekga is keen to embrace the faction that opposed him, while the latter group expects to be rewarded for supporting him during the succession struggle after former premier Tokyo Sexwale quit

A group of Motshekga's supporters recently went to his house to complain about his increasing acceptance of the camp that opposed his election

It is believed one of Motshekga's foremost supporters, Mondli Ngungubele, is likely to be appointed to the position of MEC for health if his bid for the position of provincial general secretary fails this weekend

A candidate for the safety and security portfolio is the mayor of the Kyalami Metropolitan Council, Isaac Mahlangu

Their appointments could further strengthen charges that Cabinet jobs are "reserved' for those who supported Motshekga during the succession struggle

The other faction would like Obed Bapela to succeed Duarte as the MEC for safety and security But if Motshekga opts to appoint people who opposed his bid for the premiership, that could equally enrage his supporters "They will feel betrayed It's a dicey situation the conference will have to tackle," said a source on the provincial executive committee

The more than 700 delegates who will converge on the Milpark hotel in Johannesburg will not only have to deal with the problems created before the election race for a new chair last year, but also elect a new provincial leadership capable of winning the 1999 national elections

Motshekga is already guaranteed to retain his position as ANC chair on Sunday However, it is understood his opponents are still sharpening their knives and waiting in ambush should the ANC inquiry go against him

Those who predict his downfall have nominated the current secretary general, Paul Mashatile, for deputy chair MEC for Local Government and Planning Sicelo Shiceka may also contest the position He is expected to be backed by Motshekga s supporters

Battle for succession· Mathole Motshekga shakes hands with Isaac Mahlangu (top left), mayor of Kyalami and possible successor to Jessie Duarte PHOTOGRAPH. KAREL PRINSLOO/BEELD
On the way out· Duarte at her inquiry. PHOTO RUTH MOTAU

Some of the problems faced by the Gauteng ANC are outlined in a frank discussion document, prepared for the conference, which effectively destroys the myth that the ANC in the province remains the solid, united movement it used to be before the 1994 elections

Entitled *Reflections on Challenges of Defending and Maintaining State Power* the document not only castigates the ANC leadership for lack of political management, it also critically assesses the weak state of its branches

The paper was prepared by a member of the provincial executive committee, Mandla Nkomfe, who is also the ANC's political education officer It places on record that the ANC has failed to sufficiently defend and consolidate its control of state power in the province

In building this argument, Nkomfe reviews the past four years, noting that the 1994 electoral victory gave the ANC the mandate "to transform our country and its institutions within the context of participatory democracy, people oriented development and an interventionist state"

According to Nkomfe, the public perceives the ANC as a party that lacks decisive leadership (both nationally and provincially), is soft on corruption, is led by weak and divided people, and is strong on policy but weak on implementation

The United Democratic Movement is of particular concern, says Nkomfe It poses a number of threats, he says, "firstly, because it essentially is composed of former ANC members who have the same organising capacities like ourselves, secondly, because the UDM is potentially one organisation which can go into our constituency, and thirdly because it has the rhetoric of being the custodians of ANC policy which it claims the ANC is not implementing"

Nkomfe says the ANC cannot discount the fact that within its ranks there are people who support the UDM or who work "clandestinely" for it

"It is important to note that our structures are weak on the ground More still needs to be done in building strong and vibrant branches," he writes

With last year being one of the periods in which "extreme lack of tolerance" within the ANC ranks emerged, Nkomfe notes that this lack of tolerance, unity and clarity of purpose has ripped the ANC in Gauteng to pieces

"These problems have reached unprecedented heights They have undermined the very fabric of our organisation and thus have weakened our sense of collective leadership at all levels "

Nowadays, according to Nkomfe, ANC members are no longer judged on the basis of their political contribution, but on the factions to which they belong

"We must put a stop to this," he urges conference delegates. "The ANC in Gauteng should give political and organisational direction to government and society at large It must seek to fully align itself to the strategic choices the government has made

"At the moment, the ANC's campaigns and programmes show little resemblance to the strategic tasks of housing, education, safety and security, health and job creation "

According to Nkomfe, Gauteng is "a province in constant social and political motion This scenario suggests that for some time this province cannot be said to be in the bag It will continue to be a marginal province in so far as the possibility for safely winning the elections is concerned "

Insiders say these problems in Gauteng did not originate with Motshekga's leadership They point out that Sexwale mismanaged his resignation from the provincial leadership and that he failed to destroy cabals within the provincial executive committee They say he created a small dominion that began to crumble when he left, causing huge problems for the smooth running of the party

The *Mail & Guardian* was told it would be shortsighted to ascribe Duarte's resignation only to her public opposition to Motshekga as leader of the province Under Sexwale, they argue, Duarte had such absolute power that she became an untouchable

"If evidence unfolding at the Moerane commission of inquiry is anything to go by, hers was such an absolute and absurd power that it not only corrupted her as the MEC but also contaminated officials in her department," the *M&G* was told

Jo'burg's coffers gain millions

(266)
Star 27/3/98

DP warns that city is by no means out of the woods yet

By Lee-Ann Alfreds
City Desk

Johannesburg's finances have taken a turn for the better, with the city expected to record only a R70-million shortfall by June – down from the R2-billion predicted at the same time last year.

Council technical task team chairman Jeff van Rooyen said yesterday that a revision of the operating and capital budgets and the implementation of an intensive credit-control campaign in October had reduced the projected deficit by many millions.

"The signs are very encouraging. We're in a situation now where our projections are that we will have a shortfall of R70-million at the end of this financial year. We're not unduly concerned about that. With a budget of some R7-billion, that's a manageable cash shortfall," he said.

The technical task team was established in October in the wake of provincial government intervention to stabilise Johannesburg's financial situation. At the time of the intervention, Johannesburg was in financial crisis and had defaulted on payments to all its creditors.

Van Rooyen's comments followed the tabling at the Southern council of the auditor-general's report on Greater Johannesburg for the financial year July 1 1996 to June 30 1997.

In his report, the auditor-general said the payment levels, which at the time were fluctuating between 81 and 85%, were of "significant concern".

During 1996/1997 alone, arrears grew by R752,2-million to around R2,2-billion.

The auditor-general also noted that the Greater Johannesburg Metropolitan Council had failed to borrow sufficient money for infrastructure because of, among other reasons, the erosion of confidence and the poor payment levels and perceptions of poor creditworthiness.

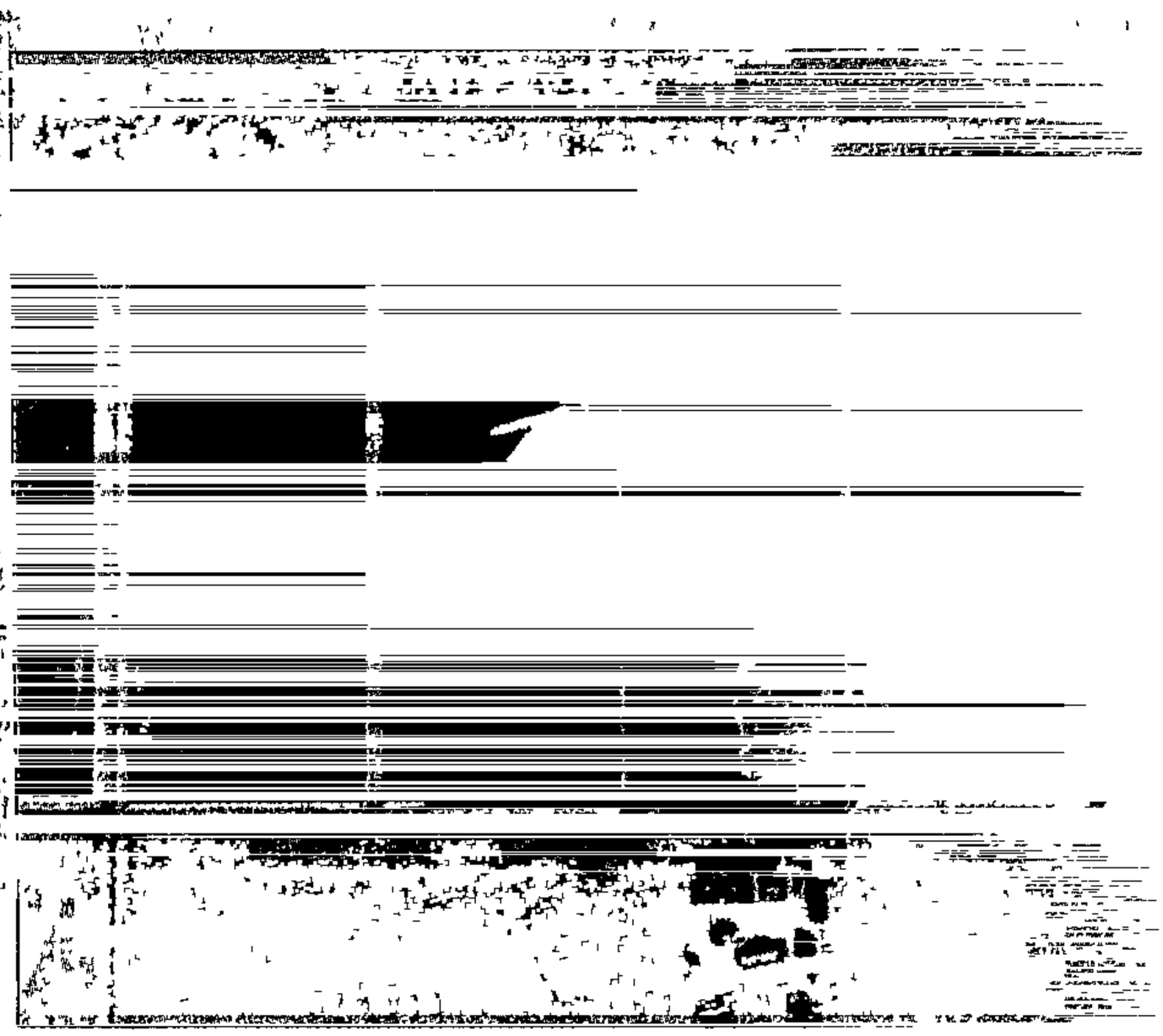
Reacting to the report, DP spokesman Mike Moriarty said it showed Greater Johannesburg's liabilities exceeded its funds and reserves by almost R1-billion.

He said arrears had worsened despite the campaign implemented to recover debts.

"The recovery is peanuts compared to a total account of R2,2-billion, which continues to grow in spite of the recovery," Moriarty said.

How to put glitter into City of Gold

What does Johannesburg's CBD need to make it a place people will flock to? BENITA VAN EYSSEN examines the issue, in the light of local government's announcement this week that a slice of a R26-million revitalisation budget is to be spent on the inner city



LIFE IN A HELL-HOLE: Inner-city residents such as the Patel family live surrounded by high levels of

It was at Oppenheimer Square on the northern periphery of Johannesburg's inner city where the policeman often enjoyed his lunch. The council had just spent millions on upgrading the vicinity.

"There would be people eating," the policeman recalled "They would just dump their leftovers and papers where they ate and someone in orange overalls walked around clearing up behind them .. it was like a scene from a Monty Python movie," he laughed.

But such scenes are not always considered comical In fact, it is this and scenes of city dwellers and visitors who urinate in public, dump rubbish on pavements and set up shop on almost every street corner that give the perception that Johannesburg is a city in decline.

Local government announced this week that a portion of a R26-million revitalisation budget allocated to Gauteng would be used for various inner-city projects

And along with this money, destined for four improvement projects, comes the danger that these improvements to the city may once again go unnoticed.

The "revamp" may be overshadowed by negative perceptions and the "crime and grime" tag

But the truth is that Johannesburg has changed dramatically in recent years

A new culture has taken root and those who hanker after the sophisticated city of the 50s or 60s are likely to be left disappointed.

"The city is changing its form and its residents. It is going to be an African city," says Gauteng MEC for Development and Planning Sicelo Shiceka.

The problem, he says, is that this change and investment to sustain development is crucial to its survival.

But the people who currently use the space of this envisaged African city have much to be unhappy about

The *Saturday Star* discussed the government's rejuvenation plans with a range of people to establish what inner-city folk wanted for Johannesburg.

And, of course, the need for a crime-free environment is of vital importance.

Teddy Saohasti is the manager of Beaver Canoe, a men's clothing shop adjacent to the Bree Street taxi rank. He identifies crime as a major problem.

"The government should install security cameras to watch these criminals," he says, pointing to the street corner diagonally across from his shop

Saohasti often witnesses delivery vans being emptied of their goods by a pack of criminals who frequent the corner.

In the five years he has been in this part of town he has endured violence at the taxi rank, petty crimes, and the occasional stray bullet hitting the shop window.

"Police do not patrol here often enough. They took away the mobile police station and the crime started again," he says.

> *'The city is changing its form ... it is going to be an African city'*

Local government and business partnerships have already taken steps to grant Saohasti his first wish. close-circuit television monitors will be installed at various points around the inner city in June.

The street is littered with cartons from the Chicken Licken outlet nearby Other than that, the vicinity is relatively clean.

"The cleaning service has improved, but when there is a march in town, there is rubbish everywhere," Saohasti says.

His city block is one where local government has provided more frequent cleaning services.

"We want to encourage residents and businesses to take responsibility for their own environment," Shiceka explains

Daksha Patel and her family have lived in Kort Street for more than 20 years Their home is a small flat in a seven-storey building two blocks west of the Library Gardens. The road below the flat is often cordoned off to let striking workers on a march go by.

"We have parking problems. The road is narrow and we sometimes have to park a few blocks away," Bhairan, her teenage son, explains

Shiceka and Greater Johannesburg Metro Council's city manager Graham Reid agree it would benefit the city if fewer private cars entered it every day It would also be easier for Daksha Patel to find parking.

"Parking spaces have been created but we want to encourage people to use public transport because parking does not do much for economic development," says Shiceka.

Construction on Vanderbijl Square, the main bus terminus in the inner city, will begin by late June

A total of R2,5-million has been injected into the project, which marks the start of improvements to the inner-city public transport system.

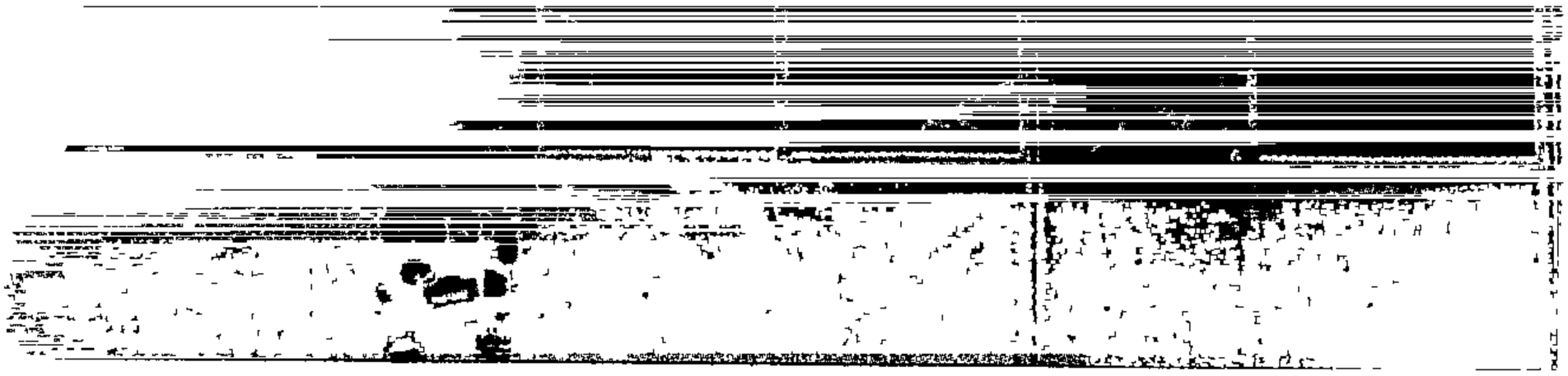
Reid says taxis are a priority in the inner city and on April 20 construction will begin on the expansion of the Jack Mincer Park taxi rank facility The groundwork for an organised commuter taxi system has also already been put into place

Lighting is poor around the city only one street light burns on the block where the Patels live, and this light is often broken.

"There are men who play dice under the street light every night, and residents become angry and shoot the light out," says Patel. Darkness means invisibility – an environment that induces lawlessness

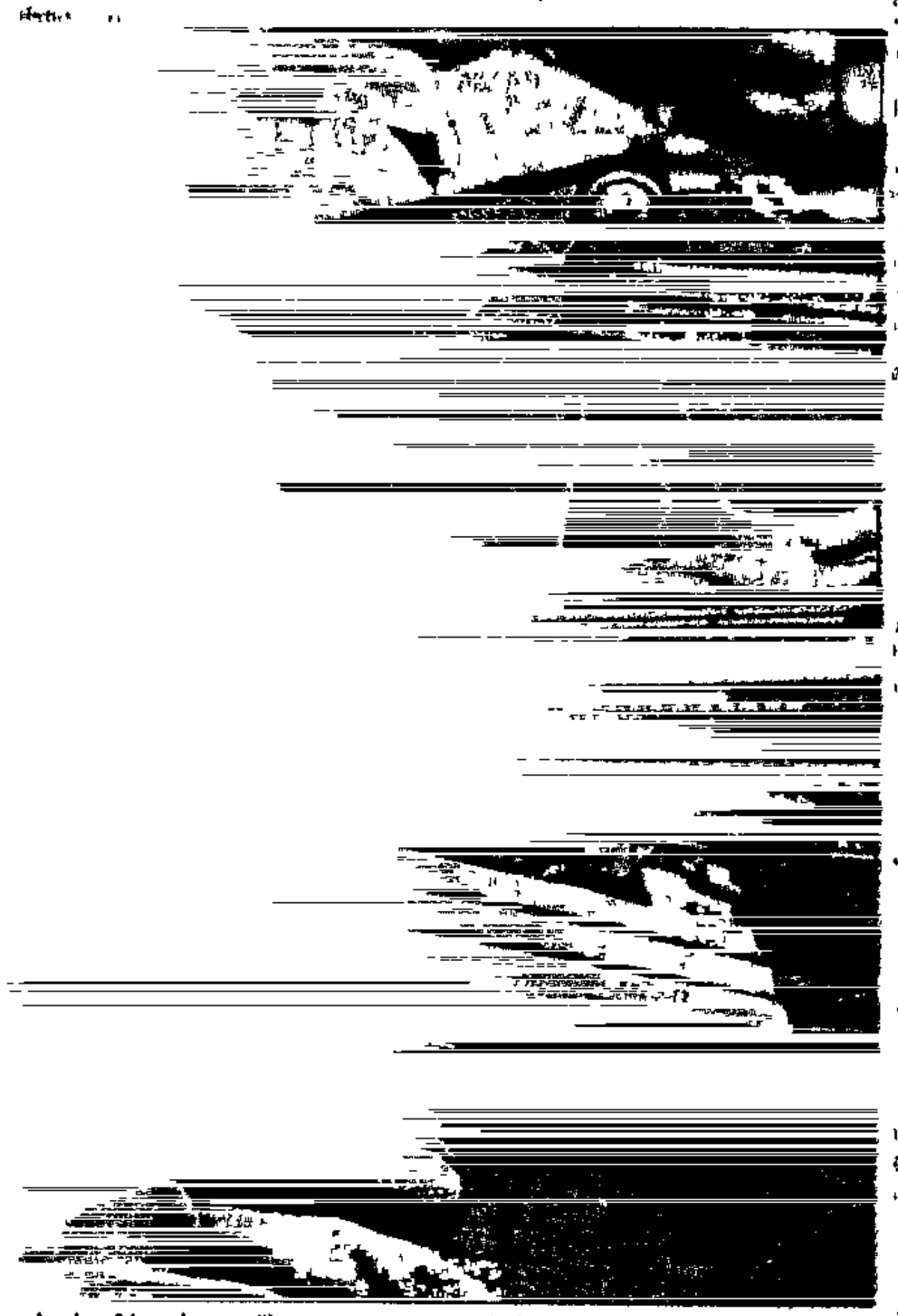
At 9am every day, street hawker Poppie Mncwango arranges her fruit in neat rows of colourful plastic containers She takes pride in

NO PLACE TO TRADE: Hundreds of hawkers will soon receive stands from which to sell their goods



ner-city residents such as the Patel family live surrounded by high levels of crime and mountains of grime. PHOTOGRAPHS: CHRIS ADLAM

Star 28/3/98 (266)



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"There are men who play dice under the street light every night, and residents become angry and shoot the light out," says Patel. Darkness means invisibility – an environment that induces lawlessness

At 9am every day, street hawker Poppie Mncwango arranges her fruit in neat rows of colourful plastic containers. She takes pride in her spot against a Market Street wall.

"The hawkers come here and dirty the street. They don't care," she says.

Mncwango could do with an elevated stand for her fruit. She is not sure about the hawkers around her, none of whom admit to being responsible for the mess. Mncwango wishes everybody would develop cleaner habits.

She could be one of hundreds of city hawkers who will soon receive stands from which to sell their wares

Within the next month, says Reid, informal-trade bylaws will be enforceable, with trade areas clearly defined.

Although these areas have not been identified, an inner-city street trading consultative forum is focusing on specific projects, he says.

"We want to organise informal trading in such a way that the city can be kept clean," says Shiceka. Johannesburg was not designed to contain informal trade, he adds.

Devon, a vagrant milling about a video arcade on Twist Street, says that if the government created jobs for people in the city, he would "offer his services"

Homeless writer Otis Finck believes that people such as Devon can be used to help in the process of cleaning up the city But Devon has other, more pressing needs, says Finck. He believes the government should plan to provide people like Devon with a place to live and an education.

"Jobs, counselling, education and satellite facilities to house the homeless are needed to change the city. The government should think of investing in the people before they invest in the city, because Johannesburg won't be a nice place at all if there are still people on the streets," warns Finck.

Large groups of homeless people have been removed from the inner city already, he says.

At Park Station, which has been considerably improved over the past year, only a small percentage of the homeless living there were given alternative accommodation when they were evicted.

"The homeless can be used to maintain inner-city buildings," suggests Finck.

The Central Johannesburg Partnership's street security guards and ambassadors, who also offer visitors directions around the city, have been a positive feature in the city recently, he adds.

"I saw two of these security guards helping a child who was lost. They took him home," Finck recalls

"Social housing is a major focus this year," says Reid in response to Finck's concerns

Neglected buildings which absentee landlords allow to go to ruin are to be confiscated. Tougher measures are to be implemented to penalise landlords who fail to meet building safety requirements.

> *'I saw two of these security guards helping a child who was lost'*

"We are in the process of starting the information-gathering process. This will test the impact our programmes have had," says Reid.

"There are certain positive indications already The new, low-budget Park Station hotel near Joubert Park, opened this week as a result of a good partnership between the government and the private sector, which is a good example "

Additional plans are under way to establish a traditional African market at the Newtown cultural precinct

An arts and culture centre funded partly by the private sector is also planned

"We are seeing an awakening of interest in the area," says Reid

Progress may be slow, but there are indications that the CBD has been made a priority of city authorities, business and others who care

Motshekga has the charisma needed to keep Gauteng happy

(266) BD 31/3/98

Events of the past few weeks have raised questions about what is really happening in the Gauteng government. **Bonile Ngqiyaza** and **Nomavenda Mathiane** take a look at the province

THE Gauteng Democratic Party's (DP's) analysis of the rash of scandals that have dogged premier Mathole Motshekga since he came to office is simple: "It's the worms coming out of (former Gauteng premier Tokyo) Sexwale's woodwork."

Sexwale's detractors have said that while he performed a "good public relations job", he shied away from administrative duties, virtually leaving the running of the province to a cabal

However, there are signs that Sexwale sensed problems in the safety and security department. Two commissions were appointed to investigate it in the last year alone

While the Lekubu commission looked at all Gauteng departments, the Fitzgerald one targeted the safety and security department Its report was heavily criticised by opposition parties because it blamed only support services director Theo Burgers for the "minor" problems it found and virtually exonerated safety and security MEC Jessie Duarte

The DP's Peter Leon believes that in addition to the safety and security probe and that into housing MEC Dan Mofokeng's department, a third crisis might be looming in economic affairs and finance "If it were to be found that there were improper dealings between the governments of the North West and Gauteng, (economic affairs and finance MEC) Jabu Moleketi's previously unblemished record would be tarnished "

Last week MoAfrica Casino Holdings, a company bidding for a casino in Midrand, brought an interim interdict against the Gauteng government to prevent it granting the province's two remaining casino licences until April 21. It expressed concern that Gauteng had agreed not to allocate licences in the Midrand-Pretoria area as this would affect existing casinos in the North West

Since taking office Motshekga has consistently denied there will be a purge of those who publicly oppose him If anything, it seems he is trying to get them on his side

During the African National Congress (ANC) provincial congress at the weekend, he said the party had always encouraged debate, divergent viewpoints and even lobby groups He said the media and the opposition had not always understood this process, which was intended to "interrogate issues thoroughly, get all the various viewpoints to the table and . reach informed decisions"

Motshekga was aghast at suggestions that the 633 delegates at the Johannesburg congress could be influenced by one person — himself — to elect candidates "supporting" him

He said "sections of the media" misrepresented what was happening in government and within the ANC because of a tendency to take information from "faceless sources" on issues still under discussion, and present it as fact.

A criticism stated often during his candidature for the organisation's chairmanship was that he would polarise the organisation and was not leadership material.

Yet his popularity was apparent at the conference. None of the branches put up an alternative candidate for the chairmanship to which he was elected

The Masondo and the Duarte cases, while coming one after the other, have differences which might indicate that they do not point to a purge.

The ANC has emphasised that Masondo's departure came from its national office and that the province would be the poorer for losing a "cadre with such vast experience". With Duarte, the decision for her to step down was made "in consultation with her" at provincial level.

So where did Duarte go wrong? Apart from making enemies in her party, the media, and her department, she made many wrong moves.

In 1994, when Sexwale appointed her MEC, people were concerned that the portfolio had been given to a woman when there was trouble in the townships Duarte performed well in some respects, particularly with the introduction of community police forums and a human rights approach to policing

It was not the fact that she was a woman, nor that she was coloured, that caused her downfall. It was her managerial style and ambition that created her problems.

In 1996 there were rumours that she was vying for Sexwale's position. The Gauteng executive was divided and Sexwale confided to an opposition party member that his team had marginalised him and her supporters were "poisoning" him. When a reporter asked Sexwale about it, he denied the allegations. But when the same questions were put to Duarte, she accused the media of creating a "Free State problem in Gauteng" — in reference to former premier Patrick Lekota's problems

ANC sources say the Free State saga gave Duarte the idea that Gauteng could have a woman premier

In her bid for power, Duarte misunderstood her colleagues Sexwale was generally well liked When lobbying against him started, most ANC members were distressed by what they saw as a witchhunt. Only then did the race issue arise Black ANC members felt Duarte had not earned, in the struggle, the right to criticise Sexwale Later, in the Motshekga race for power, it became obvious that this was one race she could not win. She was nominated for premier by only one branch out of seven

The difference between Motshekga and Duarte is that he, unlike her, did not forget his friends as he climbed the ladder. It is still early to judge whether he too will antagonise his comrades So far, the signs are that he has "ubuntu" — the magic that makes a manager likeable, no matter what his skills

MOTSHEKGA

COMMENT & ANALYSIS

Johannesburg no longer a sinking ship

The city is finally facing a turnaround in its financial fortunes, but can it sustain the momentum needed to keep it on track? Local government reporter **Deborah Fine** examines the state of the city's coffers

BD 2/4/98 (abb)

NOT so long ago, Johannesburg councillor Kenny Fihla was an angry young man bent on the destruction of local government

As a militant Soweto teenager, he was among those at the forefront of the civil unrest and rent boycotts aimed at bringing down the township's former municipalities in the mid-1980s

By the late '80s, all councils in Soweto had collapsed and many councillors were forced to flee the area Fihla was so committed to the sowing of anarchy that he was detained several times under the infamous Internal Security Act for his efforts

Ten years later, Fihla is deputy chairman of the greater Johannesburg metropolitan council and head of the Committee of Ten which was set up to restore the city's financial stability after it was almost knee-capped by a liquidity crisis last July.

A chief, but not exclusive, cause of the cash crash was the continued culture of nonpayment for municipal services in townships, stemming from habits entrenched by earlier payments boycotts.

Far more damaging, however, was the adoption of the same crippling practice by many of Johannesburg's white residents in protest against what they believed to be unfair redistribution policies formulated by the city's new African National Congress-dominated local councils after the 1995 municipal elections.

Fihla acknowledges the irony of his situation with a characteristic chuckle.

"In the past, we toyi-toyed to achieve development and transformation. Our objectives have not changed, but now we are coming from the other side of the spectrum The shift is a fascinating challenge," he said

He is quietly upbeat that the corrective budgetary adjustments, financial controls, information technology improvements, organisational review and drastic overhaul of credit control systems implemented in the past four months in response to the crisis will provide the strong medicine needed to cure the city's cash malady, break the nonpayment culture and restore market confidence in the council.

He retrospectively described the crisis as "a blessing" because it forced the city to address other deep-rooted problems which also contributed to the near-collapse and which he claimed originated as far back as 1992

FIHLA

These included a lack of proper management systems and planning, sound financial strategies and debt collection measures

"It was always looming. We're glad it came in the early stages because we can take measures now to ensure a sustainable system for the future," he said

His optimism was shared by Development Bank of Southern Africa (DBSA) CE Ian Goldin which provided a R585m capital loan to bail out the city amid criticism that the rescue was merely throwing good money after bad

"People said we should let the city go over the cliff, but that was unimaginable. I think history will prove the loan was the right thing to do," he said.

More cautious were Phil Sinnett and Steve du Randt, two senior financial consultants appointed to assist the Committee of Ten in its deliberations

Agreeing that there was still "lots more" to be done to achieve complete recovery, both said progress had been made in arresting the cash-flow problem and pushing up municipal payment levels.

They dismissed accusations of bankruptcy, explaining that although the city had external liabilities of about R3bn, it also had fixed assets conservatively estimated at R5,3bn The city's problem was one of liquidity, not solvency, they said.

Regarding the cash crunch, it was initially projected that the council would suffer a R2bn deficit at the end of the financial year if it continued with old practices. It was expected to run out of cash for salaries by February.

Corrective measures and financial discipline have reduced the deficit to just under R200m and staff are no longer in danger of empty pay packets. Sinnett said the deficit was caused mainly by overestimates of water and electricity sales, but was only a small percentage of the total budget and thus "no cause for panic".

An increase in average payment levels from an appalling 85% last year to just less than 92% last month indicates substantial headway and has boosted cash-flows by about R300m. This is not enough, however, because the city needs an average of 94% to balance its books properly The difference is still costing Johannesburg R150m a year in uncollected revenues

Of the R1,8bn in accumulated payments arrears, about R1,1bn is recoverable if the council continues mercilessly with its crackdown on defaulters

Sinnett and Du Randt expressed a guarded optimism that the continued use of the new administrative methods and concerted revenue-collection efforts would improve the council's long-term financial position.

It was crucial, however, to maintain the positive impetus created in the past few months, even if this meant the extension of the Committee of Ten's mandate by a further six months through a provincial proclamation

"This oil-tanker was headed for the icebergs, but we've slowed down the engines

"We're starting to turn around, but if the engines rev up again we will still hit the icebergs. The growth in debtors has either stopped or is slowing down but if we don't maintain the pressure, the situation could get out of control again," Du Randt said.

Fihla is not the only Committee of Ten member to have participated in struggle boycotts Other councillors, Prema Naidoo, Pule Buthelezi, Strike Ralegoma and Sizakele Nkosi can also be said to have earned the previous title of municipal enemy number one They have proved their mettle in making cities ungovernable Now is their opportunity to demonstrate equal skills in rebuilding.

JOHANNESBURG METRO FINANCES

Back from the brink, we think

(266) FM 3/4/98

Fresh crisis looms if reform committee is disbanded too early

Greater Johannesburg is, by no stretch of the imagination, a well-run jurisdiction But conditions in SA's business capital are a vast improvement on the outlook five months ago

In October the Southern African Development Bank risked a R585m loan to the crumbling Greater Johannesburg Metropolitan Council As one banker crisply put it, it was either that or sewage on the pavements

Metro faced a R1bn budget deficit, a R500m bill for previous capital expenditure and R300m in arrears owed to Eskom

A radical approach was needed — the 1997/1998 budget was unsustainable For one thing, councils were counting on 100% revenue collection despite the Sandton rates boycott and collection levels as low as 25% in some areas (the overall average is about 85%)

Provincial MEC for local government Sicelo Shiceka ordered Metro to establish a Council of Ten, chaired by Kenny Fihla, and a technical task team, under Deloitte & Touche senior partner Jeff van Rooyen, to make fundamental reforms

Van Rooyen identified which capital projects the councils were committed to and dropped everything else

That sliced R1,2bn off the R1,7bn capex budget Those projects will reappear in the 1998/1999 budget, but there will be only R1bn available for capex and "before we spend a cent we will first ensure that the money is in the bank," says Van Rooyen

A further R500m was shaved off the operations budget, mostly through a freeze on staff appointments

The cuts will bring the estimated June 1998 deficit under control — from R982m to R70m

This is not counting the estimated R150m-R200m due from Sandton rates boycotters, should they elect to pay up

The next problem was revenue collection Metro buys electricity and water in bulk, but the local councils are responsible for payment collection

The new credit control policy has recovered about R120m-R150m in "hard core arrears", says Van Rooyen Debtors were told to pay 50% of their water and electricity arrears up front and the rest over six months, or services would be cut off There have been "massive cutoffs" in the past few months

That has prompted a change of mindset "People have said they always put the councils at the bottom of their list of priorities because the councils never used to bother them Now they say we've moved up on their list," says Van Rooyen

According to the new policy, management is directly responsible for payment by the bigger debtors

Having met two of the conditions set down by the Development Bank, the committee's further reforms included establishing private-public partnerships and reviewing Metro's organisational structures

The council has decided that infrastructure programmes, involving projects such as roads and sewerage systems, can be done in partnership with the private sector It also thinks there is a case to be made for outright privatisation of some noncore businesses such as the Rand Airport, a gas company and a number of farms

It has also appointed a consortium of consultancies — Price Waterhouse and

feel KL

Upper Class

Relax with an onboard massage There's also hand zone therapy and manicures, just to ensure we attend to y

black-owned consultancies Ebony and KMMT Brey — to draft a new organisational design to create cohesion between Metro and the four substructures All of these are separate legal entities with their own budgets

Price Waterhouse hopes its design will eliminate duplication of functions in the five councils This, says Van Rooyen, will help to redeploy staff strategically At present the ratio of administration people to service delivery staff is about 1 1 "International experience shows you need two service delivery people per admin person We're trying to change the mix to increase the focus on service delivery"

Necessary retraining will start after Price Waterhouse completes its design in June

Metro's predicament is still serious, but not critical

The R300m backlog owed to Eskom is now below R100m — about a month's consumption And Van Rooyen says "we're managing all of our creditors within 90 days and trying to push it down to 60 days"

Previously, private banks were only willing to lend to Metro in the form of expensive short-term call bonds, but are now prepared to talk longer-term business

Jeff van Rooyen *heading up the task team*

Metro is negotiating an R800m syndicated loan with a consortium of local banks and it will close a deal with an international consortium for a further R600m in the next couple of weeks R1bn of the money will fund the 1998/1999 capital budget, and the remainder will enable Metro to retire its call bonds — which are costing around 17%

Most of the conditions contained in the Development Bank loan agreement have now been met, and R579m of the R585m has been disbursed

It sounds too good to be true, and, frankly, maybe it is

The committee and the task team's mandate ends at the end of April when Shiceka's proclamation expires That will be a month before the councils present their 1998/1999 budgets and two months before the consultants submit their plan

And when the Committee of Ten's powers expire, so will those of the Finance Coordinating Committee, which is managing the budgeting and finances of the five councils centrally

If provincial government takes its finger off the knot now, management may well unravel again

The committee and the task team may need another three to six months to see the budget through and ensure the changes are sustainable The issue is still being debated at both national and provincial level but the final decision rests with Shiceka

Extending the life of the task team is the only realistic solution Failure to do so will put the progress made at risk all over again

Adrienne Roberts

eaed.

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No more heists or taxi wars – this new team means business!

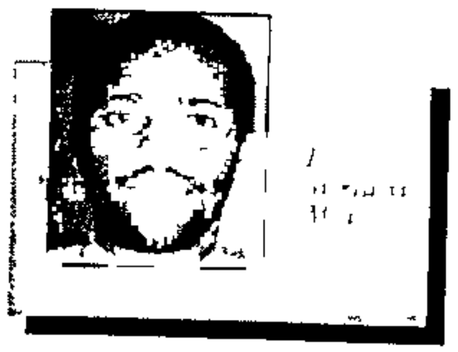
(266) CP 5/4/98

NEWLY elected Gauteng MEC for Safety and Security, Paul Mashatile, has vowed to put an end to the heists and to reduce crime by effectively implementing the national crime prevention strategy

Mashatile said plans were already in place and that what was left was simply the implementation of the strategy

"We will deal with the heists and other crimes by working closely with other provinces," he said

He said he would also work closely with his predecessor in the Transport and Public Works Ministry, Joyce Kgoali, to solve the taxi wars



He said a link between the Transport and Public Works department and his new ministry existed but that closer co-operation would be forged

Mashatile was addressing the media soon after the announcement of his redeployment from Transport and Public Works to Safety and Security by Gauteng Premier Dr Mathole Motshekga

He replaces Jessie Duarte who steps down as MEC for Safety and Security in two weeks' time

Motshekga also announced that Health MEC Amos Masondo who will be stepping down at the end of June this year, will be replaced by Mondli Gungubele

Gungubele, a male nurse by profession, is currently the chairperson of the Provincial Standing Committee on Health

Joyce Kgoali, currently an MP in the National Assembly and also chairperson of the select committee on transport, public works and housing in the National Council of Provinces, will take over from Mashatile as MEC for Transport and Public Works

As a result of her new appointment Kgoali will soon be transferred to the Gauteng Provincial Legislature

Motshekga said the new appointments were made after broad consultations and had been unanimously accepted by the Provincial Executive Committee of the ANC

He denied suggestions from some minority parties as well as some sections of the media that he was purging his cabinet.

"These suggestions are devoid of all truth"

Motshekga also rejected suggestions that MEC for Finance and Economic Affairs, Jabu Moleketi, would soon be leaving the cabinet.

"I have full confidence in Moleketi as MEC for Finance and Economic Affairs, and the problem only exists in the minds of the Democratic Party," he said

TEAM UNITED AGAINST CRIME ... From left to right are the newly elected MECs Mondli Gungubele for Health Joyce Kgoali for Transport and Public Works, along with Gauteng Premier Dr Mathole Motshekga and newly-elected Safety and Security MEC Paul Mashatile

■ Pics. MIKE MZILENI

'Disillusioned' director-general quits

Nomavenda Mathiane

GAUTENG director-general Vincent Mntambo has resigned because of what government officials describe as disillusionment with the way the province is run.

The provincial cabinet would meet today to discuss his resignation and its effect on the province, the officials said

Although Mntambo confirmed yesterday that he handed in his resignation three weeks ago, premier Mathole Motshekga's spokesman Makhosini Nkosi said Motshekga knew nothing about him leaving the government When asked about today's cabinet meeting, Nkosi said the "role of the director-general" would be discussed

Mntambo, who is in the third year of his five-year contract, has been at the centre of controversies dogging the Gauteng legislature, which resulted in him being investigated by the Khumalo-commission last September.

The commission cleared him of misconduct but recommended that the provincial Public Service Commission "negotiate a separation arrangement" if his "power contest" with safety and security MEC Jesse Duarte remained unresolved.

The commission, headed by Eskom executive director of human resources, Bongani Khumalo, was set up by then premier Tokyo Sexwale to look into whether Mntambo should be charged with misconduct. Duarte and housing MEC Dan Mofokeng had accused Mntambo of dereliction of duty.

Although the commission exonerated him, insiders say he has not been getting along with staff, particularly senior government officials in the premier's office He has been accused of interfering in departmental affairs

Mntambo's resignation comes hot on the heels of the controversy surrounding Duarte, who was forced to resign after a probe into irregularities in her department

Government officials said although Mntambo had backed Motshekga in the race for the premiership, it was an open secret that the two did not get on

Sources said Motshekga had initially wanted to replace Mntambo with Paul Mashatile, who has since replaced Duarte

Ironically, the Gauteng government was voted last September as the best run province by the Ncholo report

Mntambo, who is on leave, said he did not want to be embroiled in discussion about his departure, but emphasised that he had not intended to be in government for ever. "I was always going to be there for a specific period and then move on."

BD 15/4/98

(266)

Gauteng director-general says his efforts were thwarted

By Hopewell Radebe
Political Reporter

The Gauteng provincial cabinet yesterday accepted Director-General Vincent Mntambo's resignation

"In the interest of good governance, an acting Director-General will be appointed by the end of this week to take over the responsibilities of the Director-General," Premier Mathole Motshekga's spokesman, Makhosini Nkosi, said on behalf of the cabinet

Mntambo said the provincial cabinet, which he said had long delayed clarifying his role, had begun to thwart his initiatives to instil a culture of administrative efficiency in the province

He said he was going to join the private sector to start a business, but was "not joining Tokyo" (Sexwale, the former Gauteng premier)

"Unfortunately, I am in no position at this stage to reveal my plans because that could compromise the business deals," Mntambo said

Nkosi said the cabinet felt that "ongoing efforts to improve the alignment of the Director-General with the objectives, priorities and needs of his political principals were not bearing fruit".

The cabinet had decided to act according to the Khumalo report, a commission which was established to investigate allegations of misconduct against Mntambo.

It had cleared his name but had recommended that "in the event of such a synergy not being realised and the Director-General remaining incompatible with his employers, the provincial Public Service Commission (PSC) can be approached for guidance which could lead to a negotiated termination of his services" The cabinet has referred Mntambo's resignation to the PSC

Mntambo said he had established administration machinery but MECs had prevented him from evaluating efficiency in most departments

Star 16/9/98 (266)

Gauteng cabinet accepts Mntambo's resignation

BD 16/4/98 (266)

Bonile Ngqiyaza and Drew Forrest

THE Gauteng cabinet has accepted provincial director-general Vincent Mntambo's resignation, citing an inability to align his "objectives and priorities" with those of his principals.

Gauteng premier Mathole Motshekga's spokesman Makhosini Nkosi said yesterday's meeting decided to refer the matter to the Public Service Commission to negotiate settlement terms

Nkosi said an acting director-general who will take over Mntambo's responsibilities in the interim will be appointed by the end of this week

This was in line with last year's recommendations by the Khumalo Commission that the commission "negotiate a separation arrangement" if incompatibility between Mntambo and his employers remained unresolved

However, Mntambo said yesterday his decision was prompted by nothing else but the fact that his role as director-general had still not been properly defined after three years For anybody to bring in the Khumalo report was inappropriate, as it had exonerated him

The commission, headed by Eskom executive director of human resources Bongani Khumalo, was set up by then premier Tokyo Sexwale to look into whether Mntambo should be charged with misconduct

Senior government sources said Mntambo's shortcomings had been highlighted in the report of the Khumalo commission last year, and that he had not mended his ways

"His job was clearly defined last year by cabinet — he was supposed to act as a secretary to the premier with special responsibility for functions, like human resources, which cut across departments The problem was that he would not accept this definition"

One insider said Mntambo had repeatedly clashed with MECs by interfering in the running of their departments. He had also clashed with Sexwale, and had been advised to step down when the latter left government

Motshekga had been keen to retain him as a senior black public servant, but relations between the two had also been fraught with tension. "His departure goes entirely unlamented," the source said.

There was looming conflict over whether Mntambo was entitled to the generous "Cobbett package" which senior public servants received if they were asked to step down by their political principals, he said

Meanwhile, the National Party blamed Mntambo's resignation on "intolerable" African National Congress meddling with public servants and warned that more "resignations" of dedicated officials whose interest lay in good administration, would follow

The Gauteng Democratic Party said Mntambo's resignation reflected tension in provincial government and said it would request an urgent debate in the legislature on the matter

Council officials' jobs on the line

Star 20/4/98

By Lee-Ann Alfreds
City Desk

The fate of hundreds of senior council officials in Johannesburg is to become clear today when new staff structures will be chosen that could see top-level management slashed from about 1 000 to between 166 and 85

Committee of Ten chairman Kenny Fihla said yesterday the team would decide today which of three proposals for staff restructuring would be accepted.

The decision will then be submitted to Greater Johannesburg's five councils.

The three models were proposed by a consortium of consultants who had been hired to carry out an organisational review to improve service delivery and accountability.

The restructuring is part of wide-ranging efforts to reverse a severe cash squeeze which forced Johannesburg to default on payments to its creditors and to abandon certain services in favour of others.

Other efforts have involved the pruning of the capital and operating budgets by more than R1-billion and the implementation of credit control to recover billions owed in arrears.

The Committee of Ten was established to oversee these efforts

According to the proposals, restructuring can take place in one of three ways.

The first option would result in 166 managers overseeing only seven departments.

There are currently five CEOs, 29 department heads and 199 function heads. While the report says the number of managers cannot be ascertained, a source told The Star it was believed there were around 800.

Option two proposes that there be 14 departments in four clusters, with management consisting of one CEO, four department heads, 14 function heads and 66 managers.

The third option, which the report recommends, separates planning and policy-making from the delivery of services. In this option, there would be one CEO, nine department heads, 34 function heads and 154 managers

Fihla said that while one of the options would definitely be accepted, wide-scale retrenchments were not on the cards

Council to slash top posts in 'radical' move

(266)

By Lee-Ann Alfreds
City Desk

Management in Greater Johannesburg councils is expected to be slashed from about 1 000 to an estimated 154 after the Committee of Ten yesterday opted for the most "radical" model for staff restructuring

The Star was told that the committee had chosen the third of three options placed before them by a consortium of consultants The consultants had been appointed to review the staff structures of the Greater Johannesburg Metropolitan Council and its four local authorities

The Committee of Ten was established in October to reverse a financial crisis which had virtually crippled the city.

The decision will now be relayed to the five councils, trade unions and other "stakeholders" for approval Only then can implementation begin.

In terms of option three, policy and planning will be carried out separately from contracting – a significant departure from long-standing practice where the same department was responsible for planning and the delivery of services

In the new structure, contracting will be a department on its own and will be managed by an operational director.

There will be four cluster departments for planning – infrastructure, community services, corporate services and development and planning Non-core functions like electricity, water and sewerage, gas and Johannesburg's fresh produce market will be administered "at arm's length".

Greater Johannesburg's five municipalities will be merged under the management of one CEO, nine department heads, 34 function heads and 110 managers.

Committee chairman Kenny Fihla would not be drawn on the choice yesterday, saying the decision would be announced at a press conference today But a reliable source told The Star that option three had been chosen

Star 21/4/98

'Radical and visionary' model for Johannesburg

(266) pp 22/4/98

Deborah Fine

THE committee of 10 councillors set up to stabilise Johannesburg's cash-flow difficulties said yesterday it had opted for a "radical and visionary" organisational model to improve services delivery across the city

However, the Democratic Party described the model as a blue-print for the single-tier megacity favoured by the African National Congress

The committee's choice follows a review of Johannesburg's metropolitan council and its four local councils by external consultants Price Waterhouse, Ebony Financial Services and KMMT Brey at a cost of

found the present structure offered "value for money" because limited resources were being diverted to bureaucratic support functions instead of to essential services There was costly duplication of functions between and within councils and an unjustified ratio of managers and administrative staff to operational staff involved in the provision of services

Price Waterhouse consultant Steve Killick said the key to the new model was a split at the highest level between strategic policy formulation and delivery of services

The city would be managed by a single CEO instead of the present five A centralised management team comprising directors of infrastructure, community services, corporate services and development planning would devise policy and set service standards across the city with a reduced number of departmental managers

The team would make up about 10% of the administration's total staff.

An operational director would oversee the physical delivery of services on a more local, decentralised basis Although the new model would dramatically reduce the city's total number of senior managers to about 154, 90% of these managers would be involved in delivery of services

Services would be greatly improved because the central management team would closely monitor the performance of the operations departments Too many managers now were left to evaluate the performance of their own departments

Democratic Party councillor Mike Moriarty said the model had not yet been applied successfully in a city with a population as large as Johannesburg's 3,5-million

Fate of Motshekga rests with report

(266)

CT 27/4/98

HOPEWELL RADEBE

JOHANNESBURG The political future of Gauteng Premier Mathole Motshekga hangs in the balance this week, following the submission of the ANC-appointed Negota Commission's report to the party s national executive committee (NEC) at the weekend

ANC secretary-general Kgalema Motlanthe said the NEC had received the commission's report, chaired by lawyer Mr George Negota, and which investigated allegations of corruption, nepotism and mismanagement of foreign donor funds against Motshekga

Motlanthe yesterday said that he was unable to discuss it "The NEC will respond to the recommendations of the commission as soon as its members have studied and applied their minds to it"

He said the ANC was going to release the document to the public this week

Sources in the Gauteng executive committee said Motshekga's grassroots support could do little to save his political career if he failed to resolve friction in the provincial leadership

A committee source said "The campaign of mudslinging and character assassination against Motshekga is not ending the infighting, even though he has bent over backwards to unite the groups The national body would not tolerate the internal factions

ACCUSED: Mathole Motshekga

which continue to damage the image of the organisation He may be asked to resign just like Duarte (former Safety and Security MEC Jessie Duarte) on the grounds that the provincial administration is being compromised "

The *Cape Times* understands that Duarte had vowed to go down with others at one of the provincial cabinet meetings because she was unhappy about the manner in which Motshekga handled the damning documents revealing maladministration and corruption in her department

Motlanthe denied the NEC would intervene in Gauteng He said the NEC would not single out individuals because this would not resolve the problem "In the end, it is the branches that will call their leaders to order," he said

ANC investigation clears Motshekga

(266) Sowetan 30/4/98

By Pamela Dube
Political Reporter

GAUTENG Premier Mathole Motshekga was cleared yesterday of spying for the apartheid government and of mismanagement, nepotism, fraud, self-enrichment and misappropriation of donor funds by an African National Congress investigation

The ANC commission of inquiry – comprising ANC leaders Advocate George Nagota (chairman), Mrs Gertrude Shope and Mr Isaac Makopo – found, however, that Mathole lacked skills in financial administration, had an "over-centralised" management style and had committed a "serious error of judgment" in buying a car from project funds without proper authorisation

The commission investigated Motshekga's tenure as director of the National Institute for Public Interest and Research (Nipilar) in the '80s. The report was released by ANC general secretary Mr Kgalema Mothanthe and his deputy Ms Thenjiwe Mtintso

Although the commission could not find any evidence that Motshekga or his organisation had misappropriated funds, it found a lack of accounting and management skills on the part of the premier

The commission said although Motshekga was "not guilty of misappropriation and (had) sympathy for the difficulties faced by the institute at the time", they found that the manner in which the institute accounted for Trocaire donor funds "was flawed and insufficient'

The three commissioners also failed to establish whether Motshekga abused his position by awarding a job "to a girlfriend" as alleged and was dictatorial in his management at the time

They said his lack of punctuality was legendary "The commission is not oblivious to the extraordinary circumstances of the time Activists were generally over-committed and, seen within the context of police harassment and the turbulent conditions of the time, it could be said that a lack of punctuality was understandable"

No evidence came to the fore on allegations that Motshekga spied for the previous National Party government. One of the arguments used to support allegations of spying was that Motshekga was a close friend of Dr André Thomashausen, an alleged supporter of the former Mozambican rebel movement Renamo It was further alleged that Thomashausen was working for the notorious military intelligence structures

While both admitted to the friendship, the commission found that Motshekga could not have known of Thomashausen's alleged activities

The commission said the friendship did "go beyond the demands of academia"

'By all accounts they appear to be rather close personal acquaintances

It appears furthermore that it was a relationship of mutual benefit and dependency that developed between the two.

"Motshekga was dependent on Thomashausen's support for a position at the university, while Thomashausen in return clearly benefited from Motshekga's political insight into and connections with the democratic movement"

The commission stated that while the friendship was not seen as harmful to the ANC at the time, it would be best for the premier to cool it off because "any ongoing relationship with politically dubious personalities carrying shady histories could certainly serve to fuel rumours around Motshekga", and as such damage the name and credibility of the ANC

Rumours against Motshekga had been known for a long time by the ANC leadership and the commission noted that the Gauteng premiership race – which they refer to as a "bloody battle" – acted as a catalyst

"Generally it was elements within the ANC opposed to Motshekga's accession to the chairmanship that were pro-actively leaking information and misinformation to the press"

The three commissioners further stated that the race "has not done the ANC proud" and put up several recommendations

Gauteng Premier Mathole Motshekga who was acquitted on allegations of fraud, nepotism, mismanagement, spying for the apartheid government and abuse of donor funds by the ANC internal commission. The commission, chaired by Advocate George Nagota, was investigating allegations against Motshekga at a time when he served as director of the National Institute for Public Interest Law and Research in the 1980s.

PIC MOTLAPELE SEGALE

Motshekga cleared but gets a drubbing

Commission finds administration of National Institute for Public Interest Law was 'shambolic'

Star 20/4/98 (266)

By Hopewell Radebe
Political Reporter

Gauteng Premier Mathole Motshekga's attitude to money, time and management has come in for a pounding in the report of the Negota commission of inquiry

While the report cleared him of allegations of stealing donor funds, spying for the former government and nepotism, it paints an unflattering picture of a public figure with little regard for accepted management practices

It found he headed a chaotic administration at the National Institute for Public Interest Law in the 1980s.

The report says the political climate at the time was partly to blame for the chaos that was Motshekga's operating style. But it portrays Motshekga as a shambolic administrator who disregarded advice, arrived late or not at all for meetings, and says he performed his duties as director in a "disorganised and haphazard manner"

"Motshekga was never punctual for his appointments and had, on more than one occasion, simply missed critical meetings There were no regular staff meetings . . While the institute was confronted with challenges of growth of centres, there was no hands-on leadership "

The report adds that the perception of Motshekga's style "was the accurate reflection of the situation at the time".

The commission found he had conceived of and founded the institute but might not have foreseen the magnitude and pace of its growth

However, he knew and understood the extent and nature of his tasks, including a need for a "clear and indisputable hands-on operational responsibility". He was also aware that the implementation of his vision required hands-on management and that he needed to set up management systems and controls, appoint a reputable firm of auditors, qualified attorneys, paralegals and managers to realise it

"Many of the problems experienced were attributable to his hands-off management style," the report says

'He did not follow advice'

It also says Motshekga was too involved with other institutions Other than his full-time employment at Unisa, he served the Democratic Lawyers Congress and was vice-president of the National Association of Democratic Lawyers.

"Coupled with the extremely repressiye political atmosphere of the time, there was no way in which he could have brought cohesion in dealing with the type of problems which beset the institute," the report says

Although not guilty of misappropriation, and having sympathy for the difficulties faced by the institute at the time, the commission found that the manner in which the institute (as headed by Motshekga) accounted for the spending of the Trocaire (foreign) donor funds was flawed and insufficient

It also found Motshekga had committed a "serious error of judgment" by issuing a R23 000 cheque to pay for a vehicle

It cleared Motshekga on charges of nepotism after it was proved he developed a relationship with an employee of the institute, Johanna Mohale, when she was already working with him His brother was found to have served the institute without remuneration.

Motshekga's association with a colleague, Andre Thomashausen – an alleged supporter of the former Mozambican rebel movement Renamo – who worked with him at Unisa, was a relationship of mutual benefit and dependency

The commission said the relationship went "beyond the demands of academia Motshekga was dependent on Thomashausen's support for a position at the university, while Thomashausen benefited from Motshekga's political insight into and connections with the democratic movement "

It recommended he terminate all political, governmental and personal aspects of the relationship with Thomashausen

Apart from the Thomashausen connection, the commission found there was not enough evidence to substantiate the allegations that Motshekga was an informer of the former government's intelligence or security agencies

Cabinet challenged to reveal price of state jobs equity

NP quizzes ministers on bill

(Pol) (Pol) ARG 30/4/98

CLIVE SAWYER
POLITICAL CORRESPONDENT

Cabinet ministers have been challenged to tell Parliament how much it will cost to implement the Employment Equity Bill in each of their departments.

The challenge was made in a series of 25 questions tabled in the National Assembly by various members of the National Party to each member of the Cabinet

Each minister has been asked to say whether the cost of implementing the bill has been budgeted for.

The questions coincide with this week's release of the Government's white paper on affirmative action in the public service and parastatals.

The Employment Equity Bill, which the Government hopes to have approved by Parliament this year, prohibits discrimination in employment, and the second part introduces affirmative action programmes to deal with apartheid-linked discrimination.

All employers, including the Government, will be required to promote equal opportunity and to eliminate unfair discrimination in any employment policy or practice

Employers will not be allowed to discriminate against employees on grounds of race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, political opinion, culture, language or birth

The bill also puts a ban on racial and sexual harassment, characterising them as unfair discrimination, and prohibits medical testing except under certain circumstances.

The bill does not set racial quotas, but requires workplaces to set their own targets after consulting workers and trade unions.

The Government is one of the country's largest employers, with those on its payroll including the armed forces and the millions in the state bureaucracy

Implementing the policy in the white paper on affirmative action in the public service will require considerable effort, and the white paper attempts to give this impetus by widening responsibility for affirmative action to all management levels

The white paper sets affirmative action goals of 50% black people, 30% women and 2% disabled at management level in the civil service by 2005

Currently women make up only 13% and the disabled only 0,02% at management level.

The white paper requires that affirmative action be absorbed in the budgeting process of departments

Affirmative action policies will be incorporated in managers' performance objectives and the performance contracts of directors-general

Public Service and Administration Minister Zola Skweyiya said the public service was shedding employees at a rate of 8% through natural attrition Combining this with proper human resource planning should help the Government achieve its goal

The NP has indicated it will oppose the affirmative action employment legislation

Rejecting the Employment Equity Bill, the NP said "imbalances of the past created by discriminatory principles cannot be rectified by reverse discriminatory principles"

Meanwhile, staff of opposition parties in Cape Town were struggling yesterday to get copies of the white paper on affirmative action in the public service so they could comment on it

Government gazettes are published in Pretoria on Fridays and released in Cape Town on Tuesdays

However, Monday having been a public holiday, by late yesterday copies of the gazette had not yet arrived at government printer offices in the parliamentary capital

Inquiry raps Gauteng leader over the knuckles

(266) ARG 30/4/98

MOTSHEKGA HOPEWELL RADEBE
POLITICAL REPORTER

Gauteng Premier Mathole Motshekga's attitude to money, time and management has been attacked in the report of the Negota commission of inquiry.

While the report cleared him of allegations of stealing donor funds, spying for the previous government and nepotism, it paints an unflattering picture of a public figure with little regard for accepted management practices

It found that he headed a chaotic administration at the the National Institute for Public Interest Law (Niplar) in the 1980s

Premier: Mathole Motshekga

The report heaps some of the blame for the chaos that was Mr Motshekga's operating style on the political climate at the time But it portrays him as an administrator who disregarded advice, arrived late or not at all for meetings and that he performéd his duties as director in a "disorganised and haphazard manner"

The commission found that he had conceived of and founded the institute but might not have foreseen the magnitude and the pace of its growth It argued that he was too involved with other institutions

The commission found that the way the institute (as headed by Mr Motshekga) accounted for the spending of Trocaire (foreign) donor funds was flawed and insufficient But it cleared Mr Motshekga on charges of nepotism

Premier's 'lack of skills a problem'

BD 30/4/98 (266)

Taryn Lamberti

AN INTERNAL commission of inquiry appointed to investigate allegations of mismanagement and misappropriation of donor funds as well as nepotism against Gauteng premier Mathole Motshekga has recommended that he be given "concrete and extensive assistance" to strengthen the general management of his office

The commission, which released its findings yesterday, suggested Motshekga terminate his relationship with Andre Thomashausen, a Unisa professor who allegedly had close ties with Mozambique's Renamo movement

The commission also recommended that it was in Motshekga's best interest to "acquire a general understanding of financial management skills"

The report said Motshekga's lack of management skills was "a problem of magnitude" and that highly skilled and disciplined personnel needed to be deployed in Motshekga's office

The commission was appointed to probe allegations relating to Motshekga's use of donor funds during the late 1980s and early 1990s when he headed the National Institute for Public Interest Law and Research Claims that he did not properly account for R650 000 donated by the European Union, via Trocaire, to the institute were investigated The commission found that although Motshekga was not guilty of misappropriation, the manner in which he accounted for the the funds was "flawed and insufficient"

The report said some of the 22 witnesses who testified before the commission claimed Motshekga had used the institute's money for his personal gain, including a claim that he issued an institute cheque for R23 000 to buy a personal car

However, from evidence before the commission "there was nothing to substantiate the allegations of dishonest or fraudulent handling or misappropriation of donors' money"

The commission found that Motshekga had performed his duties as a director of the institute "in a most dis-

Continued on Page 2

Premier

BD 30/4/98 (266)

Continued from Page 1

organised and haphazard manner"

He listened to advice but did not follow up on it. "He was never punctual for his appointments and had on more than one occasion simply missed critical meetings."

That some staff members were illegally taking payment from clients could partly be ascribed to Motshekga's absentee management style, the report said The allegations of nepotism could not be proved. The African National Congress national working committee responsible for processing the findings will meet next Monday.

Picture: Page 2

Greater Johannesburg's staff restructuring plan set to last 12 months

(266) Star 1/5/18

By Lee-Ann Alfreds
City Desk

The restructuring of Greater Johannesburg's staff, which could slash the number of managers from about 900 to an estimated 154, is expected to take a year

The Star understands that the Committee of Ten, which last week opted for a new staff structure, has approved a 12-month implementation plan

The committee was established in October to reverse the financial crisis facing Johannesburg.

According to the plan, a project manager is to be appointed to draw up the job criteria for a chief executive officer.

The new structure will reduce the number of chief executive officers from five to one. The chief executive will head a single administration.

There are currently five

Project manager will be appointed

administrations in Greater Johannesburg serving five municipalities, all of which at present have executive powers

The new chief executive officer and project manager will in turn appoint corporate directors and department heads.

The Committee of Ten is to be briefed on the legal implications of setting up one administration to serve five autonomous councils on Monday, the same day Gauteng Local Government MEC Sicelo Shiceka is to issue a proclamation extending the life of the Committee of Ten and a technical task team established to assist it.

While the metro council and the local government department would last night not comment about the contents of the proclamation, sources told The Star there were two options.

The most radical would be to set up an alternative centralised political system, with new joint committees to be established which would supersede committees currently in existence.

These committees would take decisions on planning and

Unions have expressed discontent

urbanisation, infrastructure and technical services, public/private partnerships and information technology, among other matters

This option was proposed by local government, but was opposed by council because it imposed a political system on the city and was unwieldy, according to sources.

The second option proposed the expansion of the Committee of Ten to include members of the opposition political parties in the council and the expansion of the technical task team to include council officials.

The Committee of Ten is composed of 10 ANC members while the technical task team is made up of four independent chartered accountants.

The proclamation was made by the Gauteng cabinet on Wednesday.

While council and provincial government continue with plans to streamline Johannesburg's bureaucracy and political system, trade unions have expressed discontent with the moves.

An Independent Municipal and Allied Trade Unions spokesman said the council had not consulted the unions about the restructuring.

A provincial government source also expressed reservations, saying the council did not have the legal right to set up one administration and was making itself vulnerable to retrenchment payouts, which Johannesburg could not afford.

Council spokesman Kenny Fihla said the council could legally go ahead with the restructuring.

Does Egoli still glitter?

(266) Star 2/5/98

The election of Mathole Motshekga as premier of Gauteng reflected a deep-seated frustration with the pace of development in the province. He has a reputation for hacking through the bureaucratic undergrowth and getting things done. Now he must also help Gauteng become a smart province. CIARAN RYAN reports

Greater Johannesburg, the engine room of the South African economy, is in trouble. Its administration is in financially dire straits, seemingly incapable of surviving on its R7 billion-a-year budget and, until recently, tainted by accusations of late payment by suppliers.

The Democratic Party says it took the ANC just three years to turn a comfortable surplus into a huge deficit, in the process destroying the city's once proud AA credit rating. Johannesburg is governed by four local councils, only two of which are properly functioning, and a metropolitan council, whose spending appetite far exceeds the city's capacity to pay.

Slipshod administration is partly to blame, says the DP. Bills are sent out late, debt collection is patchy and the cost of delivering services has skyrocketed. But the real problem, according to the DP's Frances Kendall, lies with the metropolitan council's centralised control over local-council budgets.

At a time when cities elsewhere in the world are devolving power to local councils, the ANC in Gauteng wants to convert the province's four metropolitan areas into a megacity, vesting huge power with centralised, ANC-dominated authorities. One of the chief advocates of this model is Gauteng Premier Mathole Motshekga, who makes no secret of his dirigiste ambitions for the province.

"The ANC is mistaken in its view that a centralised megacity government will remove discrepancies between rich and poor," says Kendall. "On the contrary, it will widen the gap. Centralised control of Johannesburg's finances has all but brought the city to its knees. There is no money to spend on the essential running costs of existing services. What hope is there of extending services to the poor in disadvantaged communities? In Ivory Park, where decentralisation is practised, there has been a marked improvement in service delivery with a concomitant increase in payment levels."

Listing ship

The DP says the answer is to fast track privatisation of services such as electricity and sewage purification, as well as billing and debt collection, to cut back the budget of the metropolitan council, and to sell and then lease-back buildings. To the ANC's credit, a committee was hastily appointed last year to restore Johannesburg to financial health, but it may take [illegible]

in job opportunities. This, however, is insufficient to address unemployment, running at an estimated 28% across the province.

The composition of the Gauteng economy is changing over time. Between 1988 and 1995 the best growth performers were manufacturing, finance and trade. Between 1996 and 2002, manufacturing is expected to drop to sixth place, with construction, finance and trade being the best growth performers.

Within manufacturing, a similar shift in composition is taking place. Historically, industrial chemicals, paper, glass and non-ferrous metals were the province's best performers. In future, however, these will be eclipsed by furniture, leather, motor vehicles, and transport equipment.

Gauteng's most important trading partners are the US, Britain, Germany and Japan. Exports from the province are expected to grow by 3% a year for the period 1996-2002, which is well below targets set by central government in its Growth, Employment and Redistribution (Gear) strategy document. Gear, by way of comparison, envisages national employment growth of 2,3% a year between 1996 and 2000, non-gold export growth of 8,4% a year and manufacturing export growth of 10,8% a year.

According to Ann Bernstein, executive director of the Centre for Development and Enterprise, an area of national concern is the stagnating economic performance of the East Rand at a time when population continues to grow.

In 1994 the East Rand comprised 22 local authorities stretching from Alberton to Kempton Park/Thembisa to Nigel/Tsakane. Some 2,5 million people live in the region, which has a formal-sector economy worth R66-billion and sustains some 620 000 job opportunities, provided by 33 000 registered employers. It is, says Bernstein, South Africa's "unknown metropolis".

Indeed, this is part of the problem. The area is institutionally fragmented, with towns competing against each other rather than co-operating, while the business community is similarly disunited on social, political and economic issues.

Rich with opportunity

"Unemployment is very high – some estimate 40%," says Bernstein. "A rapidly growing, often unskilled population faces a shortage of formal/informal jobs and a shrinking of the metals cluster that has provided upward mobility for generations of workers."

Yet, she adds, the area is rich with opportunity. "It has under-utilised physical infrastructure – think of its freeway system – plenty of vacant, industrially zoned land, and a trained industrial workforce, much of it in small and medium-sized firms already linked to the area's large companies. Here exists much latent entrepreneurial possibility. As a place to live it has many positive characteristics: low housing prices, good recreational amenities, open spaces and good shopping facilities."

Yet out of the East Rand comes one of the most outstanding examples of local council initiatives in

Listing ship

The DP says the answer is to fast-track privatisation of services such as electricity and sewage purification, as well as billing and debt collection; to cut back the budget of the metropolitan council; and to sell and then lease-back buildings. To the ANC's credit, a committee was hastily appointed last year to restore Johannesburg to financial health, but it may take some time to right the listing ship.

How does this picture of Johannesburg chime with the 1996 World Competitiveness Report, which rated Greater Johannesburg as one of the world's top four investment destinations? The truth is that Johannesburg, for all its administrative shortcomings, is the preferred destination for foreign and local investors seeking a base in southern Africa. Without Johannesburg, the province could not survive.

Gauteng, squashed into just 1,6% of South Africa's land mass, accounts for 43% of its gross domestic product. It is the smallest but economically the most powerful province in South Africa, with a population of 8,9 million people, of whom 4,8 million reside within Greater Johannesburg. It has the highest per capita income of all the provinces, and a consumer market unrivalled in sub-Saharan Africa.

Johannesburg remains the mining, industrial and financial centre of the country, and that centre has moved steadily northwards. While the banks and mining houses have planted their roots ever deeper in the city centre, the CBD continues to be hollowed out by a steady migration of businesses to more tranquil suburbs in the north.

Crime is the most frequently cited reason for relocating, as the police appear unable to restore order to parts of the city. Anglo American Properties has announced it will sell off its CBD properties, while Sanlam has said it will suspend all further CBD developments until city authorities get their house in order. The only major CBD development of note is Absa's R400-million new head office complex to the

> *'Crime is the most frequently cited reason for relocating from the CBD, as police seem unable to restore order'*

east of the CBD and the R173-million Park Station development.

A point often overlooked is the success achieved in driving criminals out of certain designated parts of the city centre, known as business improvement districts. There are now four such areas within the city centre where business owners have slowly regained control of the streets by co-ordinating security and upliftment efforts.

With office rentals up to one third of those in Rosebank and Sandton, a different type of enterprise is filling the void left by departing businesses. Office blocks once bristling with lawyers and other professionals are now occupied by fledgling clothing factories and start-up businesses.

In an effort to revive the CBD, Johannesburg's city fathers last year unveiled the Mayivuke (Awake Johannesburg) campaign around five central pillars, eradicating crime, homelessness and litter, shepherding hawkers into designated trading zones, and improving taxi management.

New taxi ranks are being established at Park City and Jack Mincer Park, and a cultural precinct has been created around Newtown. Valiant though these efforts are, it could take years before confidence is restored in the CBD.

Midrand, in contrast, can barely keep pace with the demand for industrial and office space. The R1-billion Samrand property development is well into its second phase, and two off-ramps and a CBD bypass road have been built to accommodate the burgeoning traffic flow. Midrand made a bold pitch for the new national parliament buildings, but increasingly it looks as if it is a two-horse race between Cape Town and Pretoria.

Old Mutual Properties is behind a R3-billion shopping and family entertainment centre about to be erected on a 65ha site between Grand Central Airport and the Midrand CBD.

The Zonk'Izizwe (All Nations) Shopping Resort, the largest single property development yet undertaken in South Africa, will offer office and residential accommodation, two 290-room hotels, shopping, entertainment and state-of-the-art educational facilities.

Property development company RMP last year won council approval for its Crown City mixed-use development on a 68ha site 8km south-west of Johannesburg. Original plans allowed for 200 000sq m of office space, 35 000sq m of retail space and 25 000sq m for light industry, although tenant demand will determine the final mix.

Crown City falls under the Southern Metropolitan Substructure, which enjoys all incentives offered by the Department of Trade and Industry, including tax holidays, export marketing and investment assistance schemes, medium and long-term financing, through the Industrial Development Corporation, low interest loans to companies creating at least 10 new jobs; and export promotion and import finance schemes.

The Crown City development forms part of a development corridor between Soweto and the Johannesburg CBD which, it is hoped, will breathe new life into the south western part of the city and provide work and business opportunities for Soweto's 3,3 million residents.

Another planned development is the City Deep Production Park, which will become the largest dry container port in Africa, alleviating pressure at the container depot at City Deep.

Yet another development corridor is planned between Mabopane and Centurion, near Pretoria, which is expected to attract up to R3-billion in investment. Like Crown City, the 60km-long Mabopane-Centurion corridor is aimed at redressing social disparities by creating up to 75 000 new job opportunities through a programme of urban reconstruction, integrated transport development, industrial clusters and human resource development.

GAUTENG

Magnitude	Value	Growth Rate		% of SA
Area (km2)	18 760,0		n/a	1,5
Population, 1993 (000)	6 847,0	(1980-93)	2,0	16,8
Labour force, 1993 (000)	3 564,2	(1980-93)	2,7	24,7
Nominal GGP, 1991 (Rm)	103 870,5	(1980-91)	15,0	37,4
Real GGP, 1991 (Rm)1)	90 616,4	(1980-91)	0,3	37,2
Real GGP per capita, 1991 (R)	14 031,0	(1980-91)	-1,6	217,9
Real GGP per worker, 1991 (R)	42 101,0	(1980-91)	0,2	136,4
Personal income per capita, 1994 (R)2)	19 961,0		n/a	237,1

Indicators	Gauteng	South Africa
Population density (persons per km2)	344,3	31,0
Functional urbanisation (%)	99,6	65,5
Literacy rate, 1991 (%)3)	69,0	61,4
Pupil-teacher ratio, 1993	27,0	32,0
Non-school attendance, 1991 4)	8,7	9,6
Labour force participation rate, 1991 (%)	74,9	58,1
Labour absorption capacity 1991 (%)	62,7	61,1
Unemployment rate, 1994 (%)	28,7	32,6
Male absenteeism rate (%)5)	20,7	-5,0
Dependency ratio (number of people) 0,9	1,9	
Personal income/GGP, 1994 (%)6)	95,6	89,4
Life expectancy	65,6	63,4
Infant mortality rate, 1991 (%)7)	35,2	41,8
Hospital beds per 1 000 population, 1992	6,5	5,1
Fixed treatment points per 1 000 population, 1992 8)	0,2	0,1
Medical officials per 1 000 population, 1992 9)	1,3	0,6

Source: Development Bank of Southern Africa, 1996

1) 1991 figures at 1990 prices.
2) A figure lower than 100 (237,1) denotes an income figure below the average of South Africa.
3) The percentage of persons 15 years and older with at least a Standard Five qualification.
4) The percentage of children aged six to 14 years not attending school.
5) Minus indicates absenteeism.
6) The net percentage of income generated in the Gauteng Province and in other provinces accruing to the inhabitants of the Province – a percentage higher than the average for South Africa denoting a net inflow into the Province.
7) The number of live-born children who die under the age of one year per 1 000 live births.
8) Hospitals, health centres and fixed clinics (public and private).
9) Includes all medical officials in private practice and government service.

Percentage real growth rate forecast 1996-2002

Sector	Investment	Value Added	Employment
Agriculture	1,8	2,4	1,9
Mining	10,7	-3,3	0,8
Manufacturing	1,0	2,6	-0,2
Electricity	0,6	2,5	2,8
Construction	4,1	3,0	6,8
Trade	4,5	3,4	3,3
Transport	3,3	3,2	1,6
Finance/Business	5,0	5,0	1,6
Total	1,9	3,2	2,3

Source: Gauteng government 1997 Trade and Industrial Strategy document

Later this year the Department of Transport is expected to give the go-ahead for the development of the Platinum highway, an extension of the Maputo Corridor which will link Botswana and Rustenburg with the Mozambican port, and provide better access to Midrand and Johannesburg.

At the time of writing, Fiat was expected to give the go-ahead for a R200-million plant in Rosslyn, Pretoria, providing a further boost to the automobile cluster developing north of the city. Fiat plans to produce the Palio and Siena at Automakers' Rosslyn plant, which already manufactures the Fiat Uno. The factory is believed to be part of a counter-trade deal linked to Italy's bid to supply the South African Navy with corvettes.

Johannesburg International Airport is erecting a new terminal at a cost of R260-million, along with a R160-million retail complex due for completion in the first quarter of 1999.

A multi-storey parking complex will add 4 000 parking bays to current parking space. The airport now services 77 airlines, as against 34 in 1994, and the 8% increase in traffic volumes in 1997 stretched its resources to the limit. Johannesburg is the gateway for international visitors to South Africa, and tourism is becoming an increasingly important contributor to economic growth.

The Gauteng provincial government's White Paper on Tourism says there are 70 graded hotels, with 9 594 rooms, in the province and a further 190 ungraded hotels. Conference capacity in Gauteng represents 25% of the national total. There are 79 conference venues in Gauteng, with Greater Johannesburg accounting for 85% of the province's total.

What of the economic prospects for Gauteng?

According to a 1997 trade and industrial strategy document issued by the Gauteng department of finance and economic affairs, an annual growth rate of 3,2% is forecast for the province between 1996 and 2002, with a corresponding 2,3% growth in employment. The province's economy is dominated by the manufacturing sector, which contributes 31,2% to the gross geographic product, followed by finance and business services (20,2%), trade, catering and accommodation (13,2%), transport and communication (12,2%), community, social and personal services (10,2%), mining (4,2%), construction (3,2%), electricity, gas and water (2,8%) and agriculture (2,8%).

Gauteng's manufacturing sector is dominated by the metal, machinery and equipment industry (30,2%), followed by food, beverages and tobacco (15,2%), chemicals, petroleum, rubber and plastic products (14,2%), textiles, clothing and leather goods (11,2%), wood and paper products, publishing and printing (10,2%), basic iron and steel, non-ferrous metal products (9,2%), and other manufacturing (9,6%).

Gauteng's economy is highly diversified, with strong linkages between the various sectors. Its manufacturing sector is also highly diversified, with strong linkages between the various industries. Gauteng's economy is also highly integrated with the national economy, with strong linkages between the province and the rest of the country.

Gauteng's economy is also highly integrated with the global economy, with strong linkages between the province and the rest of the world. Gauteng's economy is also

New bodies to oversee city's finances

(266) Star 5/5/98

MEC signs proclamation to establish Committee of 15, technical task team and executive committee

By Lee-Ann Alfreds
City Desk

Three new committees, including a joint executive committee with executive powers, are to be established in Greater Johannesburg to oversee the city's finances and its beleaguered planning, information and emergency services

The committees will replace the Committee of Ten and a technical task team established in October by the provincial government to head off a financial crisis which had virtually crippled Johannesburg.

The new committees – which will include a Committee of 15, an extended technical task team and a joint executive committee – will be established in terms of a new, far-reaching proclamation issued yesterday.

The proclamation, signed by Gauteng Local Government MEC Sicelo Shiceka, ordered that the Committee of 10 and technical task team be dissolved and new structures be established within two weeks

The Committee of 15 will consist of three councillors each from Greater Johannesburg's Metropolitan, Eastern, Southern, Northern and Western councils. Each council will elect its committee representatives.

The technical task team – which will support the Committee of 15 – will be headed by independent chartered accountant Jeff van Rooyen, who chaired the original task team, and will be made up of senior council officials. Consultants might be appointed if required.

The Committee of 15 is expected to be established next week, said Committee of 10 chairman Kenny Fihla, and the task team is to be appointed within two days of that.

Van Rooyen said yesterday he expected to make proposals on the composition of the new team on Monday He said some existing team members, and some of the chief executive officers and finance heads, would most likely make up the new team.

The joint executive committee will consist of the executive committees of each of the five

> 66
> **His powers extend to financial unsoundness**
> 99

councils. This committee will have the power to ratify the decisions of the Committee of 15

In terms of the proclamation, the new committees will not only focus on Johannesburg's finances, but will also develop a uniform policy for planning and urbanisation across the metropole It will also monitor the revitalisation of Johannesburg's inner city

The committees will also have to implement proposals for upgrading and integrating the five councils' existing information systems, finalise partnerships of non-core functions with the public and private sectors, implement the restructuring of council staff, compile the operating budget, obtain finance for unfunded infrastructure which has been carried out, and prioritise the upgrading of emergency services

Shiceka said the new committees were being established to maintain the progress made since October

He said Johannesburg had achieved the goals set in the previous proclamation by increasing service-payment levels from 86 to 91%, embarking on a reorganisation of council staff and by reducing the city's projected overexpenditure by R1,8-billion to R200-million.

"The intervention in Johannesburg has managed to change the city around We are confident the city will be able to move into the next century being led properly," Shiceka said

He said the proclamation had been extended to include the supervision of planning, information and emergency services because the negative image attached to the functions was affecting the city's finances

DP spokesman Mike Moriarty said Shiceka had "overreached his powers" and was merely centralising power

"His powers extend to financial unsoundness. It's a bit of a stretch to tie up planning and emergency services Those services just don't tie up," he said

Moriarty said his party would be taking legal opinion on the proclamation.

The NP was not available for comment.

ANALYSIS

Council has 'contempt for the law'

(266) BD 5/5/98

Privatisation and outsourcing are needed to get Johannesburg's council back into financial health, writes Frances Kendall

JOHANNESBURG's financial management is characterised by contempt for the law and disregard for sound principles. This picture emerges from the auditor-general's report on Johannesburg for the financial year which ended June 30 1997.

For the third year, the auditor-general has issued a disclaimer on the city's finances.

Kenny Fihla, chairman of the committee of 10 (which now runs the city) is upbeat about Johannesburg's future since tough measures have reduced the council's deficit from R2bn to R200m

Fihla brushed aside the auditor-general's disclaimer. He argued that the city's financial problems were historical and on their way to being solved.

It is clear, however, that advice given in previous reports was not heeded in 1996/97. Is the auditor-general being heeded now? Is Johannesburg really on the road to recovery?

Up to 1996/97, cash amounting to R2,457m was removed from trust funds and reserves, probably to fund operating expenditure. These funds were established to meet specific future contingencies which, when they arise, can now no longer be met In other words the council has no reserves to fall back on. An accumulated deficit of R574m, apparently in respect of the 1996 operating budget, was set off against the capital development fund. The auditor-general points out that this "is not permissible". The fund was established in terms of an ordinance which requires that a loan from the fund may be advanced for the acquisition of a capital asset (not operating costs), and that the loan must be repaid with interest.

Moreover, section 230 of the constitution requires that loans for operating expenditure be repaid within 12 months There is no chance that the fund will be repaid in the foreseeable future.

Debtors increased from R1,475m to R2,177m in 1996/97. The auditor-general warns that "should collection procedures remain unsuccessful, cash flows will deteriorate, leading to a further curtailment of capital and operating expenditure, resulting in the extent and standard of service delivery being adversely affected".

This prediction has already been realised. Since the inception of the all-African National Congress committee of 10, the capital budget has been cut by R1bn, over and above numerous operating cuts. Services have deteriorated and there are insufficient funds to complete projects or to start new ones.

The auditor-general's report says there are "material shortcomings" in respect of the council's asset registers, which means no effective control can be exercised over council assets. The legal obligation to service loans in 1996/97 was not fulfilled, and incomplete and inaccurate records make it impossible to quantify losses to the councils. In some cases "basic financial controls are not operational" To illustrate this, during the past year R11m of an estimated R65m in gas revenue has been lost due to inefficient collection; councillors continue to receive unlawful allowance increases which have not been approved by the premier. It is estimated that next year's budget must allow for finance charges amounting to R600m.

Debt collection has improved somewhat — from 83% last year to just under 92% last month, but there is still R1,8bn in accumulated payments arrears outstanding. At a 92% payment level, arrears will continue to increase at R500m a year, and there are no indications that the numerous other critical aspects highlighted by the auditor-general have received attention.

Nor is there any indication of increased respect for the law. At April's greater Johannesburg metropolitan council meeting it emerged that R87m has been raided from the fresh produce market's account.

It is required by law that "all revenue and expenditure" related to the market "shall be kept in a separate account" and that any surplus must be spent on the market. Only with the prior permission of the MEC can market funds be spent elsewhere. The council is now asking the MEC to condone an action already unlawfully taken

The money was intended to provide new computers, without which trading will be a shambles. There will be a domino effect on markets throughout the country which use the Johannesburg market as a guide to determine their prices.

In the previous nine administrations there was a total of 15 staff members earning over R15 000 per month — a total of R2,7m a year.

Since the establishment of the greater Johannesburg metropolitan council and four local councils, the numbers of staff earning over R18 000 a month (the equivalent of R15 000 four years ago) has risen to 240 In other words senior management has increased 16 times over, and now costs R51,84m per annum

Now it is planned to cut back the numbers of senior managers, but what will be the total cost of severance packages for hundreds of executives? The cost of restructuring from nine to five councils has been conservatively estimated at R350m — how much will it cost to restructure again to form a megacity? What will it cost to replace and repair infrastructure being neglected due to budget cuts? The metropolitan council has again approached national government for permission for extensive overseas borrowing.

The technical task team which advises the committee of 10 has encouraged a positive commitment to public-private partnerships.

In response the ANC has announced that in its new megacity model for Johannesburg "most operations will be performed in-house. Noncore functions which include gas, electricity, water and sewerage, airports and transport will be conducted at arm's length."

What does this mean? The fresh produce market is defined as one of the noncore functions This month the metropolitan council adopted a proposal to "corporatise" the market under the council's ownership. Since the market is already run as a separate business, this decision amounts to repositioning the deck chairs on the Titanic.

The Democratic Party believes the only way to set the city's finances on a sound footing is through a rigorous respect for the law combined with radical privatisation and outsourcing. The signs are not good that either will happen.

□ *Kendall is Democratic Party councillor on the greater Johannesburg metropolitan council and sits on the eastern council*

Motshekga's staff to be sworn to secrecy

(266) BD 7/5/98

Bonile Ngqiyaza

GAUTENG premier Mathole Motshekga has decided staff members in his office should take an oath of secrecy to prevent the further theft of confidential government documents.

The move follows the release earlier this week by the Democratic Party (DP) of what appeared to be a document from a provincial cabinet meeting which suggested that government was seeking ways to get out of a R14m lease with Standard Bank Properties.

At a briefing in Johannesburg yesterday, Motshekga announced an investigation into the theft of sensitive government documents by officials and threatened severe action against public servants found guilty of misconduct

He denied allegations by the DP this week that administration in his office was in complete disarray, admitting only that his office was experiencing problems because of the change in premiers and the recent departure of senior officials.

These were being rectified.

Motshekga said he would appoint senior counsel to investigate the legality of the DP's conduct The party appeared to encourage the theft of government property through its actions.

He criticised the DP for ignoring the constitutional and legal channels of questioning the government in the provincial legislature and opting instead to use stolen documents it had not verified.

Motshekga denied his cabinet intended taking decisions which would be costly to the taxpayer — a reference to the stated cabinet intention to revisit the R14m lease with Standard Bank Properties, which was supposed to take effect next month

He said the Standard Bank-owned offices were not only "structurally inappropriate" to the accommodation needs of his and the director-general's staff, but would cost R3m compared with the R800 000 it was costing government for its present offices.

On administrative issues in his office, Motshekga said three units dealing with policy and governance matters and public relations, among others, had been put in place to ensure greater efficiency This was done after former director-general Vincent Mntambo suspended previous systems.

"Admittedly, the lapse of systems earlier, and the manner in which departures occurred, may have led to some things falling into cracks New acting appointments have led to these problems being managed," he said

In his response, Gauteng DP leader Peter Leon said in view of the urgency of the issue and the action it seemed the provincial government was about to take, he saw it as appropriate to take the matter to the public through the media. If Motshekga hoped to gag the DP through an interdict, the party would not be easily intimidated and would resist such measures fiercely.

Leon said attempts to gag staff members in Motshekga's office undermined the Open Democracy Bill which stood for an accountable and responsible government and protected civil servants from legal and administrative action

Gauteng premier Mathole Motshek
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Mathole's business links with

(266) M&G 8-14/5/98

Stefaans Brümmer

Gauteng Premier Mathole Motshekga shares a business empire with an apartheid-era military intelligence agent who was also a key backer in Motshekga's bitterly contested campaign last year for the provincial throne

Abel Rudman's military intelligence cover was blown in 1991 when the then *Weekly Mail* revealed that an anti-African National Congress newspaper he ran in Botswana was a military propaganda project funded by the apartheid state. Since then Rudman has never been far from trouble

Motshekga's business relationship with Rudman spans a planned R250-million Northern Province resort development and ventures in farm produce and information technology

Rudman has acted as an informal adviser to Motshekga, and gave him R50 000 during the messy contest for the provincial ANC chair Auditors Coopers & Lybrand chanced on evidence of the payment during a probe last August into Rudman's management of an information-technology firm. Rudman was dismissed after a disciplinary committee found him guilty of mismanagement. A final order for the liquidation of the firm, Vantage Multimedia Communications, was granted last November

Motshekga was installed as Gauteng premier in January, but his reign has been marred by allegations about past conduct. An ANC inquiry partially cleared Motshekga last week, but made scathing findings about his administrative capabilities It left allegations that he spied for the apartheid state unresolved. The inquiry also recommended Motshekga break his relationship with Andre Thomashausen, a link man for the Mozambican former rebel movement Renamo

The ANC's national working committee this week accepted the commission's recommendations, but the Rudman connection could prove even more controversial in ANC circles Rudman this week acknowledged a close friendship, which he said started in the 1980s, but denied business partnerships and said he "cannot remember" a campaign donation.

He joined the former South African Defence Force in the mid 1960s and served as a soldier until at least the mid-1980s By 1990 he appeared a respectable businessman with interests in frontline states, including Botswana, where he was in business with Basimanyana "Piet" Masire, brother of then Botswana president Quett Masire He bought Magnum Printing and Publishing in Gaborone and started publishing the weekly *Newslink* in 1990

Newslink folded in December 1991 when its military backing, and Rudman's continued association with the South African military, could no longer be denied More details emerged in early 1994 when Rudman sued the South African government for R12-million, claiming he had been short-changed when the project wound up So far, he has not won a cent from the state, but he claims an appeal or arbitration is pending.

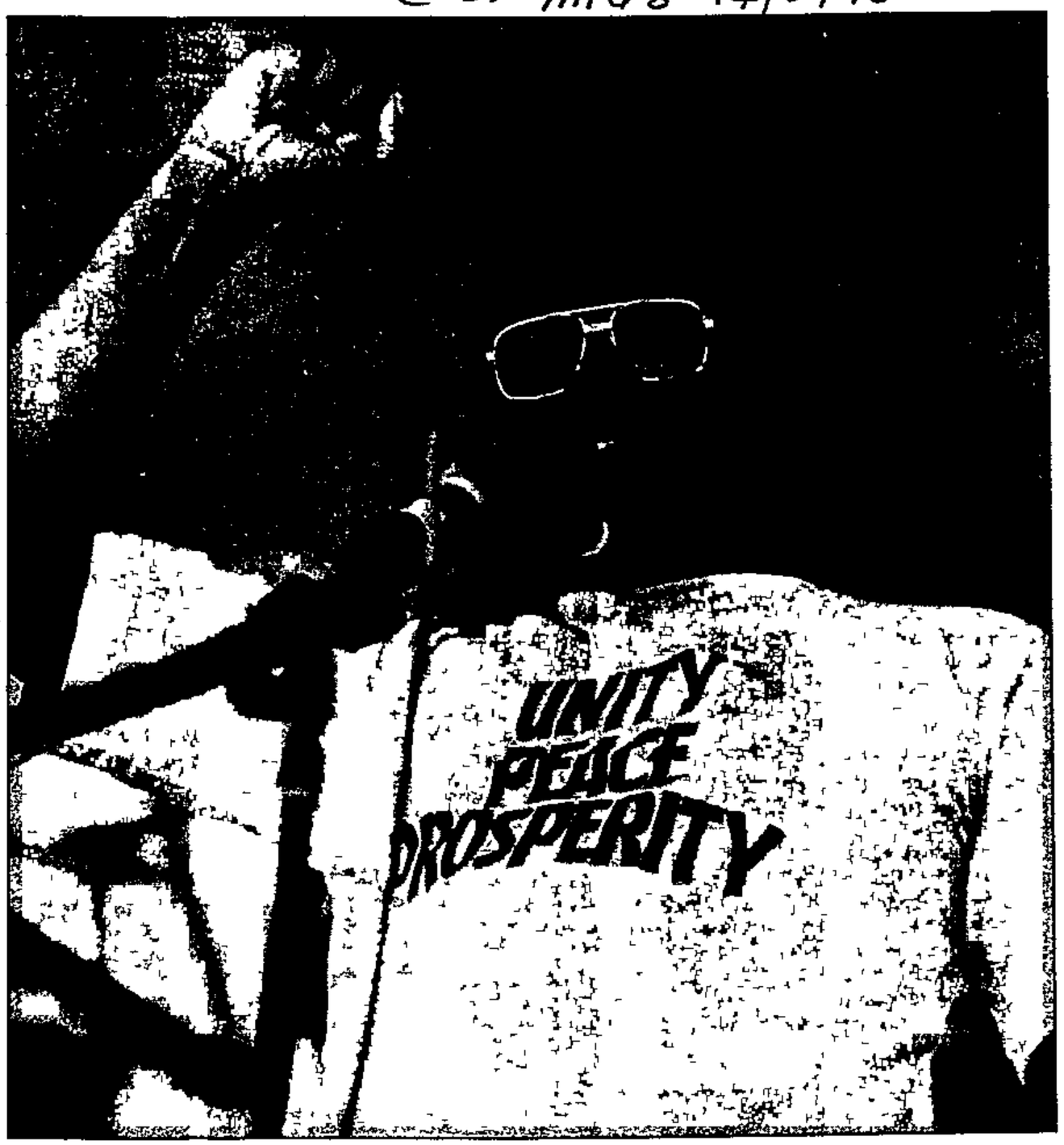
A secret army document, dated March 9 1989, lists *Newslink*'s advantages as, for example, "a means of subtly influencing the thought process and perceptions of the people in Botswana, ie the ANC negative/RSA positive", "information and intelligence gathering", and "an alternative to the New World Order"

Around 1993 an associate of Rudman, film-maker Donovan van Wyngaard, started working on a documentary on the legendary "rain queen", Makope Modjadji, sovereign of the Lobedu people near Tzaneen. He identified the tourist potential. centuries-old ruins, a cycad forest and the queen's royal kraal. By 1996 Rudman and his company, Ethnic Development and Productions (EDP), were in negotiation with Queen Modjadji and her royal council for rights to develop a tourist resort.

By early last year, EDP was making plans for a hotel, guest houses, health hydro, museum, and amphitheatre at the ruins and a conference centre A casino was also being discussed. Ernst & Young was contracted to find investors.

But while the queen and her council appeared co-operative, a community body, the Lebjene Cultural Club, made allegations against Van Wyngaard, by then a co-director in EDP The allegations appeared based on Lobedu community fears that it would not benefit from the commercialisation of its cultural heritage.

Moshakge Molokwane of the Lebjene Cultural Club this week told the *Mail & Guardian* that Motshekga, a Lobedu and then a practising lawyer, was asked to represent the community and safeguard its interests against EDP and Rudman Motshekga took up this brief around June last year, the same month the Gauteng election battle started.



Politically dubious: Mathole Motshekga has been linked with an apartheid-era military agent.
PHOTOGRAPH: NADINE HUTTON

Unbeknown to the Lobedu community, Motshekga was close to Rudman and EDP, from whom he was supposed to shield the Lobedu. By July an EDP employee, Kelly McLean, was doing secretarial work for Motshekga's Transformation Forum of Africa-SA (Traforma-SA), a think-tank and activist group that concentrates on matters of "African renaissance"

Although he holds no executive position, Motshekga is the leading figure in Traforma-SA and it backed him during his election campaign, attacking the ANC for "the potential rise of undemocratic forces ' when it became clear the party establishment was against Motshekga.

It held an "African renaissance" conference in Johannesburg on September 23 and 24, days before Motshekga's election. Deputy President Thabo Mbeki declined an invitation to act as keynote speaker

Since then, Traforma-SA has thrown several parties for Motshekga, including his inauguration celebration and a gala function to mark the opening of the provincial legislature in February

On January 27, a week after Motshekga's inauguration, Rudman changed the name EDP to Kara Cultural Development at Motshekga's request. "Kara" is the name of a philosophical discipline that concentrates on Africa as the cradle of humankind, of which Motshekga is the prime local exponent. In the 1980s he had a following of Kara "disciples" in townships and at Unisa, where he was researcher and lecturer

New letterheads showed the newly named company's head office as 50 Tonetti Street, Halfway House — the same as that of Motshekga's law partnership, Meltz Le Roux Motshekga Incorporated.

Jo'burg implements the radical

Star 11/5/98 (2bb)

After reaching its lowest point in the latter half of last year, Greater Johannesburg has been working on several fronts to restore the city of gold to its former glory. The latest initiative involves the restructuring of the city's administration to improve efficiency and accountability. City Editor LEE-ANN ALFREDS reports.

Earlier this year, consultants appointed by the Greater Johannesburg Metropolitan Council and its four local authorities pronounced what many residents in Johannesburg had long suspected

Johannesburg's administration, they said, was top-heavy, irrational, cumbersome, uneven and unsustainable There was duplication at every level, a confusion about roles and a lack of accountability

Equally as worrying, the consultants said, was that the administration was internally focused and not customer oriented and that there was a lack of focus on core services

"The conclusion of the report is that the council is not achieving its strategic objectives There is a need to change, and to change fast," organisational review steering committee chairman Kenny Fihla said.

This change will come in the form of the radical restructuring of council staff and a new way of operating after the council recently opted for the most "radical and visionary" of three proposals on new staff structures

The time frame for implementation, legal and other implications are still being investigated and will be made known later

In terms of the proposal, known as Option 3, the most radical departure from the council's current way of operating will be the separation of planning (deciding what needs to be done and when) and contracting (carrying out the work)

Traditionally, planning and contracting have been carried out by the same department, leading to confusion and a lack of accountability There were also concerns that most council managers did not have either the skills or experience to juggle both roles

But in terms of the new structure, managers responsible for planning will not also be responsible for contracting

This, according to the consultants, has several advantages

The first is that it will remove confusion and improve accountability as managers will know what their roles are

A second advantage is that it will mean more staff can be moved to contracting where they are needed This will allow the council to focus on its core functions, leading to the improvement of these services

Another benefit of the separation of the two roles means that any contracts can as easily be carried out by the council or by outside contractors Currently, this kind of flexibility is difficult as there is no means of monitoring outside contractors and no way of calculating whether outsourcing of contracting the work internally is more cost-effective

"It provides the clearest possible focus and specialisation between policy, standards and measures, and operational service delivery," the consultants said in their report to the council.

The second departure from the current staff structure is the reduction in the number of departments and managers.

Option 3 proposes that the number of departments be cut from the current nine to five infrastructure, community services, corporate services, development and planning and operations

Infrastructure includes the trading services (such as electricity, gas and water) as well as transport, traffic and roads Community services encompasses health, water removal and disposal, parks, disaster management, emergency management, housing, parks and libraries

Corporate services will deal with finance, valuations, IT, human resources and communications

Development and planning involves planning, economic development and marketing

Each department will be headed by a corporate director

In total, there will be about 154 managers, down from the present number of around 800.

There will also only be one chief executive officer as opposed to the current five This, the report says, is in line with a megacity which is expected to be implemented in Greater Johannesburg after the 1999 municipal elections. (A megacity refers to a centralisation of power, whereby the city will be run by one council not five as is the present case)

"The suggested option is based on a more streamlined structure with broader spans of control and fewer levels of hierarchy This makes the option more realistic and affordable, with more efficient management, co-ordination and decision-making than the status quo," the consultants concluded

Another departure from the current structure, is that functions identified as "non-core" will be run at "arms length".

The report has identified electricity, gas, Rand Airport, the Municipal Bus Service, Johannesburg's Fresh Produce Market, the Johannesburg Zoo and hostels which are functions which are not the core business of council

Instead of being managed by the council, these functions will be separate companies either wholly or partly owned by the council

Option 3

Motshekga beats all the odds

(266) Sowetan 21/5/98

By Pamela Dube
Political Reporter

GAUTENG PREMIER Mathole Motshekga s four months in office have been characterised by controversies which could easily have spelt his political death

But, maintains the country s newest premier his baptism of fire instead prepared him well for running South Africa s most wealthy and developed province

This week Motshekga gave *Sowetan* his account of the events which nearly destroyed him When he was inaugurated as premier on January 19 stories of his suspect past" were already making headlines

The stories centred around alleged financial irregularities fraud mismanagement and nepotism during his time as the director of a legal aid clinic in the 1980s

After a month in office on Motshekga s request, the African National Congress appointed the Negota Commission to investigate the allegations

However, the ever-critical media did not give him any breathing space More allegations followed – the worst was the suggestion that he was a spy for the apartheid government

At the same time Motshekga's position within ANC provincial structures became shaky

Motshekga says in January he "inherited a cabinet which was scared because of perceptions that I was going to reshuffle and that some people were going to lose their jobs There were even stories that some cabinet members would not agree to work under me"

These perceptions were compounded by his appointment of the Moreane Commission to investigate allegations of mismanagement against then safety and security MEC Jessie Duarte, a known opponent of his premiership

When Duarte finally threw in the towel and resigned, the ANC provincial executive committee (PEC) announced the 'redeployment" of another of Motshekga s opponents to the premiership health MEC Amos Masondo, to ANC headquarters

Until now Motshekga has been uncomfortable with discussing the Moerane Commission When it was established he says he was accused of wanting to 'settle scores with some of my opponents"

But he explains that the commission was set up by the PEC and that Duarte herself had agreed to it

Duarte s recent statement that the Moreane Commission process was a waste of taxpayers money and unnecessary does not bother him

I understand the pressure she is under I don t take offence to what she said says Motshekga

But it was not only the cabinet and the PEC that were racked by tensions The ANC caucus in the Gauteng Legislature was also divided Motshekga admits These raised questions of whether the ANC would be able to achieve unity in Gauteng

But things slowly seemed to come right for Motshekga In March he was re-elected unopposed as ANC provincial chair and in April the Negota Commission dismissed all allegations against him Calm was restored in the party

However the Negota Commission s dismissal of allegations against him did not exonerate Motshekga completely – it made recommendations which were to expose him to public scrutiny

Management skills

Negota called on the ANC to assist Motshekga in the running of his office as the commission concluded that he lacked management capabilities and financial management skills

Nevertheless despite all the internal feuding in the ANC, he stresses that there is unity in the party, and says that the ANC managed to put its house in order within a short space of time

However, while Motshekga was busy patching up relations with other party leaders, his office at 30 Simmonds Street in Johannesburg seemed to be falling apart

He was caught up in a battle for authority between then Gauteng director-general Advocate Vincent Mntambo and the premier s support staff

Mntambo understandably wanted to exert his authority, which he was denied during the era of Tokyo Sexwale s premiership But resistance to change exposed him to confrontation with Motshekga's staff

They believed that easy access to the premier was being hampered Mntambo finally bowed out within a month of Motshekga taking office

What compounded the problem Motshekga acknowledges was the fact that Sexwale s departure saw an exodus of critical staff He says he was without a personal assistant a chief director and press secretary when he took office

Gauteng Premier Mathole Motshekga ... his four months in office has been dogged by controversy regarding his activities in the early 1980s

And their roles were critical in that period – that was when Motshekga was facing a barrage of criticism 'There was basically no office to speak of when I took over I had to run the office on my own,' he says

And, as problems in his office made headlines the Democratic Party jumped into the fray and soon released "confidential" documents 'supporting' Negota's observations that Motshekga lacked management skills

Motshekga is not amused by the DP s criticisms 'especially because they are using stolen Government property to try and destroy me

He accuses the DP of trying everything in its power to bring down not only his office but also to ensure the collapse of the ANC in Gauteng But he insists that this will never happen

'It s obvious to everyone that they are spreading misinformation for political gain' he says

And he is ready to fight back – he has accused the DP of 'receiving stolen government documents and has taken legal action

Motshekga is also suing the weekly *Mail & Guardian* for R3 million for publishing certain stories, including one which accused him of having spied for the apartheid government

"It's obvious that when the *Mail & Guardian* failed to bring me down the DP took up the campaign," Motshekga claims

But, he stresses, the problems he faced during his first four months in office prepared him for the major task of restructuring not only his department, but the provincial government as a whole

Government structures

Motshekga, for instance, claims credit for the realignment of government structures and his political party

Through his intervention he says, the provincial cabinet, local government structures and the ANC have already started cooperating in areas of delivery

R1,5 million has already been approved to ensure that the restructuring of government services and the implementation of the integration process of all three tiers of government takes off

The restructuring of the premier s office included the appointment of more personnel and the provincial cabinet recently approved his proposal to take on board Lulamile Mbethe of the Public Service Commission to assist in his office

Cabinet has also approved the creation of a post of deputy director-general, who will assist in running the premier's office to ensure the director-general focuses on general provincial government work.

Motshekga is also confident that the rejuvenation of Johannesburg s Central Business District will soon be a reality as business, civil society (especially women and youth groups) have joined forces with government

While other people would have thrown in the towel after having to deal with one controversy after another Motshekga says his baptism of fire was a blessing in disguise

He says 'I think I m the luckiest premier – all the questions around me were exposed to the public

"Instead of people viewing me with suspicion the commission helped to dispel all the allegations against me"

Because of the public scrutiny Motshekga says, Gauteng citizens have reason to trust him as a leader and 'the talk about (the ANC) getting a two-thirds majority in next year s elections is not just talk

'We are going to get it because people know and trust us.

Western Cape, Gauteng tops in administration

JOVIAL RANTAO
PARLIAMENTARY BUREAU

THE Western Cape and Gauteng are the best run provinces in the country, while Northern Province and the Eastern Cape are the worst, according to Auditor-General Henri Kluever

In a report tabled in Parliament yesterday, Kluever said financial administration in the provinces remained a source of grave concern. He said Parliament should reconsider its role in the governing of provinces where 54% of public spending occurred

Kluever said most of the problems faced by the provinces arose from the amalgamation of the former TBVC homelands The result of an audit of the former TBVC states confirmed the White Commission's report that R1,5-billion in salary over-payments had been made in those areas

There was a serious lack of internal checking and control over a wide spectrum of the activities of certain provinces, he said, creating opportunities for irregularities

Problems included

- Inadequate financial and budget control.
- Inadequate asset control
- Non-compliance with treasury instructions and other financial regulations
- Insufficient control over pension payments

Kluever noted, however, that there were encouraging efforts in some provinces to address the inefficiencies and corruption "Some provinces have embarked on specific anti-corruption campaigns with good results"

The act will replace the ula told a parliamentary wel- found guilty

Gauteng municipal strike plans

(266) (268)

Pearl Sebolao BD 28/5/98

THE proposed industrial action by the SA Municipal Workers' Union in Gauteng, which coincides with wage negotiations in the national bargaining council today, was expected to cause disruption in service delivery

Union members from five branches in the province are expected to embark on a protest as part of the campaign against what the union has called "the government's unreasonable approach" to the wage talks.

It could not be confirmed how widespread the disruptions would be, however, Johannesburg residents have been warned by the council that refuse will not be collected today.

Union spokesman Victor Mhlongo said workers would march to the greater Johannesburg council's offices where they would hand over a memorandum to the Gauteng Association of Local Authorities

Municipal workers in Durban yesterday also went on a one-day strike ahead of wage negotiations between the union and the SA Local Government Association.

The council, however, denied that the strike was a success, preferring to describe it as "sporadic work stoppages in certain departments which were not widespread or well supported".

Durban metropolitan council spokesman Dave Cloete said the council would adopt a "no work, no pay" approach to strike as it was illegal and unprocedural. Workers who joined the strike would also have to face disciplinary action

He said the council felt the strike was "totally unnecessary" as negotiations in the bargaining council were going well and there were no deadlocks or disputes between the parties.

Meanwhile, union officials met in Johannesburg yesterday to consolidate their position in preparation for the talks, union secretary-general Roger Ronnie said

Ronnie would not comment on the union's position, but said a new mandate had been received from the union's branches

Bill to boost environmental reform

Members of the SA Municipal Workers' Union marched through Johannesburg yesterday to demand wage increases. More than 10 000 workers participated in the march. Picture ROBERT BOTHA

Angry municipal workers march in Johannesburg

Pearl Sebolao (266) (~~250~~) BD 29/5/98

MORE than 10 000 Gauteng municipal workers took to the streets of Johannesburg yesterday to protest against a lack of progress in wage talks.

The one-day strike, organised by the SA Municipal Workers' Union, was part of a campaign to push wage demands and to register union anger at the "attitude and disregard for the plight and livelihood of municipal workers" of the employer body, the SA Local Government Association.

The strike, which passed without incident, coincided with the start of the second round of talks with employers in the national bargaining council. The council said service disruption was marginal, with only buses and refuse collection affected.

Before negotiations began at 2pm, the employers offered a pay increase of 3% or R120, whichever the greater, while unions demanded the greater of 8% or R300. Unions were pessimistic about the outcome.

Call to remove security head

MD 10/6/98 (2287) (266)

Bonile Ngqiyaza

A PROBE should be launched to investigate whether Gauteng safety and security department head Mkhabela Sibeko should be removed from his post, the Moerane commission heard yesterday

The two-man commission, which heard oral argument for two days this week, was appointed in February to investigate allegations of mismanagement and corruption against former Gauteng safety and security department MEC Jessie Duarte and other senior officials

It is expected to release its findings and recommendations to Gauteng premier Mathole Motshekga at the end of the month

Edmund Wessels, legal counsel for support services director Theo Burgers, told the commission that while it was "abundantly clear" that Duarte had constantly disregarded Sibeko, it was dishonest for him to pretend he had been stripped of his powers

"He clearly allowed a situation' where there was rule by consensus to prevail at the end of the day you have Duarte and the head of department who must take responsibility," he said

Wessels also asked the commission to recommend that an alleged coverup, by senior officials, of an motor accident involving Duarte, be referred to the attorney-general for investigation.

Fezile Memani, legal counsel for Sibeko, said his client had not been given training and orientation on assumption of his duties "There was a lack of supervision on the part of government as government," Memani said.

Asked to elaborate, Memani said the government officials concerned would range from the director-general, the Public Service Commission and "perhaps the standing committee on safety and security" itself

Commission co-chairman Stan Sangweni, however, pointed out that a candidate for the position of department head was expected to have the aptitude to manage staff

"He in fact should be the one supervising staff"

Sapa reports that Wessels submitted that Duarte's failure to deal with Sibeko and her own spokesman Mbulelo Musi's actions, and her refusal to be cross-examined by the commission on the accident, indicated that she knew of an attempt to cover-up events surrounding the accident.

Wessels said short of an outright admission by Duarte that she instructed Sons to claim responsibility for the accident by filling in an accident report form and that she told Sibeko to create the false paper trail, there was no substantial evidence that she was involved in the coverup

If Duarte was not part of the conspiracy, her conduct had shown she associated herself with it, Wessels said

Moerane commission co-chairman Prof Stan Sangweni in Johannesburg yesterday during the last public hearings of the commission into mismanagement and corruption allegations against former safety and security MEC Jessie Duarte and her department. Picture: TYRONE ARTHUR

DP and NP both predict victory in by-election

Farouk Chothia

DURBAN — Both the Democratic Party (DP) and National Party (NP) expressed confidence yesterday that they would win a local government by-election scheduled for today in a racially mixed area in the Durban region

NP KwaZulu-Natal spokesman

The NP had canvassed a lot among black voters and hoped their vote, along with support among whites and Indians, would swing the balance in the party's favour The African National Congress (ANC) and Inkatha Freedom Party (IFP) were not contesting the by-election About 2 500 of the voters were whites

federation councillor John Yiman The federation would contest the by-election, but it was not expected to do well Clelland said the DP would win because its candidate, Eddie Lion-Cachet, was far better known in the ward than the NP's Rob Morgan.

Addressing a meeting on Monday evening DP leader Tony Leon

If it's cheap you want, try Jo'burg

(266) (299) Star 30/6/98

BY SIMON ZWANE AND SAPA

It may be cold comfort for hard-pressed locals, but Johannesburg has become one of the cheapest cities to live in for expatriates, according to a survey of 150 cities published by the Geneva-based Corporate Resources Group.

The survey, which ranked cities according to the local price of 200 goods and services as of March 1998, has placed Johannesburg (ranked 141) among the 10 cheapest cities in the world and in Africa

The Angolan capital Luanda is the most expensive city in Africa while Kinshasa, Blantyre, Harare and Johannesburg are the cheapest.

The Japanese cities of Tokyo and Osaka remained the most expensive places in the world. Hong Kong went from fifth to third most expensive city in the world

London saw an increase in its ranking in the survey, jumping to 6th place from 10th in December last year.

New York is the most expensive city in the US Atlanta is still the cheapest US city and is on a par with Lisbon and Casablanca. Rio de Janeiro is on the level of Frankfurt, Hamburg and Munich, and Sao Paulo is more expensive than Perth and Milan.

In the Middle East, Tel Aviv is the most expensive city. Bahrain and Cairo are on a par with Washington DC and New Zealand's cities Abu Dhabi and Dubai are level with Toronto and Santiago.

Report damns Duarte and officials

(266) Star 9/7/98 (98-266)

By Hopewell Radebe
Political Reporter

Former Gauteng safety and security MEC Jessie Duarte and her senior staff attempted a coverup after a traffic accident in which Duarte was driving her official vehicle without a driving licence, according to a damning report due to be released today

The Moerane Commission's report details a divided and dysfunctional department under the control of inept political and administrative heads

Premier Mathole Motshekga will release the findings of the commission, which was chaired by advocate Marumo Moerane, to the public today

The Star reliably understands the report says Duarte and her department's deputy director-general, Mkhabela Sibeko, as well as her spokesman Mbulelo Musi, tried to cover up corruption and maladministration.

It also concurred with the statement by the department's assistant director of administration, Lerato Maruping, that Duarte was personally driving her government vehicle without a licence when it was involved in an accident

It agreed that Duarte subsequently failed to report the accident, as is required by the law

Her statement, that the car

Attempted coverup of corruption

had allegedly been struck from behind by "an agitated and arrogant" taxi driver who could not be traced, was also found to be suspect

The commission also found that Duarte, a former personal assistant to President Mandela, unlawfully used state funds to pay for a trip she took with her close friend Babalazi Bulunga, a human resource expert who was not employed by the department

The appointment of Joseph Banda – accused of fraud at his previous job – who was paid R280 000 a year, was found to be improper

Both Sibeko and Musi attempted to cover up the corruption and maladministration involving Duarte

The department's director of support services, Theo Burgers, who was accused of leaking departmental documents to opposition parties, was harassed by Sibeko and Duarte, the probe found.

Motshekga is expected to announce what action will be taken by both the provincial government and the ANC Duarte was forced to resign her post as MEC before the commission completed its investigations

She is still a member of the provincial legislature, and Sibeko and Musi remain employed by the department

Service commission 'entitled to travel first class'

BD 9 17 198

(266)

Pearl Sebolao

THE now defunct Gauteng provincial service commission has defended itself against accusations of excessive travel expenditure, saying the money was used "for the precise purpose for which it was budgeted and approved"

The expenses had been detailed in the commission's annual reports and approved by the legislature's finance committee as well as the committee overseeing it, said outgoing commission chairman Patrick Fitzgerald

Fitzgerald was responding to Peter Leon, Democratic Party provincial leader and member of the legislature, who said the R350 000 travel bill incurred by the commission during its three years' existence was unjustified

Leon questioned the use of business class flights to overseas destinations by commissioners and officials

Fitzgerald said that as the most senior nonpolitical officials in the province, the commissioners mentioned by Leon were within their rights to use business class facilities

In terms of government regulations, they were allowed to travel first class, he said

However, Leon said the commission was a constitutionally independent body which reported to the Gauteng legislature and not only to the premier of the province, Mathole Motshekga

"The commission engages in travel at its own behest according to its statutory duties

"We believe that the next time Mr Leon indulges his spleen on a gratuitous and disingenuous attack on a constitutionally independent statutory body, he remembers to make two important checks, one, check on his facts and another on his ethics

"Despite the facts we provided to Leon, he still manages to distort the picture," Fitzgerald said

"The penny has not dropped that the provincial service commission is a constitutionally independent body, a body which reports to the Gauteng legislature and not to the premier of the province

"Leon is in effect complaining that the Gauteng provincial service commission has used money for the precise and exact purpose for which it was budgeted and approved"

Damning report fingers Jessie Duarte

(266) ARLT 9/7/98

POLITICAL STAFF

Former Gauteng Safety and Security MEC Jessie Duarte's department was plagued by factions, according to the Moerane Commission report released today by Gauteng Premier Mathole Motshekga.

The report details a divided and dysfunctional department under the control of inept political and administrative heads

It found Ms Duarte and her senior staff attempted a cover-up after a traffic accident in which Ms Duarte was driving her official vehicle without a driver's licence.

The findings of the commission, which was chaired by advocate Marumo Moerane, were released to the public today

The report says Ms Duarte and her department's deputy director-general, Mkhabela Sibeko, as well as her spokesman, Mbulelo Musi, tried to cover up corruption and bad administration

The commission was established by Mr Motshekga in February after documents indicating complicity and corruption in the department were leaked to the Democratic Party and the United Democratic Movement

The commission's report concurred with Gauteng transport officer Lerato Maruping's testimony to the commission that Ms Duarte was driving her government vehicle without a licence when it was involved in the accident

The report also states that Ms Duarte subsequently failed to report the accident, as was required by law

Ms Duarte's statement, that the car allegedly had been struck from behind by "an agitated and arrogant" taxi driver, who could not be traced, was not fully accepted by the commission

It also found that Ms Duarte, a former personal assistant to President Mandela, unlawfully used state funds to pay for a trip she took to Portugal with close friend Babalazi Bulunga.

Her friend was a human resource expert who was not employed by the department

The appointment of Joseph Banda – accused of fraud at his previous job – who was paid R280 000 a year, was found by the commission to be improper

The commission also said that Mr Sibeko and Mr Musi tried to cover up the corruption and maladministration involving Ms Duarte

The probe found the department's director of support services, Theo Burgers, who was accused of leaking departmental documents to opposition parties, was harassed by Mr Sibeko and Ms Duarte

The Gauteng African National Congress provincial executive committee was today locked in an urgent meeting, discussing possible action against Ms Duarte and those implicated in improper behaviour in the report

CAPE TIMES
FRIDAY, JULY 10, 1998 ★

DRIVING MISS JESSIE INTO NEW STORM

Duarte report 'cover-up'

(266) ET 10/7/98

PRETORIA: Allegations of a cover-up have emerged following the investigation into the former Gauteng MEC for Safety and Security.

A STORM has erupted over the investigation into Gauteng's former MEC for safety and security Jessie Duarte amid allegations of an attempted cover-up and the province's decision not to prosecute staff implicated in criminal offences

In spite of the Moerane Commission's recommendation that cases where staff were implicated in criminal offences be referred to the attorney-general's office, Gauteng Premier Mathole Motshekga said yesterday he had decided not to do so

None of the matters referred to in this report will be referred to the attorney-general for investigation and prosecution, he said

"I'm referring the matter to the new MEC (Paul Mashatile) to deal with it internally

"We are going to respect the rule of law in this matter But the rule of law allows us to exhaust internal remedies first"

His decision has resulted in a public outcry, fuelled by allegations that he only revealed some of the Moerane Commissions findings and refused to provide the press with full copies of the report

NEW TWISTS — AND TURNS: Jessie Duarte part of conspiracy?

Gauteng Democratic Party leader Peter Leon has slammed Motshekga for releasing a carefully sanitised version of the report, saying he intended referring the full report to Witwatersrand Attorney-General Andre de Vries

"I find it quite extraordinary that the premier, as this province's first citizen, who appointed the commission in the first place, now appears to be involved in a cover-up himself to protect what is left of Jessie Duarte's tattered reputation," Leon said

The National Party has also condemned Motshekga's actions

"We believe it's absolutely shocking," said National Party spokesperson Juli Kilian

"The fact is she was in high office and she deliberately did not tell the truth and clearly there was a lot of intimidation from her side"

Meanwhile, Motshekga's spokesperson, Makhosini Nkosi, has denied that the premier's office has any reason to hide anything

"This report is a thick document and we didn't want to bore journalists

"But anyone who wants to report on it in detail is welcome to go to the Gauteng legislature when it is tabled in 14 days' time," he said — Own Correspondent

THE Moerane Commission's investigation, believed to have cost over R1 million, found that:

- **Duarte had been involved in an accident in a government car, which she was driving without a licence, and failed to report the matter to police on time.**
- **There were irregularities in the appointment of her secretary Joseph Banda, and his R112-an-hour salary, not withstanding his poor qualifications (Std 8), exceeded salary ranges of personal staff.**
- **Duarte would have to repay the department for an advance used to buy an air ticket to Portugal for her friend, Babalazi Bulunga.**
- **Department head Mkhabela Sibeko and Duarte spokespersons Mbulelo Musi and Mongezi Mnyani, were involved in a dishonest, criminal and/or improper cover-up of her car accident**
- **Duarte was involved in the unauthorised employment of a computer company — a breach of Treasury regulations**
- **While no definitive finding could be made whether Duarte herself was part of the accident cover-up, the commission found that the facts and circumstances seem to point to possible complicity on the part of Duarte, who may have been involved in the cover-up.**

Premier's dismissal of Duarte finding sparks further controversy

BD 10/7/98 (266)

Bonile Ngqiyaza

GAUTENG premier Mathole Motshekga yesterday absolved former safety and security MEC Jessie Duarte of corruption and maladministration, apparently contradicting the findings of a probe into the Gauteng safety and security department.

Motshekga said he was satisfied that the Moerane commission's report had cleared Duarte and her staff of "any corruption or maladministration allegations"

He and safety and security MEC Paul Mashatile said it was not necessary "at this stage" to refer the matters raised in the report to the attorney-general. They would be dealt with internally in terms of the Public Service Act Motshekga's spokesman, Makhosini Nkosi, said Mashatile might decide to lay charges after careful consideration of the report.

The National Party (NP) and the Democratic Party (DP) expressed outrage that the matter would not be referred to the attorney-general. Both said they intended taking steps themselves to ensure a criminal investigation emanated from the findings.

The DP would recommend criminal prosecution of officials found to have behaved improperly and of those involved in criminal conduct

The report, which will be made public after its submission to the legislature, found that Duarte was guilty of an irregularity in awarding a tender to Right Entry and possible complicity in a cover-up of her involvement in an accident while driving a government vehicle without a licence It said: "The alleged cover-up of the accident is an aspect of corruption "

The commission also recommended that Duarte repay R3 720,20 for a trip to Portugal and R9 717,46 for another to London in July/August last year.

The report acknowledged that it could not state positively that Duarte was involved in the cover-up. However, a number of circumstances justified its "strong suspicion" of her involvement.

These included Duarte's pointing out to journalists her bodyguard as the driver of the vehicle

Nkosi denied Motshekga had acted maliciously by failing to mention these aspects. "Not much emphasis can be placed on this .. The premier does not work on the basis of suspicions"

The probe also found attempts by departmental officials Mkhabela Sibeko, Mbulelo Musi, Jackie Motshegoa and Mongezi Mnyani to cover up the accident were "dishonest" and of a possibly criminal nature

Picture: Page 3

Duarte may face charges as Motshekga backtracks

(26b) Star 11/7/98

Gauteng Premier Mathole Motshekga yesterday reversed an earlier decision on the Moerane Commission's findings into irregularities involving former safety and security MEC Jessie Duarte and announced that he would submit the report to the attorney-general.

Motshekga came under heavy criticism from opposition parties on Thursday when he stated that he accepted the commission's findings and recommendations, and said none of the matters mentioned in its report would be referred to the A-G for investigation or prosecution.

Both the Democratic Party and the National Party responded by saying they intended taking steps themselves to ensure a criminal investigation emanated from the findings.

The opposition parties were angered when it became clear that no criminal charges would be laid against Duarte for failing to report an accident in her government vehicle while driving without a valid licence, or against three officials who tried to conceal the incident.

Announcing the about-turn in a statement last night, Motshekga's office said the premier had referred the report to new public safety and security MEC Paul Mashatile to consider which matters should be referred to the A-G for further investigation and which matters should be dealt with internally by Mashatile.

DUARTE: May face further probe

Following a discussion between Motshekga and Mashatile, the two men decided "it would be impossible to give effect to the recommendations of the Moerane report by compartmentalising issues into internal and external matters

"The logical approach would be to refer the report as a whole to the attorney-general for prosecution The A-G's office is an independent body, which will carefully consider the findings of the report and weigh the probabilities before taking a decision to prosecute."

Motshekga on Thursday said the commission found that Duarte drove her official vehicle without a valid driver's licence and failed to report an accident in time after crashing the vehicle on October 18 last year.

The commission also found that safety and security department head Mkhabela Sibeko, Duarte's media officer Mbulelo Musi, and assistant-director of communication Mongezi Mnyani fraudulently tried to cover up Duarte's involvement in the accident.

Other findings were that the department used taxpayers' money to pay the airfare of a friend of Duarte, Babalazi Bulunga, when he accompanied her on an official visit to Portugal in April 1997. However, the commission recommended only that Duarte should repay the money, Motshekga said

Despite these findings, the commission did not find any corruption or maladministration on Duarte's part, Motshekga said on Thursday

The ANC was also forced to do a somersault after Motshekga announced that the report would after all be submitted to the A-G On Thursday, the ANC said it was more than satisfied that the commission had "cleared" Duarte

Last night, however, the ANC released a statement saying it unequivocally supported Motshekga's new decision. – *Sapa*

Claims of nepotism in Gauteng govt

BD 14/7/98

Nomavenda Mathiane

SENIOR Gauteng government officials have expressed concern over claims of nepotism after a top office bearer in a department allegedly hired four members of his family to man key positions in the province

The man is a senior official in the local government department and is believed to have appointed his wife, son, daughter and son-in-law to influential positions

His immediate family hold senior administrative positions while the son-in-law is in the transport department

It is not known when they were appointed but it is believed they were among public servants inherited from the old provincial administration

Local government department head Silas Mbedzi said he did not know how the family had got the jobs but assumed they had applied (266)

He said while this was cause for concern there was nothing the department could do as people could not be fired without valid reasons because of the "very strict" labour relations laws

"All I can say is that they are doing their job and that's that," said Mbedzi

According to sources in the provincial government, the employment of so many people from the same family had led to a great deal of resentment among the other staff members.

There were complaints that all the members of the family were in senior positions, that they used government cars and had cellphone allowances

Investigation of Duarte case begins

(266) BD 1497198

Pule Molebeledi

WITWATERSRAND attorney-general Andre de Vries has appointed an investigating officer from the provincial police commissioner's office to investigate allegations of corruption and maladministration against former Gauteng safety and security MEC Jessie Duarte and three officials

De Vries appointed director Theo Kleynhans to the investigation yesterday after he met Gauteng Democratic Party (DP) leader Peter Leon, his personal assistant Margie Leitner and DP chief whip Jack Bloom.

The DP sought the meeting to push for a criminal prosecution of Duarte and other departmental officials implicated in the Moerane commission's report Leitner said De Vries had noted the DP's concerns

She said the decision to appoint Kleynhans, who will report some time next month, was reached after a "thorough and frank" discussion with the attorney-general

Gauteng premier Mathole Motshekga caused a political storm at the weekend when he contradicted the findings of the commission's report and absolved the implicated officials of any wrongdoing

However, he later rescinded this decision and said he would table the matter with the attorney-general There were reports that he took the decision under pressure from African National Congress (ANC) headquarters.

This was denied by his spokesman, Makhosini Nkosi, who said Motshekga was not influenced by any political parties in his decision, but admitted Motshekga had met ANC secretary-general Kgalema Motlanthe to brief him on developments on the report A decision in principle by Motshekga and safety and security MEC Paul Mashatile was that the report would be sent to the attorney-general, possibly today

The bulk of the report, except for one aspect that suggested there could have been a criminal offence committed, showed that the Public Service Act was flouted and the matter could therefore be dealt with internally, by Mashatile.

BESTER BURKE 0272/1

Coloureds left out, says Cape premier

Linda Ensor

BD 16/7/98 (266)

CAPE TOWN — Western Cape premier Gerald Morkel fired an election salvo to attract the coloured vote yesterday when he accused government and business of excluding coloureds from affirmative action programmes

The coloured community was being marginalised in the new SA, Morkel said in a speech at the Cape Town Press Club It represented the largest component of the previously disadvantaged, yet some confined this group to blacks when implementing economic empowerment programmes

"When some businesses attempt to establish affirmative or strategic partnerships purely for the sake of meeting legislative requirements, black empowerment initiatives seem to ignore the demographics of the Western Cape in many cases "

Also, he said, government was using its control of fishing quotas to push black economic empowerment, ignoring coloured fishing communities "Many industry watchers consider strategic empowerment initiatives that have already been established favour a black elite — some even coming from provinces not even bordering the sea," Morkel said

Responding to his comments, provincial African National Congress (ANC) spokesman Cameron Dugmore noted that the provincial administration had done little to promote coloureds after the withdrawal of the ANC from the government of provincial unity

Morkel reiterated the need for the National Party (NP) to form alliances with other parties in the province to prevent the ANC getting a two-thirds majority nationally

Morkel's spokesman Chris Koole said the NP was talking to the Democratic Party, the African Christian Democratic Party and the Freedom Front at provincial and national level regarding an election pact The United Democratic Movement was not yet on board but it could be included as well

However, DP leader Tony Leon, said his party would not collaborate with the NP simply to secure its political salvation The party had stipulated three areas of co-operation — election arrangements, defence of the constitution, and post-election alliances at provincial level if a balance of power situation arose He said the NP had not responded and continued to organise attacks on the DP

Leon stressed the talks would not be bilateral ones but would include the United Democratic Movement and the Front, which had expressed interest

Morkel said the provincial cabinet and the Cape Chamber of Commerce would hold a summit on July 27 to establish public-private sector partnerships

He called on the ANC to make a written commitment to keep Parliament in Cape Town for the next 10 years to prevent the loss of 20 000 jobs

New R10m theft charges against Mangope

BD 16/7/98 (266)

Kevin O'Grady

FORMER Bophuthatswana president Lucas Mangope, nearing the end of a trial on 184 counts of fraud and theft involving R16m, will be in court again next month on new charges relating to the theft of R10m in public funds

The commander of the SA Police Service's commercial crime unit in North West, Sen-Supt Koos Nortje, confirmed yesterday that Mangope was arrested recently in connection with the charges and was released on his own recognisance The trial will begin on August 6

Mangope was named yesterday by North West premier Popo Molefe as one of several government employees, policemen and private citizens facing charges in connection with the misuse of public funds Among them were six officials arrested in the past two days in connection with fraud

Molefe said the new charges against Mangope related to the theft of R10m from the Bophuthatswana government for the benefit of the former homeland's ruling Christian Democratic Party (CDP) Mangope's current trial relates to alleged fraud and theft for personal gain

Nortje said the charges were understood to have stemmed from the Skweyiya commission's finding in 1995 that R10,4m of taxpayers' money was pumped into the CDP over two years

The commission found that Mangope, CDP treasurer Ephraim Keikelame and Jacob Esterhuizen, secretary of the Bophuthatswana government's national security council, were behind the channelling of funds to Mangope's party through a bank account in the name of a fictitious company

Molefe said that in addition to the six most recent arrests there were 25 people in North West, including Mangope, currently facing charges involving R34,2m in public funds

"This clearly demonstrates the commitment of the provincial government of the North West to clean, transparent and accountable governance," he said

Farmers risk abuse to join 'non-racial' PAC

White members 'pushed off pavements' in North-West

(266) ARG 18/7/98

ONGADI-MAFATA

Despite abuse from members of the right-wing Freedom Front and the National Party, white farmers in the North-West Province are quietly joining the Pan Africanist Congress

In the past, most farmers would have regarded the PAC as a blood-thirsty, anti-white organisation But as the country's political landscape undergoes a change, long-held perceptions being challenged

As one North-West farmer put it "The PAC is led by a predikant, a man of the cloth We're joining this organisation because it's being led by a Christian"

To date, 13 white farmers have joined the PAC in the North-West. They have swapped the traditional handshake for the party's open-palm greeting and the Izwelethu chant in their sun-soaked khaki shorts

"At the time of the '94 elections, there were 300 card-carrying PAC members in the whole province but we have managed to make major inroads in the urban and rural communities," said the PAC's North-West chairman Elias Ntloedibe.

He said his organisation now boasts a paid-up membership ranging from 15 000 to 20 000 people "Our Mafikeng office is inundated by people wanting to sign up for party membership Most of them have lost interest in the ANC and NP," claimed Mr Ntloedibe.

He ascribed this crossing of the political rubicon by white farmers to the PAC's non-racial stance and the successful clearing of misconceptions about the party. "Some sections of the media have always deliberately distorted facts about the PAC That's why we decided to print pamphlets outlining the party's policies in Afrikaans"

He said the white PAC members were receiving threats from members of the Freedom Front who are calling for the establishment of a volkstaat which would include parts of the North-West and the Northern Cape

"Our white members have been getting abusive phone calls in the middle of the night from people wanting a volkstaat Some have even been shoved off the pavements Emotions are running high in this area," Mr Ntloedibe said "Those Afrikaners who joined the PAC are not for a volkstaat because it will divide the country"

The FF's only member in the North-West legislature, Louw van Deventer, has denied any knowledge of abuse directed towards white PAC members "It's their prerogative to join any party they are comfortable with There's even a white ANC member in the legislature who is also a member of the SA Communist Party and no one has called him a traitor This is a free country and people can join any party they like," said Mr Van Deventer

But political analyst and president of the SA Institute for Race Relations, Professor Themba Sono, said white members are playing survival politics "I think they're smart enough to see that most farm killings, although there has been no proof thereof, have been attributed to the PAC I don't think they're joining out of a strong conviction in the organisation

"After the collapse of Mangope's regime most people voted for the ANC but there's disillusionment all over SA about the ANC and people are joining the PAC and United Democratic Movement in large numbers," said Professor Sono

GAUTENG PREMIER

PM 24/7/98

THE PEOPLE'S PYRRHIC VICTORY

ANC has removed all Motshekga's decision-making powers (966)

One of the central tenets of the ANC-Cosatu-SACP alliance is the concept of "democratic centralism" It means that decisions taken by the leadership, no matter how controversial, are binding on all members and the party's lower levels

Gauteng premier Mathole Motshekga is learning the double-edged nature of the concept Brought in by popular vote at the ANC's provincial congress last year, there was nothing his detractors could do ANC members, high and low, had to abide by the Congress decision Motshekga had won an incontestable victory

Today, as premier of SA's economic heartland, he should be able to make decisions in consultation with his executive council This is not happening the provincial executive committee (PEC) of the ANC has insisted he submit all decisions to it for approval This has led to paralysis in government and a blurring of the lines between the ANC in government and in its Lancet Hall provincial office

Motshekga — as a "loyal" servant of the ANC — cannot challenge decisions made by the PEC As a result, he pronounces on issues, even if he does not believe in them

Take, for example, the Moerane Commission fiasco When the report into allegations against former Safety & Security MEC Jessie Duarte landed on his desk, Motshekga is said to have immediately sought the advice of the PEC It promptly took a controversial decision aimed at protecting Duarte — that despite the findings, she would not be prosecuted

A more independent leader would first have taken the report to his legal advisers, then forwarded their recommendations to his cabinet Not Motshekga

Sources in his office say every move he makes has to have the blessing of the PEC, otherwise he is accused of being a maverick The press statement that exonerated Duarte was written by ANC provincial communications workers and not by Motshekga's own spin doctors

His speeches, written by his own staff in the first months of his tenure, are now written by provincial ANC speechwriters, or approved by them before delivery

Not that the PEC can be blamed for imposing constraints Motshekga's public utterances have been bizarre, to say the least (see box)

ANC provincial secretary Obed Bapela denies that the PEC has any hold over Motshekga "With regard to the Moerane report, the PEC took a decision on how it

MOTSHEKGA AT HIS BEST...

"We need to create conditions of security and mental peace Crime is the No 1 priority."
August '97

"Our historic mission is to liberate and develop the nation, not individuals or their pockets"
January '98

"As the ANC we don't support mob justice and kangaroo courts."
June '98

...AND HIS WORST

"There was no evidence that I need assistance and that I am unable to run my office I have not found any justification why the ANC need to help me run my office"
May '98

"The commission did not find any corruption or maladministration on the part of Mrs Duarte I am therefore satisfied that she is cleared of these allegations"
July '98

"We will sell all Steyn's personal belongings such as his car house, guns, and make sure that when he is released from jail after serving his sentence he will sleep in a shack"
May '98

P.T.O.

should be handled Mathole announced what the PEC had decided There had been calls for openness and as a collective, with Mathole as our leader, we took that decision There is no sinister hold on him," says Bapela

The danger, however, is that the PEC is acting as the provincial cabinet Power is in the hands of ANC leaders outside the provincial government and the elected representatives are mere figureheads

"We respect the independence of government We seek consensus in everything we do The independence of provincial cabinet and of Motshekga has not been compromised We merely seek consensus between the ANC in government and outside government," says Bapela

Motshekga had a hard act to follow Tokyo Sexwale was charming, intelligent and, more importantly, indulged by business and respected his ANC colleagues

Motshekga is regarded with suspicion by ANC national leaders The fact that the Negota Commission, set up to investigate allegations about his conduct in the Eighties, found him to be tardy, a poor administrator and seriously lacking in leadership skills did little to help his standing

"The man seems to lurch from one bad decision to the next He has not put his stamp on anything The cabinet he has is still Tokyo's," says the DP's Jack Bloom

The evidence indicates Motshekga may soon wave goodbye to the premiership

The failure of the ANC to pass a constitutional resolution at its Mafikeng Congress that would have automatically conferred the post of premiership to provincial chairman could cost Motshekga his job He may be the ANC's Gauteng chairman, but he is not guaranteed the premiership after the 1999 elections The door will be open for the election of a more popular leader

Motshekga came in at number six in the ANC's legislature list in May 1994 Top of the list was Bapela, followed by Safety & Security MEC Paul Mashatile If Amos Masondo, the Health MEC shunted off to ANC HQ to head the party's election drive, does not return to provincial politics, Mashatile is tipped to be the man most likely to challenge Motshekga for the premiership

Mashatile is young and urbane and has allied himself with powerful ANC leaders and insiders He has become known as a competent MEC in his previous portfolio, Transport, and now in Safety & Security

The upcoming conference on the provincial list, which draws up names of candidates to go to the legislature after 1999, may well determine Motshekga's fate

He has been premier for six months since winning one of the most divisive leadership battles in the party's post-1994 history With sentiment against him growing, he may lose his new-found power sooner than he expected **Justice Malala**

ANC'S OTHER PROVINCIAL LEADERSHIP HEADACHES

Free State

Tenor Lekota had to be removed from premiership after in-fighting between two factions The two cabals still exist

Northern Province

Premier Ngoako Ramatlhodi recently won back his ANC provincial chairmanship after losing it two years ago He won by six votes and fears exist the two existing centres of power will hamper good governance

Mpumalanga

Senior provincial leaders tried to dispatch Premier Mathews Phosa to national politics last year by nominating him for deputy presidency of the ANC There is a possibility of a challenge to his leadership emerging from the provincial EC

Kwazulu Natal

The provincial congress this weekend has ea the fierce contest for leadership between S'Bi Ndebele and Zweli Mkhize. The winner will have to reconcile the two factions

North West

Intense speculation exists that Transport MEC Johannes Tselapedi is expected to oust Premier Popo Molefe from the provincial chairmanship

Northern Cape

Strong lobbying to oust Manne Dipico from premiership. A clear contender has not yet put Labour Portfolio Committee chairman Elphant has become interested

Western Cape

Election of Ebrahim Rasool has caused the past three years over leadership

Council workers face salary crisis

Threat of industrial action because there's no money for increases

By HEATHER HOGAN

Hundreds of Greater Johannesburg Metropolitan Council workers are angry – and threatening go-slows and picket lines – because a promised 4%, or R175, wage increase might be withdrawn.

The council says it cannot afford to pay the increase, and one council official said the reason was that its finances were in dire straits.

The council warned this week that the expected yearly increase will not be reflected on workers' July pay slips, according to Richard Spalding, acting strategic executive of the metropolitan human resources division His explanation for the delay was that the council was in a financial crisis He declined to elaborate.

A further 2% increase expected at the end of January 1999 may also be withdrawn.

"According to section 3.1 of the Salary Exemption Policy and Procedure Act of the SA Local Government Bargaining Council, if the council cannot afford to pay the salary increase, it may apply to the National Bargaining Council for an exemption – which is what we have done.

"They will now set up an exemption committee which will look into the finances of the council and decide whether the council can afford to pay the increase. If they cannot, then the increase will be withdrawn," Spalding said.

"It isn't actually the 4% that is the problem, but the 2%," he added. "We have applied for the entire increase package to go before the bargaining council, but have only asked for partial exemption.

"The 4% has not been withdrawn as yet, and if the council is told to pay it, then payments will be backdated to July 1. The 4% will probably be paid out at a later date when this matter has been settled."

Disappointment

However, SA Municipal Workers Union branch secretary Themba Nxumalo told a different story. According to Nxumalo, "the January 1999 increase should also be backdated, but this is a matter of contention between the union and the council, who say it won't be. As for the application for exemption, it is true that the council is allowed to ask for it: it is one of their policies.

"The union and the council will come to an agreement and I don't think we'll be taking action. The workers will be disappointed but there shouldn't be any strikes. I know many workers won't understand."

Mpho Mokone, the union branch treasurer, confirmed that all shop stewards had been given fair warning to notify the workers, but said the union wasn't happy about the exemption.

"If we can't come to an agreement with the council and we don't like the outcome, there are other measures that we can apply instead of striking. We can organise picket lines, sit-ins, go-slows and minor demonstrations, because the workers need this increase, and the employers negotiated with unions in bad faith," Mokone said.

A distraught municipal worker who asked not to be named criticised both the council and the union.

"They promised us that increase, how can they try and take it away from us now? They have left it to the last minute to tell us and the only thing we have heard is speculation. I was depending on that money – I have four children to support.

"Councillors always get their increase without any trouble and we don't even get paid what we work for.

"We have been told that the 2% will also be backdated – why do they keep lying to us? Labourers are already very angry over these rumours and feel that if the union won't do anything to protect us, then maybe we should form our own union," he said, angrily summing up the feelings of his colleagues.

Star 25/7/98

Case is made for 'more efficient single council'

Deborah Fine

MANY members of the Johannesburg Inner City Business Coalition believe that a single local authority governing the whole city could be "potentially more efficient" than the fragmented five-municipality model currently in operation

This is the opinion of Neil Fraser, executive director of the Central Johannesburg Partnership, at a function held recently to provide a report-back on progress made since the launch last year of an ambitious strategy to rejuvenate the city's ailing central business district (CBD).

While business did not wish to "become embroiled in the current political fight" over the single city or megacity model, he said many members felt that the single local authority model could be more positive for the CBD, which is currently divided between the Johannesburg eastern and southern local councils, with the central metropolitan council also playing a role in its governance

Business perceived a lack of practical co-operation between certain of the functions of the relevant councils, he said

"Given this complicated partitioning of the CBD," he said, "undoubtedly one of the most positive steps in a decade has been the appointment of metropolitan inner city manager, Graeme Reid, to co-ordinate and oversee rejuvenation strategies between the local authorities"

Fraser said it was tragic that the inner city, with infrastructure and buildings worth R30bn, was still being undermined by "laissez-faire planning" that encouraged the exodus of business from the CBD

The coalition was, however, greatly encouraged by progress made in dealing with inner city "crime and grime" issues and he believed that current revitalisation initiatives would lead to major environmental improvements by the end of the year

Business had demonstrated its support for these initiatives by providing both financial and human resource assistance.

Criticising part of the formal business sector as "still living in a colonial and apartheid past", he said it was unrealistic to believe that many of the firms that fled the CBD for "greener pastures in the north" would return to the inner city.

There were indications, however, that many black professionals and smaller firms were making the city their home by taking advantage of A-grade rental space, offered at between R15 and R25 a square metre — compared to R65 and upwards in the northern and eastern suburbs

Greater Johannesburg councillors lose perks

(abb) Star 10/8/98

By Bunty West

Ordinary councillors in all of Greater Johannesburg's five councils will receive smaller allowances and the allowance structures for executive council chairs, and mayors have been changed, a senior council official has confirmed

The official, who did not want to be named, also denied the "fanciful" rumour that Greater Johannesburg councillors had voted themselves a 15% increase.

As part of Greater Johannesburg's belt-tightening measures, ordinary councillors will receive smaller allowances because their perks have been axed.

The new allowances came into effect this month.

Now an executive committee chairperson will receive R16 000 (previously they earned R11 209 plus perks), the mayor R16 000 (previously earned R11 209), an executive council member R12 000 (previously earned R8 407 plus perks) and an ordinary councillor R4 000 (previously earned R3 082 plus perks).

Part of cost-cutting measures

Previously allowances to councillors included a cell phone allowance of R400, and a travel allowance of R3 895 for executive committee members and R600 for ordinary councillors

Executive council members and ordinary councillors have effectively taken a drop in allowances of between R80 and R700, the official said

The only perks now allowed are claims for running costs at AA rates, provided a log book is completed.

Disgruntled officials in Greater Johannesburg will have to wait and see if their nationally agreed allowance increase of 4% from July 1 and another 2% from January 1 1999 are granted

The cash-strapped council has reserved the right to ask the Bargaining Council to waive or defer the increases

The Star Monday August 31 1998

Ex-employees owe department millions

(Edu) (266) Star 31/8/98

Amount would cover all current capital works planned by Gauteng's education dept

By Jacqui Reeves
Education Reporter

Ex-employees of the Gauteng department of education (GDE) owe the province more than R16-million, an amount that would cover all current capital works being planned by the department for the 1998/99 budget.

The outstanding money came to light recently with the release of the auditor-general's performance audit of the GDE.

The report showed that when the GDE took over the running of education in the province in 1995, only R4,21-million was identified as outstanding. Since then, through the integration of race-based districts and regions, the department has identified an additional R12-million owed by ex-employees.

Debts often arise from broken contractual agreements

Alan Moonsammy, director of administration, finance and buildings at the GDE, said various causes could be identified for the debts.

He said debts often arise out of contractual agreements broken by employees. The agreements usually relate to the amount of training that had been given to the individual. For example, four years of training from the department is repaid through four years of service.

"When this contract is broken some form of compensation has to be paid to the department which is often a large source of the debts," he said.

Incomplete, faulty or late information passed on to the department of education's salaries section could result in employees being overpaid. This excess pay had to be reclaimed from the staff and could take some time to secure.

An extreme example of this, identified by the auditor-general, occurred at the Mammellong Comprehensive School with the resignation of a teacher in January 1996. The department of education was only informed of the resignation six months after the teacher had left, resulting in a salary overpayment of R14 183.

Moonsammy said administrative faults in the classification of staff could also result in overpayments.

"If we receive information that an individual has been promoted or appointed to a new post and that individual is incorrectly classified, that can lead to incorrect salary payments, which would then have to be sorted out," he said.

Moonsammy said debtors are identified and discussed with the provincial treasury. After this, forensic auditors are used to track down the individuals and the cash.

"This is actually a provincial debt so we work with province and, though we are the largest department, we are not the only ones affected. Many other departments also have these type of debts," he said.

Phetole Kubjane, spokesman for the Gauteng department of economic affairs and finance, said unpaid debts from ex-employees are followed up by the state attorney, but he was unable to provide detailed debts of individual departments.

Duarte cleared of corruption

Departmental transgressions such as mismanagement do not constitute graft, says attorney-general

(26b Star · 12/9/98

By PETA KROST

Witwatersrand Attorney-General, A P de Vries this week cleared Gauteng's former safety and security MEC Jessie Duarte of any possible charges of corruption and said there were still insufficient facts on which to base a charge of driving without a licence.

Although the investigation into any criminal charges that might arise from the Moerane Commission of Inquiry into Duarte is incomplete, and De Vries has not made any decision on prosecuting, he responded to certain questions from the safety and security department.

In a faxed letter to the department on Tuesday, De Vries stated that not "a single allegation of corruption as formulated in the Corruption Act as a criminal offence was made before the Moerane Commission, nor did its findings reflect any such allegations".

He made it clear that departmental transgressions such as mismanagement did not constitute corruption, nor were they criminal matters in which he would involve his office.

He also explained that in reference to allegations of Duarte driving without a licence, there were insufficient facts on which to base a charge sheet.

He invited anyone with any facts pertaining to such a crime to come forward.

While he would not be drawn into giving an opinion on a possible prosecution, he mentioned that the normal admission of guilt fine for driving without a licence is a mere R300.

CLEARED. Former MEC Jessie Duarte

De Vries' response was read out in a safety and security department committee meeting on Tuesday, to the relief of Duarte and many government employees, as they assumed this meant Duarte had been cleared of any criminal allegations.

"I have paid the unfair price of indulging egos of politicians who wanted me out of the way," said Duarte.

"My reputation is tarnished, my political career destroyed, my family traumatised. I have been tried in the media and punished for a crime that is now clearly not a crime. I feel I am owed the space now to be left alone to get on with my life."

She said she admits to not having a driving licence, "but that does not warrant the punishment I received and the continued treatment I get from (the Democratic Party's Gauteng leader) Peter Leon".

The word around the legislature is that this commission has been dubbed "the most expensive witchhunt in the political history of South Africa", costing about R1,5 million, including legal fees.

Leon denies any personal vendetta, but is still not satisfied with the way the department has dealt with Duarte and the Moerane Commission recommendations.

He said the real issue was fraud for attempting a coverup and conspiracy to commit fraud, which De Vries had not mentioned.

"Duarte is guilty and she is going to be left untouched, without paying the price for what she did," he said.

Duarte said: "Moerane did not accuse me of these things, only Leon does."

CP 1/11/98 (2bb)

Nigeria: cause for hope

Will the military at last allow voters to decide?

IT IS gratifying to note that there is no longer any ambiguity about the meaning of the word democracy Although it appears to have become a hackneyed term, helplessly abused and drained of meaning by dictators eager to pass themselves off as friends of freedom, today there is no longer any room for doubt as to what type of government Nigerians, and indeed all Africans, want

They no longer ask for democracy in its general nature, but demand specifically the pluralist type, based on periodic competition among political parties in a free and fair election

This is the only type of democratic order that can once again make Nigeria a respected member of the international community

The journey to this promised land appears to have started well when General Abusalam Abubakar, without over-jostling for power, took over the reins of government upon the sudden death of the former ruthless dictator, General Sani Abacha

Since then Abubakar, a shrewd officer, has been very cautious but consistent in implementing fundamental changes towards a peaceful transition of power from the military to a democratically elected goverment

Compared with previous military regimes of the past 14 years, there is cause for hope The regime has taken laudable steps to create an environment in which genuine democracy can thrive

The regime opened up the political process with the immediate and unconditional release of political prisoners, the withdrawal of all politically-related charges against those concerned, and the return of political exiles

Many of these exiles are returning to rehabilitate their stranded careers well ahead of the expected elections in February next year

Others – for some good reasons though – are still sceptical of the whole process. Another indication of a genuine commitment to democratisation is the announcement that military rule shall terminate in Nigeria come May 27 1999 in recognition of the rights of Nigerians to freely elect their government in accordance with the standards established by international practice.

The new general who runs Nigeria has given Nigerians reason to be optimistic, writes Guinness Ohazuruike of the Human Rights Institute in Sandton.

To further demonstrate its commitment, the regime has set up institutions that will support the effective and transparent implementation of the transition to civil rule – for example, an Independent Electoral Commission

The new electoral commission has already commenced an open and fair process for the compilation of a fresh voters' register and the screening and registration of political parties As part of the conditions for holding free and fair elections, international observers will be allowed to monitor not only the forthcoming elections but also the entire transition programme

On the basis of the above policies and more, the Commonwealth Ministerial Action Group (CMAG) met and recommended that sanctions against Nigeria be lifted, although the suspension claimed on Nigeria at the Auckland Summit in 1995 is still in force for the time being

In light of the above, the basis of any relationship with the present military regime should shift from diplomatic isolation to constructive engagement and moral and material support. The South African government is doing a commendable job in this regard

Though a series of betrayals in the past have eroded our faith in transition to civil rule programmes, let us stretch confidence to the limits and suspend disbelief, hoping that the craving for honour will strongly urge this man on to the right path and help him resist the distractions of vanity and selfishness

General Abubakar is the acceptable face of the unacceptable in whom honour could thoroughly overrule the malicious treachery that characterises the military class

This flimsy certainty must fill the innocent with hope despite the trauma and pain of the past and the confusion of the present Where there is confusion we must understand this in its historical context The damage of long spells of military rule has been great

There is no single national sanctuary that has not been invaded and desecrated The judiciary has suffered the worst rape, disgrace and decline of authority under the jackboot of the military

The present regime must therefore take concrete steps to restore the dignity of the judiciary and the entire law enforcement system

As a matter of urgency, the regime must repeal all decrees and laws suspending the constitutional protection of fundamental human rights, especially Decree No 2 of 1988 (as amended) which allows indefinite detention of persons without trial

With such obnoxious decrees still in place, any talk of a genuine transition to democracy becomes an unpleasant joke as political associations and the media cannot operate freely and effectively in such an oppressive and suffocating atmosphere

The government must guarantee media freedom and ensure the state-controlled media grants political parties equal acess and fair coverage so that parties are free to run vigorous campaigns.

Although "there have been countless pretenders to the Nigerian throne but no genuine majesty", there are talks of a brilliant new beginning, of the military turning over a new leaf

Now Nigeria is basking in a mood of optimism that the transition to civil rule may produce leaders willing and able to champion the principles of democratic culture and the great challenge of nation-building

Looking back in anger, at long last there is reason to be hopeful

Warrior kings sit tight

10/11/98 (286)

The military in Nigeria has become a self-perpetuating elite. The task of democratic forces is to break their hold. **Garth le Pere** outlines the dynamics

NIGERIA'S new military ruler, General Abdulsalam Abubakar, assumed power under rather inauspicious circumstances and is the eighth general to become head of state in 28 years of military rule since independence in 1960.

His accession followed the death on June 8 of his predecessor, General Sani Abachi, who had a hand in the annulment of the June 1993 presidential elections won by Mashood Abiola.

In the course of his five-year rule, Abacha presided over a capricious dictatorship which has left Nigeria a scarred, maligned and isolated country

However, in the annals of authoritarian military rule in Nigeria, Abubakar quickly distinguished himself one month after succeeding Abacha by launching an electoral process and a transition programme which, it is hoped, will restore civilian government and inaugurate a fresh chapter of democratic rule by the end of May next year

In a very profound sense, prolonged and pathological military rule has given rise to real fears about a successful transfer of power to civilians The military has with monotonous regularity proved itself remiss and reprobate in respecting and complying with the principles of democracy

It has left the country with a bitter legacy of infringing the rule of law and progressively whittling away basic civil liberties It bears responsibility for nurturing a "coup-making culture", making it more likely for the military to succeed itself in office rather than hand over power to civilians

The apparent internalisation of this ethos is clearly one of the greatest threats and impediments to democratisation It is said that cadets who attend military academies openly discuss their ambitions to become state governors and indeed even head of state via the coup route

Moreover, in primary and secondary schools, preference for joining the army has gained popularity and ascendancy over professions such as law and medicine

The military thus offers the seductive smell of power accompanied by prestige and easy wealth This is a potent inducement and an integral part of Nigeria's political culture

Another insidious practice is the appointment of military governors and administration in most of the 36 states of the federation This has typically resulted in the militarisation of civilian bureaucracies, which have become personal fiefdoms of military elites and their civilian sycophants from the political class

In addition, retired military officers under General Ibrahim Babangida and Abacha were given sinecures as sole administrators of local governments.

Flashback ... Nigeria's military leader General Abdulsalam Abubakar hugs President Nelson Mandela after the latter's arrival for the summit of the Economic Community of West African States in the capital Abuja on October 30. PIC AFP

The impersonal and rational service-orientation which informs and underpins traditional modes of public administration are completely absent Political corruption and "executive lawlessness" are pervasive features of military government at all levels

Corruption in the military has created and sustained systemic patterns of accumulation which have led to levels of enrichment which simply boggle the mind

The military and the protection of its corporate interests have been aided and abetted by a parasitic and dependent political class involved in its own but related accumulation schemes

They have been referred to as part of the "contractocracy" Dextrous military governments have relied on the atomisation of deposed politicians and their susceptibility to a range of appurtenances of patronage

Although circumstances are now more propitious than before for a transition to constitutional government, the countervailing power to check authoritarian rule is weak

What is most discouraging is the ambivalent disposition and timidity of the political elite Former politicians and party leaders show little stomach to publicly discuss restructuring the military as part of their campaign platforms

It is well known that the military oligarchy is mainly Muslim and northern-based, drawing its strength from the Housa-Fulani

Equally influential are those who stand behind the throne, and most controversial of these is the "Kaduna mafia" It is a core of northern elites said to comprise members of the intelligentsia, serving and retired military officers and bureaucrats, businessmen and political notables

Historically, the mainly Christian Yoruba and Ibo from the south have battled unsuccessfully and bloodily to restrain northern hegemony These regional fault lines are generally divisive, and given the country's more than 300 ethnic groups, military rule has inhibited the evaluation and maintenance of an adequate system of federalism

Nigeria's continuing viability as a national state hinges on its capacity to accommodate ethic diversity in a federal system

Abubakar's programme is a hopeful one constrained by military dominance of every facet of Nigeria's national life and politics A new civilian government will have to lead a full-frontal assault on the military's hold on power by exorcising it from the body politic and pursuing a fast-track towards implementing a "federal character" out of the chaos it will inherit

Otherwise it will face the spectre alluded to by the great African scholar Claude Ake, according to whom in Nigeria the "struggle for power is everything and is pursued by every means"

(The writer is executive director of the Johannesburg-based Foundation for Global Dialogue He recently made a fact-finding visit to Nigeria)

'Super committee' set to run Greater Jo'burg

To be known as Transformation Lekgotla, new body will oversee transformation process until elections in 2000

By Prince Hamnca and Cecilia Russell

A new "super committee" with wide-ranging powers over Greater Johannesburg's five councils is to be established next week to run the city until the next local government elections in 2000

The committee, to be known as the Transformation Lekgotla, will replace the Gauteng government-appointed Committee of 15 and will oversee the city's finances and its transformation process

The composition of the committee, which will begin its work on November 19, is still to be decided but it will include representatives from the Metro and the Eastern, Western, Southern and Northern councils. Political parties represented on the councils will also sit on the committee

The Lekgotla will design a final and single administrative structure for Greater Johannesburg, compile draft budgets and manage credit-control policies for the five councils The local councils will, however, still retain powers to approve their own budgets

The move ends the 12-month period in which Johannesburg has been under the effective control of the Gauteng government.

Local Government MEC Sicelo Shiceka said at a provincial standing committee meeting yesterday that the province was prepared to relinquish control because Johannesburg had stabilised its financial position

Kenny Fihla, Greater Johannesburg's deputy chairperson and former Committee of 15 head, said the committee would also deal with planning and service delivery The Lekgotla would manage the establishment and appointment of management structures.

The formation of the Transformation Lekgotla was rejected by opposition parties, who saw it as an attempt to bring in the megacity concept through the back door

Mike Moriarty of the Democratic Party said the Metro Council could use existing structures Pieter de Wet of the National Party said that while his party did not support the Lekgotla, it would co-operate

■ Shiceka said there had been progress in other councils in which the province had intervened. Bronkhorstspruit now showed a R4,5-million surplus for the first time since 1995, and Cullinan had retained its right to sell electricity because it had been brought under the control of Greater Pretoria.

But, because of overspending, the Vereeniging-Kopanong executive committee had to be suspended and collapsed into the Vaal/Lekoa council

Questions raised over Obasanjo's $1,5m pre-election donation to his party

LAGOS — Nigerian presidential hopeful Gen Olusegun Obasanjo, who donated $1,5m to his party, said yesterday the money came from friends and supporters.

Obasanjo last week gave the funds to the Peoples' Democratic Party (PDP), on whose ticket the former military ruler seeks to run for the presidency in an election due on February 27.

The gift raised eyebrows, since it was the single largest contribution by any individual to a party in Nigeria, and Obasanjo has presented himself as a farmer without any major income since he stepped down during 1979.

"All pledges for donations for my campaign that are repledged to the party emanated from friends and supporters," Obasanjo said.

Members of the opposition National Democratic Coalition (Nadeco) wanted the retired general to disclose the source of the money. Nadeco is one of the main movements opposed to military rule in Nigeria and behind protests against the hard-line regime of Gen Sani Abacha, who died in June this year.

However, Obasanjo — who ruled from 1976 to 1979 before becoming Africa's first post-colonial military leader to hand over power to a democratically elected president — did not disclose the identities of the donors.

"We must maintain the confidentiality of the donors," he said.

However, Obasanjo said the donors were "wholesome, credible and based in Nigeria".

Nevertheless, Obasanjo pledged to disclose the identities of the donors when necessary, and said criticisms of the funding were misplaced.

"If at any time and for any reason, the agents set up for the independent conduct of elections desire equitably to scrutinise the sources of pledges and donations to campaign funds, we will gladly comply," he said. — Sapa-AFP.

(966) BD 17/11/98

The public and the markets will judge Ketso Gordhan

A 'frightening' task awaits Johannesburg's new city manager, writes **Deborah Fine**

FORMER transport department director-general Ketso Gordhan admits, with a sparkle in his eye, that he is "absolutely scared" of the complexity of the task that lies ahead when he assumes his "frightening" new post as Johannesburg's city manager early next year

The gleam is explained when he points out that he is also equally "excited" about the position, and one realises that he is one of those rare individuals who eagerly embrace challenge as an essential part of their sustenance

There seems to be no reason to suspect that the 37-year-old former activist is not the right man for the job, given the praise heaped upon him in government and financial circles

Again and again he is described as an outstanding administrator, a generous personality, a man who does not suffer incompetence gladly, a "workaholic" — which he denies — and the innovative official who managed to restructure the bloated, sluggish transport department into one of government's most successful enterprises

But can he do the same for Johannesburg?

The extent of his mandate gives reason for pause The city's political masters are counting on him to overhaul service delivery, boost Johannesburg's status among investors and initiate internal processes to consolidate the region's five municipalities into a streamlined, single administration in line with the African National Congress's (ANC's) vision of "megacity" governance

At the same time he must ensure the least possible disruption to the lives of Johannesburg's 4-million residents, soothe the apprehension of many of the city's 30 000 employees, allay the concerns of trade unions and reassure nervous investors and financiers

Ketso Gordhan and Pascal Moloi will steer Johannesburg into the future

Picture ANDY KATZ

Acknowledging that expectations surrounding his post were high, Gordhan said he did not see himself as "the saviour of the city" but rather as "just a bureaucrat and manager" who would give it his "best shot"

Teamwork would be vital to achieving these aims, and an essential part of his team was Northern Council CE Pascal Moloi, who has been appointed Johannesburg's transformation project manager to complete the internal restructuring and integration of departments within and between the city's local councils ahead of the next municipal elections in 2000

Moloi, also 37, has been described by local government insiders as intelligent, astute and extremely likeable.

Quietly relaxed next to the energetic Gordhan, Moloi compared their working relationship to that of a train Gordhan's task was to keep the train running smoothly on the tracks, with the least inconvenience to passengers, while he rearranged the compartments and staffing

He agreed vigorously with Gordhan's conviction that institutional restructuring was the answer to most problems in government, and that the organisational review of Johannesburg's municipal structures was crucial to improving its effectiveness and efficiency

Moloi believes a single municipal administration will remove the inherent duplication of functions between the local councils, thereby eliminating waste and making the most of precious human and financial resources

Given that both admit to some anxiety about their new responsibilities, why accept "carrying the can" with the risk of obstacles derailing their ambitious undertakings?

Gordhan volunteered that both he and Moloi "come from a tradition in the democratic movement of building a better life for South Africans". The task at hand was an extension of that commitment

Gordhan became politically involved as a University of Durban-Westville student activist and later became the United Democratic Front's regional organiser in KwaZulu-Natal between 1983 and 1986

After five months in detention in 1987, he completed a Master's Degree in development studies in Britain, and returned to SA to join the ANC's economic planning department In 1994 he was appointed to the party's team of national election campaigners. He joined the national transport ministry in 1995, first as an adviser and later as director-general In June this year he left the department to further his studies at the Wharton Business School in the US

NEWS MAKER

Moloi first forged his reputation as a technical adviser to the Soweto Civics Organisation in the 1980s, and moved on to participate in the negotiating forum of the former Johannesburg Metropolitan Chamber This was followed by three years with the non-governmental organisation PlanAct, and a two-year sojourn at the Reconstruction and Development Programme office (1994-96) as a local economic development strategist

The two men are seeking to transform Johannesburg into SA's premier metropolitan region and a city with clout in the global village. Their jury, as one financial analyst put it, will be the public and the markets

The public and the markets will judge Ketso Gordhan

A 'frightening' task awaits Johannesburg's new city manager, writes **Deborah Fine**

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Johannesburg must work, OK

(266) Sowetan 27/12/98

By Claire Keeton
Feature Writer

THE new city manager of Greater Johannesburg, Ketso Gordhan was working last week after everyone else had gone home and offices in the civic centre stood empty – and he is not even employed yet

Formally appointed last Tuesday, Gordhan starts his two-year performance contract only in January, but he has already begun preparing for the job with a vigour that is seldom seen the week before Christmas

He wants to start 1999 ready to meet with everyone associated with the Greater Johannesburg Metropolitan Council (GJMC) – from mayors and residents' associations to trade unions And that means planning ahead

"I want all the logistical arrangements for my office in place" he told *Sowetan* "I want to read all the minutes and consultants reports on organisational structure and financing '

The transformation and reorganisation of Greater Johannesburg and improving its financial viability and service delivery are two of the key challenges Gordhan must tackle

However, his first priority is to build a management team that will be committed to these goals

'There isn t a cohesive vision and, behind that there isn t a cohesive team of managers to pursue a vision" said Gordhan 'This will be my main task "

He says he will need to bring everyone together to talk about what they are doing and to set concrete objectives and then provide them with the resources required to achieve these objectives

'If we can get everybody excited then everybody will be willing to do things, said Gordhan It is important to improve the morale, particularly of senior staff, in order to improve productivity

The success or decline of Greater Johannesburg – which has around four million inhabitants, around 10 percent of South Africa's population and accounts for 14 percent of the Gross Domestic Product – has an impact on the whole country

And Gordhan, as former director-general of the national Department of Transport, has the experience in the restructuring needed to reposition the city for the new millennium.

"The financial side is a big challenge We need to reprioritise expenditure and reduce the cost of certain services"

"We have to find more money for at least maintaining the infrastructure before it disappears"

Gordhan commended the GJMC for improving revenue Through their work, payment levels have increased from 80 percent to 94 percent.

"They have cut the budget, linking capital projects to revenue, and they have made a real commitment that tariffs will not go up more than inflation

Newly appointed Greater Johannesburg city manager Ketso Gordhan feels the city has the potential to be the premier metropolitan area of Africa.

PIC: PETER MOGAKI

does for the next three years

"These are very significant achievements if you look at the position 18 months ago"

Gordhan says the political leadership of Greater Johannesburg is responsible for much of this success

"There is a very determined and very optimistic political leadership They want to get things done and to do them right."

The level of leadership is one of the reasons Gordhan is positive about the job

The GJMC says of his appointment "The decision has the support of all the political parties and is an important step in the transformation of Greater Johannesburg"

Gordhan says there is a "strong case for reorganising the city differently", referring to his experience at the Transport Department.

"There are a number of things run by the city that could be more effective through public-private partnerships

"Services like water, electricity and sanitation are organised as 'a bureaucracy They could be better run if they were more businesslike, selling a service"

Gordhan says this can make services more accessible and even more affordable, bringing benefits to the customer

The Transport Department under Gordhan created four agencies (or utilities) streamlining the department into a basic policy and regulatory structure

"The institutional reform and financial innovation is essentially what we did in the Transport Department (and need to do here) We got more done since 1994 in transport with half the number of people."

He says initially they met with resistance but, by the end of this process, strong partnerships had been forged between all the players

"The only way forward is to build partnerships with whoever is most affected"

This is critical to transforming the GJMC, a 28 000-person structure "The unions will respond, as would anyone, with a lot of caution But we would not want anyone to lose benefits We will be very fair."

Gordhan says the way he works is to present the people concerned with the problems, possible solutions and compromises, and then to decide what is possible

But he says in a performance-managed environment, staff "must deliver" unlike the present environment where there is "a low pressure to perform"

"We do not see ourselves as service-providers That must change" Gordhan warned.

He says there also needs to be strategic thinking around other areas, like redefining the inner city, and how to reduce crime

Gordhan feels he can contribute more to the country through this job than in the private sector

"It is one of the potentially more rewarding public sector jobs.

"If you get it half right, it has a positive effect on the lives of millions. It is a good opportunity for me and a privilege

"If we work well as a team, we can translate our vision of this major metropolitan area into a reality

"It is the premier metropolitan area of Southern Africa. There are few areas with this richness and diversity

"Johannesburg has the potential to be the premier metropolitan area of Africa."

Jo'burg's new manager gets the nod from private sector

BD 21/2/98 (266)

Ketso Gordhan must regain investor confidence, writes **Deborah Fine**

THE appointment of former transport director-general Ketso Gordhan as Johannesburg's new city manager last week was a "step in the right direction" towards re-inspiring confidence in the city, financial institutions and investors said on Friday.

It was premature, however, to comment on the extent to which his appointment would boost market faith in the city until he had fully outlined and put into practice his vision of restoring Johannesburg's financial well being and revamping service delivery

Investor confidence plummeted last year after the city experienced a crippling liquidity crisis which threatened to bring delivery to a standstill The cash squeeze was, in part, caused by the reluctance of financial institutions to grant Johannesburg capital loans, forcing local councils to use operating revenues to fund committed capital projects.

Part of Gordhan's wide mandate is to regain the favour of financiers and investors by dispelling uncertainty about Johannesburg's future political and institutional structures, and internally pushing through tough financial and organisational reforms to improve productivity and efficiency.

His appointment, however, already appears to have won a small part of the battle Praise for his skills as an administrator, based on his successful restructuring and transformation of the transport department, has been wide.

Comments that his reputation and track record "speak for themselves" are uniformly repeated by financial industry players.

Infrastructure Finance Corporation (Inca) MD Johan Kruger described Gordhan as "an impressive gentleman and a hell of a good appointment". Inca believed that Gordhan was more than capable of "putting Johannesburg back on track", he said.

Council of SA Banks (Cosab) spokesman Lincoln Mali said Gordhan's appointment was "an inspired one", although it was still too early to determine whether the confidence necessary to coax financial institutions into opening their doors would follow. Cosab CE Bob Tucker described Gordhan as "an outstanding person".

Mike Berry, the MD of the SA arm of international credit-ratings agency Fitch-IBCA, said investors remained "cautious" about Johannesburg. Gordhan's appointment, however, would prove "good for the city" because there was now a clearly defined line of administrative authority and "a desk at which decisions have to be made and the buck has to stop", he said.

It became apparent during last year's cash crisis that areas of responsibility and performance criteria were not clearly spelt out within the city's municipalities, leaving no-one to call to account at the end of the day

Liberty Life Properties chairman Wolf Cesman said he believed Gordhan would succeed in his position only if he personally "took ownership" of Johannesburg and was given the administrative muscle to push through his decisions Liberty Life is one of the largest investors in the city's ailing central business district.

Gordhan himself is well aware that "glossy brochures and public presentations" alone will not regain the nod from investors and financiers

He said on Friday that the private sector would continue to remain sceptical until there was "sufficient evidence" of a track record to persuade them to "change their views".

Johannesburg had, however, already put in place the cornerstones of financial stability by boosting municipal payment levels across the city to an average of 94% and instituting a wide range of fiscal reforms. Imminent organisational reforms would also help to maximise use of its resources

Frightening new post: Page 7

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1999

JOHANNESBURG METROPOLITAN MANAGEMENT

UP AND AWAY FOR GOTHAM?

Metro boss Ketso Gordhan tells how he plans to rescue SA's largest city from terminal decline

(266) FM 8/1/99

This week the restructuring — some might call it the rescue — of Johannesburg has begun involving probably the most radical change in style of government since the ANC came to power in 1994

The success of this controversial endeavour will rest largely on the abilities of the 37-year-old former national director-general of Transport who moved into the metropolitan chief executive's suite on January 4 to become Johannesburg's first city manager Ketso Gordhan has taken charge of all five administrations that serve the four local councils and one metro council of the Greater Johannesburg metropolis

Gordhan and his new transformation manager Pascal Moloi, former CEO of Johannesburg s Northern Local Council have been contracted for the next two years to systematically break down the firewalls between the existing council administrations and redeploy resources and staff to make municipal service provision more efficient, equitable and — crucially — self-sustainable They must finish the task before the next local government elections in late 2000, which will complete the transition of Greater Johannesburg into a megacity" under a single city council and unified administration

M Cover Story

If that were the beginning and end of it, Greater Johannesburg's 4m residents might as well grit their teeth for the kind of administrative and political botch-up predicted by the Democratic and National parties and others opposed to the ANC's megacity plan After all the city is in deep financial trouble and unable to borrow at preferential rates while its neighbourhoods cry out for capital development and infrastructural maintenance The bitter fruits of its penury are apparent to all who traverse its increasingly pot-holed streets and contend with the scores, if not hundreds of inoperative traffic lights

Given that its plight is largely the result of administrative incompetence, critics complain why centralise political control and administration, drawing them further away from popular accountability? Surely, they argue decentralisation and privatisation would better enable government to manage and improve the disparate resources capabilities and needs of the city

Gordhan rejects this, arguing that it is precisely because of the inequities, the uneven distribution of resources and skills and the wasteful duplication of services among the five administrations that centralisation has become necessary The competition between the metro's local councils for the tax base — for example, the Stock Exchange's impending move from the city centre to the Eastern Local Council — damages the city as a whole, he says

Conversely, centralisation does not automatically imply distancing government from residents applied correctly it can promote efficiency of services and still retain accountability Partnerships between the public and private sectors and outsourcing will, in effect decentralise services "This is going to be a very different transition " Gordhan says

"This is not just about moving resources into different boxes it's about changing the shape of the box "

He is aware his task could be complicated by the serious shortage of managerial skills and the low morale among Johannesburg s 24 000 employees

But there are at least three reasons for optimism that the recovery programme now under way in Johannesburg could improve the city's fortunes

The first is to be found in the impressive capabilities and track record of the new manager The second is that the metro council's ANC leadership seems finally to have found a coherent strategy for metropolitan government that embraces the private sector Thirdly, government negotiators recently signed a framework agreement with Cosatu that will enable local governments to outsource service provision without a labour backlash

Gordhan, who recently completed a four-month sabbatical at Wharton Business School in Pennsylvania, has a reputation as one of the best managers in government, having been the driving force behind successful restructuring of the Department of Transport

A Natalian by birth, Gordhan completed a BA at the University of Durban-Westville in 1983 and became Natal organiser of the United Democratic Front Detained for three months in 1987 he left the country and obtained an M Phil in development studies at Sussex Returning in 1990 he worked in the ANC's economic policy department and later helped manage the party's 1994 election campaign He then became an adviser to Mac Maharaj and, when Maharaj became Transport Minister was appointed DG of the department

In just three years Gordhan transformed the department from a top-heavy, intrusive bureaucracy of 1 400 employees into a lean policy-focused agency with just 250 full-time staff He did so largely by outsourcing the department's contracting and regulating functions into four specialist agencies concerned with national roads, cross-border transport, aviation and maritime affairs Three of the agencies are expected to be weaned off State subsidies by next year The streamlining, says Gordhan, has already saved taxpayers R55m

"The challenges Johannesburg presents are much the same as those I encountered at Transport " he says "and I intend to approach them in much the same way "

Airports Company MD Dirk Ackerman who knows Gordhan from their involvement on the committee that oversaw the airports privatisation, has high praise for Johannesburg's new manager

"We can be very happy he's there," he says "I think we will see a dramatic improvement in the upkeep and functioning of the megacity Just as importantly, Ketso will restore the private sector's faith and confidence in the city "

Ackerman says Gordhan's management philosophy is to restrict government to the role of regulation and oversight ' and allow business to get on with running services and the economy" This ties in with Gordhan's view

"The challenge for Johannesburg is to rethink the structures and get out of its noncore business " Gordhan says 'There is no reason for the city to own and manage Rand Airport or, for that matter, the fresh produce market or museums "

The metro council has already decided on nine services to outsource, among them the market, bus company, emergency services and information technology The outsourcing of larger services, such as sanitation and water, could follow, as proposed in an organisational review drawn up with Pricewaterhouse Coopers and adopted as policy last year

Not all services should be outsourced in the same way Gordhan says "Water, for example, should be run like a business, while a library needs a different approach." He envisages placing social services such as the libraries, museums and recreational facilities under the control of Section 21 (nonprofit) companies with boards made up jointly of public and private sector interests, as the Civic Theatre is run

"The separation of regulation, operation and policy makes for better service provision," Gordhan observes Currently all three functions are wrapped up in single council entities which generally lack strategic vision, resulting in poor service

Gordhan envisages a metro council that serves as a regulator or "client" for a series of service "contractors" that may be private or public, or a mixture of both

"For example, if we give responsibility for water to a utility company, that body will have to be accountable to the regulator and the public," he says "It would work in the same way as, say, Telkom, where if you have a problem and the manager can't solve it, you can go to Satra (the broadcasting & telecoms regulator) "

Similarly, the Airports Company, an outsourced monopoly handling 97% of internal air traffic, is subject to regulation and must provide specific services to justify its tariffs

Gordhan dismisses fears that the focusing of political control in a single council will weaken political accountability He says political accountability will be diffused through numerous ward committees made up of metro councillors and neighbourhood or ratepayers representatives The fact that these committees won't have executive powers doesn t mean they won't carry clout Currently the council is inwardly focused on its own concerns " Gordhan says But outsourcing services will allow the council to concentrate on community concerns We will see every resident as a customer "

Business groups and political opponents are united in welcoming Gordhan's appointment, but opposition parties remain sceptical of the megacity restructuring And they question whether his political masters in the council will grant him the freedom to carry out his vision

"I'm told Ketso Gordhan doesn't suffer fools easily, but he'll have to learn because a lot of his political bosses are just that," quips DP MP Douglas Gibson, who has been impressed with Gordhan since meeting him on parliament's transport portfolio committee

"We'll be watching carefully how he proceeds with the privatisation," says DP metro leader Mike Moriarty

Leading ANC metro executive committee member Patrick Flusk, who co-chaired the panel that hired Gordhan, says that because one-third of Johannesburg's R7,6bn budget is spent on administrative costs, the very act of centralising the administration "will sort out nearly half our problems" by streamlining services and cutting the staff complement and consequently the wage bill Gordhan's salary, he says, will be "between R550 000 and R650 000 — in line with that of a DG"

Gordhan insists that he and the ANC councillors see eye to eye on future privatisation policy "I would not have taken this job if I didn't know we have a political leadership in the council which is extremely committed and capable to make the changes that are necessary," he says

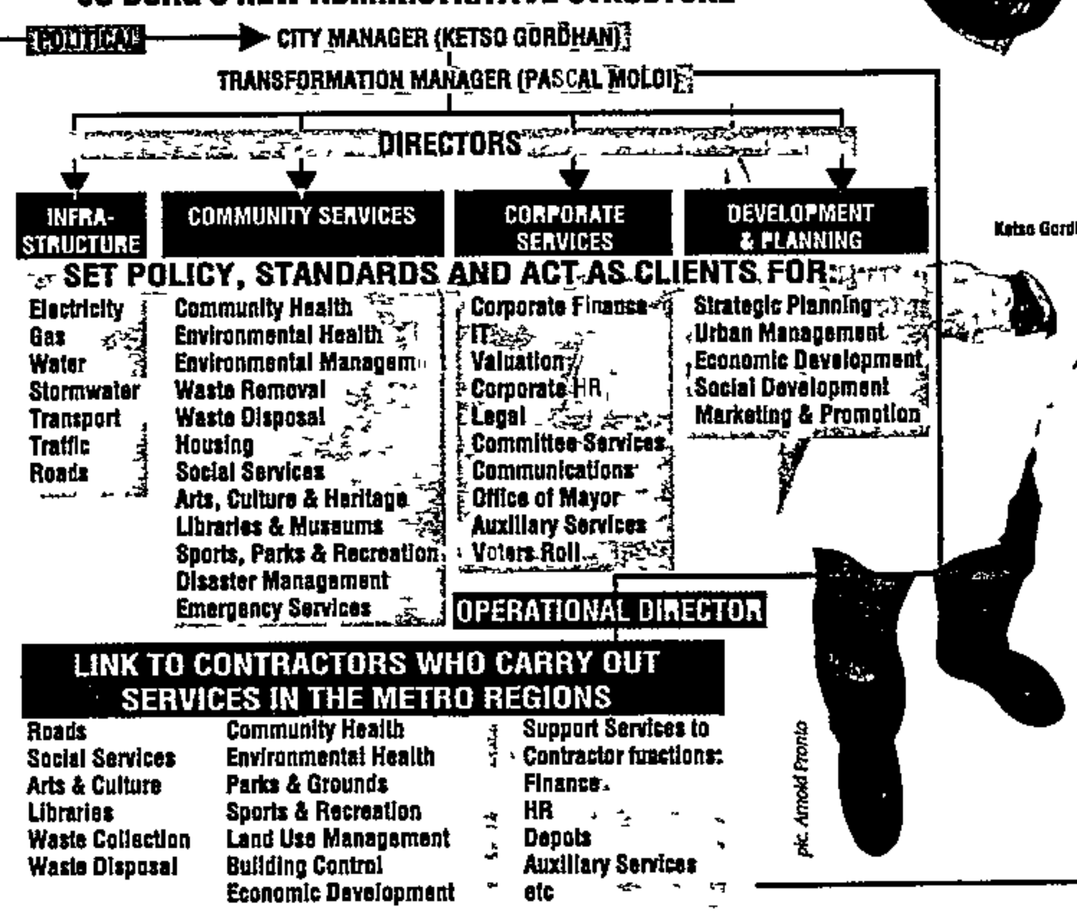
"I haven't seen enough excitement over what Johannesburg could be," says Gordhan "If we succeed it will have an impact not only in Johannesburg but across the country If we can make this a good place to live in and enjoy life then we'll have got to where we want to be "

Peter Honey

Ketso Gordhan

pic: Arnold Pronto

JO'BURG'S NEW ADMINISTRATIVE STRUCTURE



The city executive who spurned a 4x4

The new CEO of Johannesburg's city council has been given two years to whip the tarnished City of Gold into shape. **CHARLENE SMITH** asked him how he intended to achieve this Herculean objective

Photograph: CHRIS ADLAM

LET BATTLE COMMENCE: Ketso Gordhan believes his portfolio goes beyond structural and financial issues. He is a product of the struggle for social justice and sees the task of reviving the city as an extension of that campaign

On the first working day of 1999, the executive parking area at the Greater Johannesburg Metropolitan Council looks like that of any large Johannesburg corporation.

The 4x4 of transformation head Pascale Molori stands next to that of Eastern council head Canzi Lisa. There is a string of 5-series BMWs and the occasional new Mercedes, but in the bay of the new chief executive officer, a blue Toyota Corolla stands its ground.

Not since Tony Bloom made all Premier Milling executives drive VW Golfs in the heyday of that group has there been such a marked contrast in the world of Johannesburg corporate opulence, where even incompetence is rewarded with an expensive car.

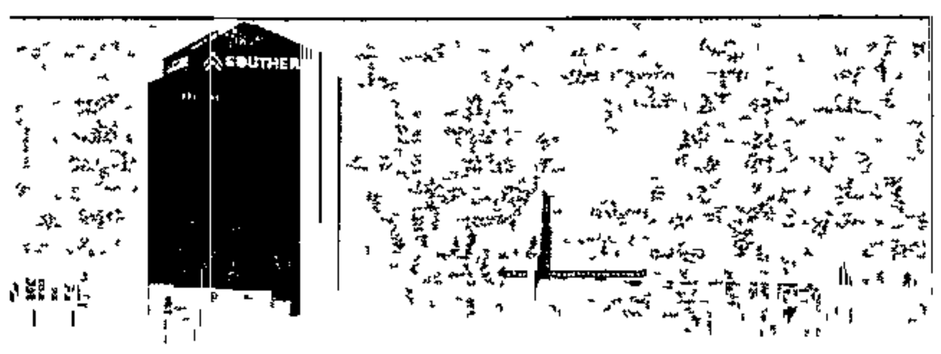
The Toyota may in later times be confined to the home garage of new CEO Ketso Gordhan, but for now it sends a good message about a man who sees more merit in work than in show.

At the end of Gordhan's first working day, his office walls are barren but for a portrait of President Nelson Mandela. The two books he has placed on his shelves give an indication of his ideas about local government.

One is *Sharing Power* by Donald Kettl and the other *Creating Public Value* by Harvard strategic management guru Mark Moore. This title, Gordhan says, should probably be the motto of his two-year performance-related contract. If he can create public value, he will have achieved a zenith in South African power-sharing.

While Gordhan was credited with some of the considerable successes of the Department of Transport, where he was director-general for almost four years under Minister Mac Maharaj, it was also a relatively secluded environment. Johannesburg, as one of the most important cities in Africa and the creator of almost 40% of South Africa's gross domestic product, is a far cry from the quiet halls of Pretoria bureaucracy. It has the continent's most inquisitive and vocal media, as well as the sharpest movers of money and a capital "C" for critics and crime.

Maharaj says. "Ketso has an unusual combination of strengths. He has a very strong strategic sense on issues and strong management skills that require attention to detail, and a very strong sense of the individuals who will work with him. His new job is for-



most weekends." He has two children, aged 3 and 18 months, and his wife, Roshene Singh, is deputy head of the ANC's election campaign. Gordhan was ANC national election co-ordinator from 1992 to 1994.

He says he is keen on jobs that offer strategic and financial challenges coupled with institutional reform.

"Jo'burg offers a prime strategic challenge. There isn't enough of a co-

But while crime grabs the headlines, Jo'burg is still Africa's city of dreams. It's the place to be for the ambitious.

In 1899, American author Howard Hillegas described Jo'burg as "the lever which moves the entire country. All the roads in South Africa lead to Johannesburg, and over them travels everyone who enters the country, either for pleasure or business."

And that hasn't changed.

But how can the city stay at the cutting edge and not begin a Carthaginian decline? There is no single solution. The financial problems "are fairly complex", Gordhan says. "Staff cuts have seen the staffing budget at an acceptable 33% of the overall budget. And revenue collection has improved.

"We lost money through people not paying for rates or services, but we also inherited a severe backlog from black local authorities. Previously the council spent R3 000 per person a year in the northern suburbs and R500 on each Soweto resident. Under the old system, only 10% of what white Johannesburg got was on transfer from the central government, while black local authorities got 90% and raised only 10%.

"Now the transfer from central government to local authorities is R1-billion, of which Johannesburg's share was only around R100-million."

The city, which had thought itself so wealthy under apartheid – because it ignored the impoverished grouped in its shadow – has found that 80% of its population is poor.

But, Gordhan says, this doesn't mean people can't pay for rates and services.

"There has been a level of payment prioritisation among people that has not included municipal services. The Sandton boycott saw a loss of R200-million in revenues. But even the payment level among the poor can be increased. A private company will soon be appointed to collect the city's debt.

"We can give the same services at a lower cost, or better services for the same cost. I prefer the latter.

"But people will not see dramatic improvements. What we need to do is maintain the current infrastructure. Jo'burg's capital expenditure has been cut from R1,7-billion to R500-million, and the first thing that suffers is new projects, and thereafter maintenance – but that can become expensive. If you fail to repair a road, it continues to disintegrate, and instead of mainte-

ombination of strengths. He has a very strong strategic sense on issues nd strong management skills that require attention to detail, and a very trong sense of the individuals who vill work with him. His new job is for-

> *'Local government is the first tier of rights, the focus of a better life'*

idable, but if there is anyone I would ave recommended with the greatest otential for succeeding, it's him. But ny concern is that two years is perhaps oo short a time for an effective turn-round and institutional change."

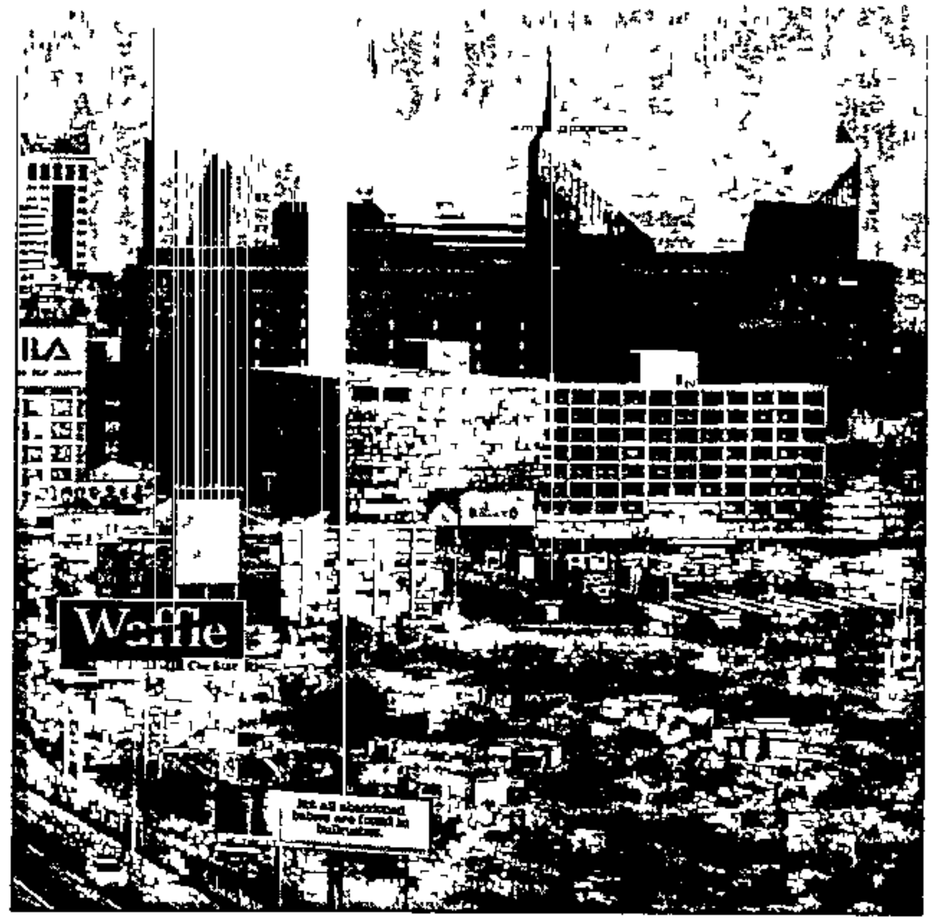
Gordhan takes over from Professor Vicky Padayachee, who has been ppointed dean of the University of ape Town's medical school.

Padayachee says Gordhan's main hallenge is to get the structural djustments correct. "You can't have ve councils to run one city. There are hree different councils, for example, esponsible for cleaning the CBD. efore legislation takes effect making ohannesburg one city, Gordhan must y to get it to function as such.

"There are enough competent staff embers within the five councils, but they work separately, it erodes their pacity. The past three years in Johan-sburg were difficult – there were so ny changes. We moved from 13 cities d towns to one metro and four local uncils. Gordhan must make changes t and then have a period of stability at least five years. Unless that ppens, he won't be able to deliver."

Johannesburg is a city where the 000-person bureaucracy is, greater n the sum of its managers – all 800 them – unless an exceptional leader nes along. Some believe Gordhan y be that person, but this remains to seen.

Wisely, the transitional management nmittee has put its new CEO on a



DIFFERENT WORLDS: Poverty and degradation are to be found alongside shimmering skyscrapers in downtown Johannesburg

two-year performance-related contract. By the end of this month he will have to put forward his goals, upon which his performance will be rated.

Gordhan has already done an impressive study of the city, and quotes information, statistics and data at a rapid rate. But, when asked what he likes most about the city in which he has lived for eight years, there is a long pause, after which he gives its most boring, albeit most important, qualities. "It is the economic centre of the country, it will always be the biggest marketplace in South Africa, and is important in Africa as a whole."

What are its advantages over his home city, Durban?

Another long pause. "I find Durban very slow, very boring, uncosmopolitan – is there such a word? Durban is very narrow minded, Johannesburg has more interesting people and things."

Gordhan applied for the job towards the end of a brief period as a senior visiting fellow at the University of Pennsylvania's Wharton Business School. His course list included urban fiscal policy, macro-economics, strategy and corporate finance. He discarded five job offers in the corporate sector "that would have paid much more" to go for a bigger challenge.

He says he has spent most of his life in the democratic movement fighting for social justice.

"Johannesburg offers that in a dramatic way," says Gordhan. "Local government is the first tier of rights – accommodation, water, electricity. The focus of a better life starts with local government," he explains.

"I have negotiated with my family that for the next two years I will work

tor from 1992 to 1994.

He says he is keen on jobs that offer strategic and financial challenges coupled with institutional reform.

"Jo'burg offers a prime strategic challenge. There isn't enough of a cohesive vision among key players in the public and private sectors. Institutional reform is taking something structured in a particular way, setting objectives and responsibility, and changing it to the most appropriate form.

"Jo'burg is managed in pyramids. If you are head of human resources, you are a strategic executive. Under you are six executive officers and under them are more managers. It has uniform hierarchical structures for all kinds of different functions. The challenge is to take what we do in Jo'burg and reorganise structures in the most effective way for each component. Water needs to be run as a business, while libraries would function differently."

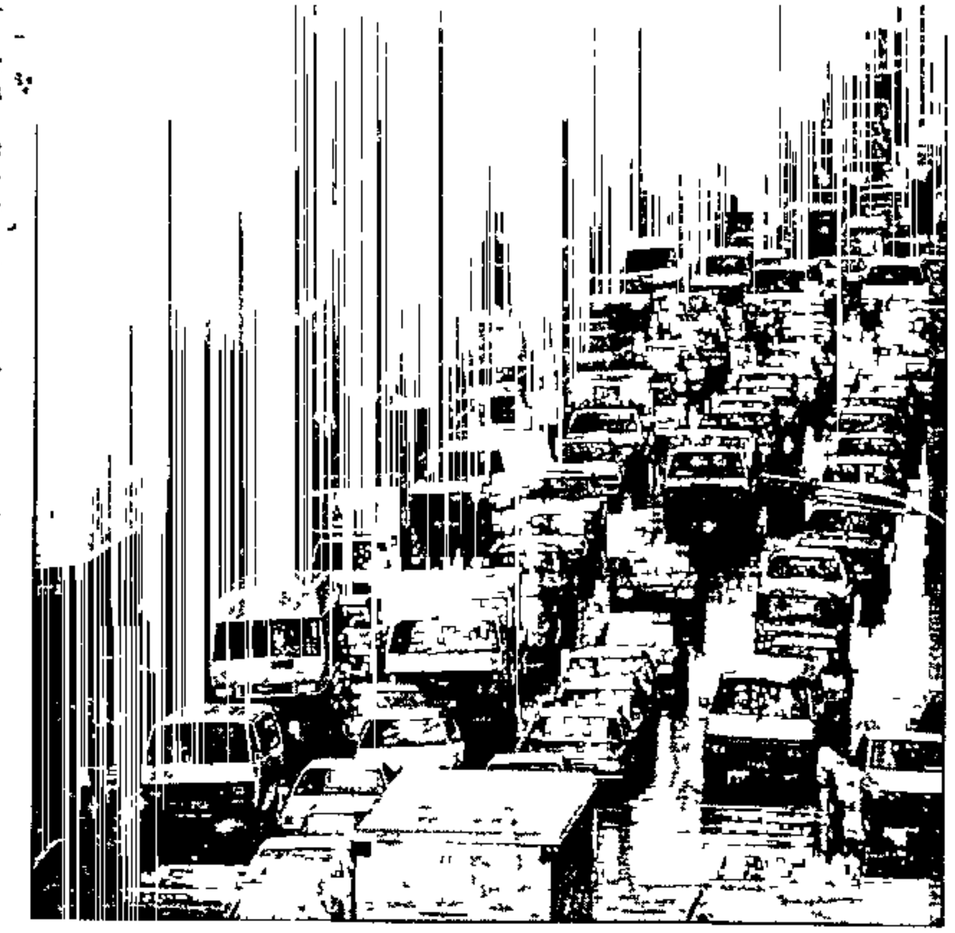
Gordhan says the recent organisational review of Johannesburg identified problems "and made high-level recommendations about how we should go about reorganising, but there is not enough detail. Pascal Molot, who has just been appointed head of transformation, will look at how we can take that report further.

"The financial challenge is to improve revenue and cut costs. This is exciting and will involve mobilising private sector resources and implementing public/private sector partnerships. This can be done in a wide range of fields from water to electricity, waste management, the airport, the bus company, the zoo, collecting traffic fines "

The Newtown Cultural Precinct – potentially one of the most exciting and visible of the public/private sector partnerships, but which has been struggling to gain momentum – is a project Gordhan is enthusiastic about.

"We may consider building an interchange from the highway so that people can drive to the precinct without going through town. They may feel safer accessing the precinct directly."

To criticisms that city management often seems characterised by a string of unfulfilled promises, he says "We can blame the fact that people don't



EXCITED ABOUT THE CHALLENGE Gordhan wants to place the country's economic powerhouse on the road to greater success

work hard enough on bad management, which is a consequence of bad institutional design and bad strategy. We need good strategy and institutional design with financial innovation."

But what about changing the nature of the city, which sometimes seems more inclined to return to its riotous origins than become a slick achiever?

While Johannesburg probably has fewer brothels per capita than it did in 1896, when a survey found that 96 brothels serviced a population of 100 000, it probably has as many, if not more, gangsters now.

Although the city has no control over police functions, Gordhan met with regional commissioner Sharma Maharaj this week to discuss how they could work together. There is also legislation waiting to be passed that will allow for a metropolitan police force.

"We can also mobilise physical aspects of the city," he says. "We have unused facilities all over the city so that if, for example, police wanted to decentralise their function, we could facilitate that.

"Traffic cameras at stop lights could be transformed to have a more sophisticated audiovisual information-collection capacity for key crime areas.

"We could create a level of synergy between ourselves and the police, so that information about crime and basic needs can be incorporated and used in a more effective way."

While other bureaucrats are content to hear about the challenges of policing while sitting around boardroom tables or leafing through a newspaper, Gordhan intends to accompany the police on patrols around the city to get a first hand idea of the issues they face.

burg's capital expenditure has been cut from R1,7-billion to R500-million, and the first thing that suffers is new projects, and thereafter maintenance – but that can become expensive. If you fail to repair a road, it continues to disintegrate, and instead of maintenance, you have to almost build a new road. We are living off past investments and running down the city. We should not prioritise the new but rather upgrade and maintain."

> *'We are living off past investments and running down the city'*

All of which may mean that people may need to adjust expectations, yet improved maintenance could create better communities.

Gordhan adds. "We need to make people feel that they want to pay. And we have to clean up communities, give people a sense of dignity. Fair-minded people are paying their municipal bills, but we have to put pressure on those who are not – even though it may not be politically popular."

Gordhan says he does not intend to emulate any particular city model. He mentions a few he may draw from. "Public/private partnerships increased the quality of services in Buenos Aires, where they concessioned the supply of water to the private sector, and water reticulation improved.

"Cantiba in Brazil is a model city from a planning and public support point of view. They had an urban planner as mayor who was very successful in translating his vision into reality. It is environmentally friendly, with cost-efficient public transport."

He poses for the photographer, but ideas never stop spilling from his mouth.

"If I can get the job just 50% right, it will have a positive impact on at least 2 million people. That's something to work towards."

Global crisis as urban living becomes a nightmare for millions while a few reap the benefits

Cities across the world are in crisis. Almost half the world's population is now urbanised – very many of se people are poor or homeless, in ies besieged by crime.

Although Johannesburg's probns horrify many of those who live South Africa, they are by no ans unique.

Klaus Toepfer, acting executive ector of the United Nations Centre Human Settlements (Habitat), ys "At least 600 million urban idents in developing countries e in housing of such poor quality and with such inadequate provision of water, sanitation and drainage that their lives and health are under continuous threat.

"For millions, urban living has become a nightmare, far removed from the dream of safety and prosperity held out by visionaries."

Rasna Warah, spokesperson for Habitat in Nairobi, says "In the Third World there is a growing problem of the informal versus the formal city, with the former not enjoying any of the benefits of urban life."

However, cities that succeed "improve urban governance through decentralisation and participatory decision-making. There are also cities that have improved the living and physical environment by cleaning up the air, building public spaces or improving waste collection."

Toepfer says "Over the next three decades, urban populations will grow to twice the size of rural populations. The bulk of this new urban population will be African and Asian, joining the urban citizens of Europe, North America and Latin America, where three-quarters of the population is already urbanised.

"Africa will have two-thirds of its population living in cities by 2020. The most densely populated mega cities (more than 10 million people) will be in the southern hemisphere."

Toepfer notes "In most cities of the developing world, up to half of the urban population live in informal slum and squatter settlements, which are neither legally recognised nor serviced by city authorities.

"Residents live in constant fear of eviction and most do not have access to formal finance and loan schemes to enable them to improve conditions. The 'formal city', by contrast, enjoys the advantages of city life, at the expense of the informal city.

"Poor governance and bad policies have led to severe environmental degradation and deteriorating conditions in many cities. The biggest challenge lies in focusing on the social dimension of urban poverty in designing new strategies and approaches in the management of urban areas, and in proposing innovative methods to improve the physical environment and infrastructure.

"Efficient urban managers rely less on top-down processes based on blueprints and master plans and more on interactive, dynamic processes built on partnerships."

Architect Clive Chipkin agrees "Johannesburg was the safest investment in the country. Anyone who wanted to prove their security said they owned property in town – but now it is just an albatross.

"But for those with new ideas, there is no one to talk to. Yes, there is the city partnership with some nice-speaking people, but there is not a big planning directorate that says 'Let's investigate that, let's spend some money', there is no problem-solving mechanism.

"I like central Johannesburg. I do all my banking in town. If I were to bank in the northern suburbs, my horizons would become constricted. The northern suburbs are getting on my nerves, they are ugly, without 10% of the character of Jo'burg.

"I know lots of architects who sit and draw, but they fall into a stupor. They know that, whatever they come up with, no one will look at. The city must create safe areas, but how do you do that with 40% unemployment?

"If there is an enormous reservoir of poverty, there is a large number of people who have no respect for life, and one cannot blame them."

'Smart growth' may solve CBD problems

Central Johannesburg has been allowed to deteriorate so badly that saving it will be impossible without the intervention of the provincial government, writes Neil Fraser

(266) BD 15/1/99

THERE can be little argument that the major root contributor to the exodus of business from Johannesburg's central business district (CBD) has been a historic lack of focus by local government, resulting in an absence of adequate management of the city centre. This has manifested itself in a high crime rate, poorly maintained public space, unmanaged pavements and roads and a general deterioration into the unattractive urban environment we are faced with today This has led to a lack of investment that has resulted in a stock of buildings generally outdated in terms of modern office needs

There is also no doubt that this is not a new phenomenon that is in some sinister way linked to the current local government The deterioration in the CBD started probably two to three decades ago and no one in power since then has taken the matter seriously, despite numerous warnings from a wide cross-section of the affected community and particularly from the business sector Possibly one of the reasons for the disinterest has been a lack of understanding of what cities do and should represent

Richard Rogers, in his book Cities for a Small Planet, points out that beyond providing opportunities for employment and wealth creation, cities provide the physical framework for an urban community He says "I passionately believe in the importance of citizenship and the liveliness and humanity it stimulates It manifests itself in planned civic gestures but also in the small-scale and the spontaneous Together they create the rich diversity of city life Cities remain the great demographic magnets of our time because they facilitate work and are the seedbeds of our cultural development

"Cities are centres of communication, learning and complex commercial enterprises, they house huge concentrations of families, they focus and condense physical, intellectual and creative energy They are places of hugely diversified activities and functions I enjoy their grand spaces as well as the animation that simple pavement cafes bring to the street, the informal liveliness of the public square and the mixture of workplaces, shops and homes that make living neighbourhoods "

Living neighbourhoods — that is something the Sandtons and the newer nodes like Sunninghill will never be able to achieve Take a drive through the latter and one immediately senses the lack of actual, as well as potential, community That this is exacerbated by the design of the buildings, aptly described as Brazilian Baroque, is a sad indictment on our local architectural profession Rogers captures the ambience of such nodes as he reflects that the emphasis in new urban development is on selfishness and separation rather than contact and community "The idea that the rich few can continue to turn their backs on pollution and poverty and operate in comfortable isolation from these seats of desolation is short-sighted in the extreme Lack of basic equity is the constant force undermining attempts to harmonise society and humanise its cities "

This past year has seen both local and provincial authorities starting to take the issue seriously Recognition must certainly be given to the current metropolitan authorities who have had the foresight to

- ☐ Appoint an inner city manager who will undoubtedly report to the newly appointed metropolitan city manager;
- ☐ Create a forum — the inner city Section 59 committee — for all stakeholder to debate and have an impact on the city's management, and
- ☐ Set aside all the "holy cows" that have historically prevented the seeking of practical solutions to the issues that must be tackled

The effectiveness of this new approach will be seen this year as the work of the Section 59 committee over the past 12 months is implemented This included the development of a policy on social housing; an embryo approach to dealing with "bad buildings" (more correctly "bad owners"), a proposal to restructure inner city waste management, a far-reaching and innovative proposal to deal with informal trading; and a plan and commitment to enforce all bylaws

Two critical issues that could not be completed last year but which should be finalised by early March are the development of an economic and spatial framework for the inner city The latter is being financed by the Inner City Business Coalition

At provincial government level two major possible interventions are to be examined These arise from preliminary proposals that formed the basis of a CBD workshop late last year, which has resulted in a great deal of misconception because of inaccurate reporting in the media.

The first of the proposals is to establish an inner city development finance company which will aim to promote economic development, small business opportunities job-creation and housing and focus on projects that would help to restore the property market and hence the rates base. The proposal is that this commercially oriented company would be capitalised by provincial government and the private sector and seek international low interest loans The funds would be used to leverage investment in the inner city through loans for inner city projects, equity investment in such projects and loan guarantees

The second proposal is to undertake research leading to the formulation of a policy to link the supply of commercial property rights and the growth of demand to existing office vacancies This is where the controversy has arisen due to a press report that provincial government legislation would "ban further office development outside the Johannesburg CBD to force business back into the city" There is no such legislation or proposal The proposal is merely that relevant research be undertaken to determine the most appropriate intervention

Such interventions operate successfully in many cities in the world But in the US over the past few years "smart growth" has become the latest buzzword in urban planning and development circles and is being touted as the new approach that can resolve problems that have long been endemic to urban growth and development. Such problems as urban sprawl, loss of open space, growing traffic congestion, absence of sense of place, inner city crime, blight, unemployment and poor quality housing, which we seem to think are unique to Johannesburg, are real issues in hundreds of cities which are adopting "smart growth" strategies

The "Growing Smarter Act", adopted by the Arizona legislature last year, came about through the recognition by community, business and government leaders of the necessity for a proactive, balanced solution that would creatively manage growth without stultifying the state's economy or competitiveness As of early last year, 10 other states had adopted comprehensive growth management acts In Portland, Oregon, this has led to significant revitalisation and renovation in its older areas with property values in previously declining areas increasing and crime rates dropping.

The situation in Johannesburg's CBD has been allowed to deteriorate to such an extent that it is imperative that we examine every possible intervention and strategy that can assist in protecting and regenerating the massive investment that exists in the CBD That is why we are approaching the "on-the-ground" problems through the combined efforts of council, business, community and labour via the inner city Section 59 committee and encouraging the provincial government to play its part through province-wide intervention Failure to do so will result not in just the demise of the city centre but in the creation of disastrous social instability and a dangerous dichotomy between the city and its northern nodal developments

Hugh L McColl Jr, NationsBank Corporation CEO and an acknowledged cities "champion", gave a number of pertinent reasons as to why businesses should be in cities He commented. "The last reason I'll mention is that there is no workable alternative. In other words we can run, but we cannot hide from the costs of urban neglect. The question for every business leader is do we want to pay now to solve our problems or pay later for problems that will never be solved?"

☐ *Fraser is executive director of the Central Johannesburg partnership which is the manager of the Johannesburg Inner City Business Coalition.*

Central Johannesburg Can this business district be saved?

Judge challenges Gauteng premier

BD 20/11/99 (266)

Kevin O'Grady

JUDGE Willem Heath made it clear after meeting Gauteng premier Mathole Motshekga yesterday that his unit would probe substantiated allegations of fraud and corruption in the province with or without Motshekga's co-operation

Heath, who heads the Heath special investigating unit, met Motshekga and his MECs in Johannesburg to discuss allegations of irregularities and the impression that Motshekga was not co-operating with the unit and had been avoiding a meeting

Although Motshekga and Heath said afterwards that the meeting was constructive and strengthened their relationship, sources close to officials said it was "quite negative" and was characterised by a lack of co-operation from government officials

"Heath's unit faces an uphill battle in its investigations in Gauteng," one said

"Allegations that have reached the unit, from within Motshekga's office as well as from opposition political parties involve housing subsidy irregularities, dishonesty in issuing Gauteng's six casino licences and incompetence and dishonesty in the premier's office

The meeting took place after about four months of delays — the unit initially tried to obtain an interview with the premier in August — which led to accusations from opposition parties that Motshekga was stalling

At a briefing after the meeting there appeared to be dissent about whether the allegations fell within the unit's jurisdiction and there were indications Heath was not confident of the provincial government's full co-operation

Motshekga said that it needed to be "understood that there are jurisdictions

matters which fall purely within internal discipline and matters which are purely criminal and fall under the jurisdiction of the police"

Heath explained that, unlike state institutions such as the auditor-general, his unit was able to conduct investigations not based purely on documentation and which could recover misspent money through its special tribunal

Motshekga said his office would "interact" with Heath's before a decision was made about whether to ask President Nelson Mandela to issue a proclamation authorising a full investigation

Heath said "Documents will be sent to the president's office for consideration Either a mutual document will go to the president's office or one which is a recognition of our independence "

Heath also threw down the gauntlet to Motshekga, saying that Motshekga should "challenge other provinces by referring matters to us It would be excellent proof of his commitment to getting rid of corruption "

Picture: Page 3

Municipalities face financial crisis over arrears (abb)

By Prince Hamnca
City Editor

Gauteng's 51 local authorities are facing a serious financial crisis, as service defaulters now owe the province a whopping R6-billion in arrears.

A report released by the department of Development Planning and Local Government states that Gauteng's municipalities have lost more than R1-billion in the past six months

New National Party spokesperson Wally Labuschagne said most local authorities were "in trouble". "They are not going to get the money in, they are going to lose it"

He said financial institutions were not prepared to bale out municipalities The recent 50% concessionary rebate, which was offered to residents by Greater Johannesburg, was only a short-term measure, he added

The NNP said in a statement that Greater Johannesburg's Metropolitan Council had lost R245-million over the past six months and that the city's total arrears had stood at R2,4-billion at the end of October

The Greater Pretoria Metropolitan Council's loss during the same period came to about R61-million and its total arrears stood at R870-million.

The Lekoa/Vaal Metro Council's total arrears came to R333-million.

The Khayalami Metropolitan Council, which is known for its strict financial control system, has a total of R470-million in service arrears It lost R7,5-million over the past six months.

Star 22/1/99

Nigerians may finally get a true, lasting democracy

(226) CP 24/11/99

Nigeria's military leader has announced a programme to return the country to civilian rule, but will the restless – and greedy – military men stay in their barracks when the result is announced? SEKOLA SELLO reports.

With only four months to go before Nigeria returns to civilian rule, the question being asked by many African observers throughout the world is whether the carefully laid plans by General Abdulsalam Abubakar to bring lasting democracy to, arguably, Africa's most important state, will not be torpedoed at the last minute

This vexed question is being asked with even keener interest by the millions of Nigerians inside the country and in the diaspora who have seen almost four decades of uhuru bring nothing but misery, poverty and unbridled violations of human rights under various military dictatorships

But for its political instability since its first military coup in 1966, this oil-rich country, Africa's most populous state, would today be a major continental and even international player Millions of ordinary Nigerians, and the rest of the world, have reason to be sceptical about Abubakar's plans

Throughout its checkered history since independence from Britain in 1960, the military has repeatedly frustrated efforts to allow civilian rule to bloom in Nigeria.

The bona fides of Abubakar are not in doubt – and this is underlined by the return from exile of prominent activist Wole Soyinka

But the main obstacle is whether other military officers will allow this to happen

South Africa's former High Commissioner to Nigeria, George Nene, is among the growing number of people in informed political circles who are optimistic that the country's march to democracy is not likely to derailed.

Nene has spent the past ten years in Nigeria, first as African National Congress representative and, in the last four, as South Africa's first High Commissioner there

He is considered in ANC circles as one of their most well-informed and well-connected diplomats on Nigeria

Nene does not discount the possibility of the military, especially what he terms "greedy young officers", trying to subvert the democratisation process, but he thinks this is a very remote possibility

The reasons for his optimism are threefold Firstly, he says the senior military men realise they "have no room to manoeuvre and must give space to elected officials"

Secondly, the country's mood is such that if democratic aspirations are not satisfied, there could be a violent reaction from the masses with incalculable consequences Thirdly, there is the personal integrity of Abubakar

Although the military has a bad name among Nigerians, in Abubakar it seems they have someone who, to borrow from Margaret Thatcher, one can do business with.

Another respected military man is General Olusegun Obasanjo, who is standing as a candidate for the May presidential elections

Obasanjo created a "first" in African politics when he voluntarily stepped down as head of state in 1979 He had assumed power three years earlier after the assassination of Brigadier Murtala Muhammed in an abortive coup In 1976 Murtala Muhammed ousted General Yakubu Gowon in a bloodless coup

While Nene believes prospects for democracy in Nigeria today are stronger than ever before and there is a willingness by the senior military corps to return to the barracks,

DIPLOMAT...SA's former High Commissioner to Nigeria, George Nene ■ *Pic· GEORGE MASHININI*

MAN OF HOPE...General Abdulsalam Abubakar has brought renewed hope to Nigerians

DIFFERENT...General Olusegun Obasanjo, the only military leader to hand over power to civilian rule

STRONGMAN ..General Sani Abacha, the military leader who died last year

and that the so-called Kaduna Mafia understands they can no longer play the role of kingmakers, sustaining democracy is the major hurdle facing the country.

Nene believes that the real problem facing Nigeria is no longer the army but the ability to create a right formula for a federal state "Much will depend on how Nigerians sort out the issue of creating a Federal Nigeria."

Such a federal system, says Nene, must give equity to all Nigerians

This is the only way to weaken secessionist tendencies which have in recent times been expressed by Yoruba-speaking Nigerians, who want a separate Yorubaland

Since the 1966 coup which ended Nigeria's first civilian government, the country – save for a very brief period – has been under military rulers from the north Most of these were Moslems of the Hausa-Fulani group

This monopolisation of power by the northern military men, supported by the Kaduna Mafia – a loose grouping of bureaucrats and intelligentsia from the north – has often alienated other language groupings like the Yoruba and the Ibos

Threats of secession send alarm bells ringing in Nigeria.

The country is still traumatised by the 1967 attempts by the Ibo from the east to break away and form an independent state of Biafra. Millions of lives were lost during the three-year war

Threats of seccession, real or imagined, have been used as a pretext by various military leaders to justify their usurpation of political power Whether the military will stay in the barracks for keeps after the May presidential elections is the proverbial 67 000 dollar question. Millions of Nigerians and the rest of Africa hope they do

Chronology of major political events in Nigeria

October 1, 1960 independence from Britain

January 15, 1966 General Ironsi stages the country's first coup

July 29, 1966 Ironsi toppled by Lieutenant-Colonel Yakubu Gowon.

May 30, 1967. Biafra secedes

July 6, 1967. civil war breaks out.

January 12, 1970 Biafra surrenders

July 12, 1975 Brigadier Murtala Muhammed seizes power in a bloodless coup

February 13, 1976 Murtala Muhammed assassinated in an abortive coup and is replaced by Lieutenant-General Olusegun Obasanjo

October 1, 1979 Obasanjo steps down and an elected civilian government under President Shehu Shagari is sworn in

31 December, 1983 Shehu Shagari overthrown by Major-General Muhammadu Buhari.

27 August 1985 Buhari overthrown by Brigadier-General Ibrahim Babangida.

June 12, 1993 Moshood Abiola is widely regarded as the undeclared winner of presidential elections

Since then, the elections were nullified and General Sani Abacha took power until he died of cardiac arrest last June General Abubakar took over and announced a programme to return the country to civilian rule

Councillors to repay rise they gave themselves

ARGUS CORRESPONDENT

Johannesburg – Greater Johannesburg Eastern councillors, who voted themselves unauthorised allowance increases of 96% in July 1996, will each have to repay up to R44 000, or more if pension contributions are taken into account, the attorney-general has ruled.

Councillors holding more senior positions, such as committee heads, may have to repay much more.

The only three councillors, who refused to accept the increased allowances, were Liz Clogg, an independent, the Democratic Party's Judy Stockhill and African National Congress mayor Justice Ngidi

The council's chief executive officer at the time distanced himself from the resolution because it was unauthorised

The decision to increase the allowances from R2 800 to R5 300 was taken during a monthly council meeting, and approved without a two-thirds majority vote because the DP opposed it The increases were passed, subject to the premier's approval

However, every councillor was made to sign a waiver that if the premier did not approve the allowances, the money would be repaid

"It is undoubtedly going to cause hardship for many councillors What is shocking is that the DP, which so vociferously opposed the increases, eventually took them," said ANC chief whip Mike Maile said

THEMBA HADEBE

Menace ... hotel guests say taxi drivers threaten those who do not use their services.

Court forces council to enforce by-law

Star 11/2/99

By Anna Cox

The Johannesburg High Court yesterday issued an order forcing the Greater Johannesburg Metro Council to enforce its by-laws

The mandamus – an order of court forcing a statutory body to carry out its duties – was granted to Johannesburg company PBI Investments, which owns a hotel in Mitchell Street, Berea.

Four years ago, an illegal taxi rank was established in the street. For years, the owners tried to get the council to remove the taxi rank, but to no avail.

PBI's attorney, Solly Gross, said taxi drivers threatened hotel guests and anyone who transported them. Many of the guests came from north Africa for medical attention.

In the mandamus, Mr Justice Hussain ordered the council to take steps within 10 days "to abate the nuisance which it has permitted to arise and continue". The council was ordered to pay costs.

Last week, a Sandton attorney, Irwin Levin, also fed up with what he says is negligence of its duties by Greater Johannesburg's Eastern council, served notice on both the council and the metro of his intention to apply for a mandamus

Gordhan takes on unions over Jo'burg asset sale

Plan for privatisation of some city landmarks expected to draw flak

Star 24/2/99

(266)

By Prince Hamnca
City Editor

Greater Johannesburg's superboss, Ketso Gordhan, is set to clash head-on with union leaders tomorrow when he unveils Egoli-2000, an ambitious plan that proposes to privatise some of the city's key assets

Egoli-2000 is being discussed at a two-day bosberaad of top city officials and politicians which started yesterday The talks are aimed at developing a unicity or megacity model for Johannesburg

Sources say sparks will fly when Gordhan presents his controversial plan to the city's union bosses

Among assets targeted for privatisation are the zoo and the Civic Theatre The bosberaad will also finalise plans for the privatisation of Rand airport, the Johannesburg fresh produce market and two sport stadiums

Insiders attending the bosberaad said Gordhan had the full backing of opposition parties, but still had to convince the unions about his plans for the city

Victor Mhlongo, provincial secretary of the South African Municipal Workers' Union, lashed out at Gordhan and the council for not consulting union leaders about the master plan

"We are definitely going to give him a hammering We will stop the implementation of this plan through the bargaining council," Mhlongo said The union has 21 000 members in Greater Johannesburg

Greater Johannesburg is expected to finalise its single-city structure by the end of next month

The two-day breakaway session will be attended by the council's top 30 politicians and senior officials and will produce a comprehensive plan that will be tabled to the council next week The two-year plan will map out Johannesburg's political and administrative structures and will have far-reaching implications for the city

Greater Johannesburg's deputy chairperson Kenny Fihla said the bosberaad would come up with a clear and consolidated plan for the city

Insiders say the corporatisation of the Johannesburg zoo, Civic Theatre and council-owned farms would result in many job losses The zoo is expected to be administered by a manager who would be appointed on a performance-linked contract in the next two months

Greater Johannesburg's newly appointed transformation manager, Pascal Moloi, said the Municipal Structures Act, which makes provision for the establishment of single or unicities in metropolitan areas, is high on the bosberaad's agenda

The New National Party and the Democratic Party said the act would result in cumbersome and bloated bureaucracies in metropolitan areas The New National Party-dominated Cape Metropolitan Council filed an application in the Cape High Court to challenge the constitutionality of this act

The DP's Mike Moriarty said the Municipal Structures Act was already cast in stone

"We would like strong municipal subcouncils," he said

Big-time privatisation in store for Jo'burg

Sowetan 26/2/99

By Joshua Raboroko

THE Greater Johannesburg Metropolitan Council has unveiled a two-year plan aimed at saving the cash-strapped council from financial crisis, rejuvenating the city and generating millions of rands

The plan includes privatising water, sanitation, electricity and waste systems, selling Johannesburg and Orlando stadiums and council-owned houses and hostels

Addressing a press briefing after a two-day summit – dubbed Transformation Lekgotla – the council's chief executive officer, Mr Kenny Fihla, said the plan, to be called "Igoli 2002", was aimed to set up utilities for water, sanitation, electricity and waste management Since these utilities were commercially viable they would operate as companies owned by the council

Privatisation and the sale of assets including Metro Gas, Rand Airport, portions of council-owned land, the Fresh Produce Market and Johannesburg and Orlando stadiums would generate revenue and create jobs

He said that privatisation of the assets was a minimal part of the plan and represented less that three percent of the council's business However, it was an important part of the plan in that it would help generate revenue to allow the new owners to make much needed investments to grow the businesses and create jobs

The council was losing R134 million annually on 6 000 houses and flats – presently occupied by councillors employees – as well as old-age homes They were in good condition and would be put on sale

Hostels would be converted into family units in an attempt to reduce the critical housing shortage in the city.

The council also wanted to "corporatise" Johannesburg Zoo, the Civic Theatre, its bus company, farms, housing delivery company and specific development projects such as the Newtown Development Agency

Fihla said the council and its four substructures were collectively heading for a deficit of R257 million by the end of the 1998-99 budget year This was the result of several factors, including water losses, wasted expenditure from unproductive systems, insufficient income received and inadequate billing

Opposition parties welcome plan to halt Jo'burg's slump

Deborah Fine (266) BD 26/2/99

OPPOSITION parties have welcomed the announcement of Johannesburg's Igoli 2002 plan to reverse the financial and service delivery woes that have plagued the city for the past few years

Mike Moriarty, Democratic Party leader in the Johannesburg metropolitan council, yesterday "applauded" the plan as "the remedy" to the city's difficulties

New National Party council leader Yakoob Magda said the plan "seems like the only feasible answer" to the city's problems

The three-year strategy focuses on streamlining service delivery and administrative functions to generate savings and rebuild the city's credibility among financial institutions

Councillor Kenny Fihla, the metropolitan council's deputy chairman, said yesterday the city's five municipalities were collectively headed for a deficit of R257m by the end of the 1998/99 financial year

The deficit was caused by, among other factors, trading losses, wasted spending from unproductive systems, insufficient collection of revenues, fraud, corruption and non-repayment of outstanding loans

It was hoped the Igoli plan would reduce the deficit to zero, balance the budget and generate R500m for capital spending and place R300m in the city's capital development fund

To ensure cost-effective services, utilities would be created for water and sanitation, electricity and waste management. These services accounted for 50% of the council's businesses and were "by far the most important part of the plan"

Noncore assets such as Metro Gas, Rand Airport, the Johannesburg Fresh Produce Market, old housing stock and sports stadiums would be sold to generate more income within the next 18 months

Jo'burg city bosses complain about report

By Prince Hamnca
City Editor

Three of Greater Johannesburg's five chief executive officers opted for council housing subsidies instead of living in homes owned by the council when they were appointed, according to Kenny Fihla, deputy chairperson of the Greater Johannesburg Metro Council.

The other two – former Greater Johannesburg CEO Nicky Padayachee and Northern council CEO Pascal Moloi – lived in council-owned houses for which they paid only water and electricity costs.

The other three who opted for subsidies – Southern council CEO Chris Ngcobo, Western council CEO Geoff O'Connell and Eastern council CEO Canzi Lisa – lived in their own homes and got housing subsidies in line with those enjoyed by senior council officials, Fihla said.

No CEOs in council homes now

The council has complained about a story *The Star* published on Thursday last week, which stated that according to Igoli 2002 – the metro's new restructuring plan – the council-owned houses occupied by the city's five CEOs would be sold

Fihla pointed out that, contrary to *The Star*'s earlier report, at present none of the CEOs occupy council houses. Instead they receive housing subsidies of about R800 a month.

He said that at the time the CEOs were appointed they were given the option of living in a council home or receiving a housing subsidy. Those who had chosen to live in a council house had since moved on, and the houses were now vacant.

Fihla said the houses which the CEOs had the option of using were just some of the more than 6 000 council properties that might be sold.

A committee would consider all the council's housing stock and "broadly look at selling some of them at market value", while some cases could be assessed on merit, he added.

Star 1/3/99 (266)

Monday March 8 1999 **SOWETAN**

Residents seek new source of town services

Sowetan 8/3/99

(266)

By Mokgadi Pela

A FIERY meeting of the Phenduka Section residents in Thokoza declared a motion of no confidence in the Greater Alberton Town Council yesterday. A decision was made to seek an alternative provider of services that would deliver what the residents called "world-class customer care"

The gathering, which was convened by the Thokoza Phenduka Displacees Committee (TPDC), declared "We want to be serviced by an authority that is answerable to us and that is transparent and professional"

Coordinator of the TPDC Mr John Khumalo said "We are planning to hold talks with several companies to see which can best render professional service to us in the provision of electricity, water and refuse removal Paramount in this process is for it to be driven by the community."

If the TPDC has its way, the move would bring an end to the long-standing impasse with the council over electricity arrears, meter reading and services provision Khumalo said "We have been forced to consider other options after accepting that the council failed in its duty to render professional service. This is the time to part ways peacefully."

The meeting, which was held at the RP Maphanzela Higher Primary School, was attended by about 250 people, all residents of Ward 7.

Khumalo recommitted the TPDC to the ideals of "peace, stability, unity and justice. It is only in an environment of peace and stability that we will attract investment and therefore create jobs".

Chairman of the TPDC Mr Sam Theron warned residents against "signing dubious letters purporting to transfer title deeds to homeowners after five years of occupation Those who wrote the documents have yet to explain to the community what their motives are For now, stay alert and don't say you haven't been warned"

Meanwhile, a report-back meeting of the TPDC is to be held at the same venue on Sunday at 9am

Also to be discussed will be the dilapidated state of houses that were repaired in the Kathorus Special Presidential Project The TPDC has called for a commission of inquiry into the operations of the project

SOWETAN Wednesday March 10 1999

More talks on privatisation

By Joshua Raboroko

THE Greater Johannesburg Metropolitan Council is hoping to reach an agreement soon with trade unions about the controversial privatisation and sale of council assets, including the Orlando and Johannesburg stadiums

The GJMC intends to privatise its metro gas, Rand Airport, a portion of council-owned land, the fresh produce market and the stadiums, all of which form a minimal part of the plan and represents less than three percent of the council's assets

The chairman of the transformation *lekgotla* established to solve the financial crisis facing the council, Mr Kenny Fihla, told *Sowetan* that at the meeting they held with trade unions "things did not run properly"

He said delegates had differing views on the issues However, 60 percent of them welcomed the move to privatise some of the assets, saying that the important part of the plan was to help generate revenue and to create jobs

He was confident that at the next round of talks this week progress would be made in the controversial privatisation and sale of the assets. The council is unable to fund the investments needed to grow these assets

The purpose of the meeting was to ensure that trade unions had an insight into the problems and potential solutions for the city

He said the council intended to build a firm partnership with labour and management to ensure that they worked together to achieve the shared objectives of their plan

Much emphasis would be placed on a labour relations exercise which ensured that staff was part of all key decisions and on issues such as job security, benefits and salaries

No retrenchments would take place during the process

Emergency vehicles shortage

BD 15/3/99

Pearl Sebolao (266)

THE three fire stations serving the Sandton area — Sandton, Lonehill and Alexandra — have to share one fire engine because all other vehicles are in for repair

More than 100 of the Greater Johannesburg Metropolitan Council's fire engines are lying idle in workshops awaiting repairs Stations across the city borrow engines from each other

Sandton precinct operations director Steve Margo said it took up to nine months for fire engines and other emergency vehicles sent for repairs or services to the Johannesburg council's workshops to be attended to

Spares for the vehicles had to be imported, which took time Greater Johannesburg's fire service uses vehicles built in, among others, the US and Germany

Margo said even when a fire station managed to find a truck, they were "not fully crewed" because of staff shortages

Ronnie Cloete, executive director at the municipality's Fordsburg workshop, denied that more than 100 vehicles were lying idle He said there were only 14 fire engines waiting for repairs or a service.

He admitted that his workshop, which is the main facility for emergency vehicles in Johannesburg, had had a backlog a few weeks ago, but it had since been resolved

A source in the workshop confirmed that 106 fire engines were out of commission Although only a few were at the Fordsburg workshop, there were others at privately owned workshops

Cloete said the backlog was partly a result of the suspension of four employees for fraud and theft in the stores department, which is responsible for ordering services and vehicle parts

The workshop was running at half its capacity, as a result of "almost 50% of the mechanical staff resigning last year"

The council could not be reached for comment

Picture: Page 3

A dynamic team is driving the vision of Johannesburg as the motor of African growth

M+G 19-25/3/199 (266)

They're here to save the city of gold

Bafana Khumalo

A trio of knights has ridden into the city of Johannesburg with plans to bring it back from the abyss On the biggest steed is councillor Kenny Fihla head of the city s transformation *legotla*, a body set up to oversee and manage the city s change He is flanked by city manager Ketso Gordhan and the new chief financial officer Roland Hunter

These are unlikely knights — hounded, jailed and exiled by the former regime that set up separate municipal structures for each racial grouping, leading to duplication of services and wastage of resources That is one of the first things that is going We used to have 13 metropolitan substructures all providing the same service " says Gordhan The number has been cut to four to be unified into a single structure after local elections in 2001

As the new city manager Gordhan puts in a day that starts, on average at seven in the morning and ends at eight in the evening His days are packed full of meetings, mainly with developers who come to peddle housing projects

The subject matter of these meetings ranges from a development designed to link Johannesburg and Soweto via the Bara Link Project to a scheme devised by a group of French developers who propose building a city, providing all the amenities and collecting the rent thereby cutting the city council out of the equation 'We can build 10 000 units and be up and running in ' is a regular refrain

Gordhan s appointment — he started on January 4 — was not greeted by the usual opposition cries of ' drop in standards" and "jobs for pals I had their support because of what I was able to achieve in transport," he says, explaining that in his role as director general in the Department of Transport he and Minister Mac Maharaj were able to — among other things — bring down taxi violence,

At 37 he has been around the political scene for some time having started as a United Democratic Front activist "Those were the days when one worked without pay and I had to pay the office telephone bill, he says

While the advent of democracy brought about a number of new regime workers whose idea of change was to fire all the grey suited and grey shoed officials Gordhan is representative of an even newer regime which seeks to work with available resources changing the focus to suit current conditions

One of the first big things he has done in his new appointment is to unveil the iGoli 2002 plan a bold two-year scheme designed to turn Johannesburg around "For the next two years, planning is banned in this department," he says "Implementing is what we are doing "

What has been implemented already is the building of a new taxi rank next to Johannesburg station In the pipeline is a plan to build an off ramp into the Newtown Cultural Precinct, an attempt to woo back to the city the white masses who used to come into the area to eat, to shop to go to the theatre

Areas like Yeoville which are emerging ghettoes are going to be declared improvement districts, which means that they are going to get special treatment in terms of allocation of funds for urban renewal projects

The political knight Fihla, has a sense of gravity about him At 32, he is a considered speaker who has the tone of an elder statesman 'By September this year construction will have started on the M1 off ramp into the cultural precinct and by June next year there will be at least four cranes on four different development sites in Johannesburg ' That's what is in the pipeline for the city of gold As chair of the transformation *legotla* he is in a position to confidently state these plans for the city

Born and raised in Soweto, Fihla s curriculum vitae contains the now normal experience of many of our civil servants activist at a young age detention, finally "skipping the border for training in the art of war — in Fihla's case in Zimbabwe where he enrolled for a chemical engineering degree at Zimbabwe Polytechnic

That might seem to be a lifetime ago now Instead of working out how to blow up buildings, he has taken up a portfolio that includes the responsibility for trying to solve overcrowding in the inner-city residential areas

These are young activists who are speaking a new language, a language far removed from phrases like flat rate' , rent boycott" and "slum lords ' Now they speak the more disciplined language of a government in dire financial straits Terms like "corporatisation", ' revenue generation" and "streamlining" are part of their lexicon

If appearances are anything to go by, Fihla will be around to see the implementation of these plans He is clearly in the inner circle of the African National Congress, recently seen on the hustings with both President Nelson Mandela and Deputy President Thabo Mbeki

The new city fathers seem to share a lack of bitterness against the previous incumbents Fihla remarks at the end of the interview, walking down the air-conditioned wood panelled corridor Ten years ago we would not have walked down here this freely, A lot has changed "

Gordhan is slightly more practical Why do you think I meet with big business? It's not because I like them, it's because I realise that we can use them to the advantage of the people of Johannesburg

While Fihla and Gordhan dream of a city that is user friendly for all its dwellers, Hunter (41) will be responsible for ensuring that they do that without wasting money His experience includes working for Planact an NGO that concerns itself with issues of urban development

Like his counterparts he involved himself in illegal activity As a conscript in the old South African Defence Force he supplied the then banned ANC with military information regarding the army s activities in Mozambique This earned him a five-year sentence in prison

Hunter has most recently served as Gauteng s chief accounting officer in charge of a provincial budget of R15 billion From May he will be on a two-year contract with the city and he has to impress his bosses and balance the budget to help turn the city around

If Hunter Gordhan and Fihla fail it will bode ill for the rest of the country and possibly for the continent

The city in their sights Ketso Gordhan, Kenny Fihla and Roland Hunter are out to put the glitter back on the city of gold PHOTOGRAPH: NADINE HUTTON

Gauteng to perk up health service

Sowetan 22/3/99 (266)

By Bhungani Mzolo
Health Reporter

THE Gauteng health department is set to improve efficiency in public hospitals and clinics with its budget allocation for the 1999-2000 year, MEC for health Mr Mondli Gungubele said yesterday

In addition, the government will decentralise the district health system to local authorities for the delivery of primary healthcare

"These strategies are obvious and superficially easy," Gungubele said "But when the detail is examined, they involve fundamental changes to former practices"

The budget for the coming year, which Gungubele said was R5,683 billion, will see the installation of a sophisticated health information system at a number of key institutions as part of a three-year contract, the essential drug list will be implemented at all levels, a plan for delegating authority to institutions will be put in place at four major hospitals, and the health department will appoint chief executive officers who are not necessarily doctors, at certain hospitals

These hospitals include Chris Hani-Baragwanath, Johannesburg General, Garankuwa and Pretoria hospitals

"The government is also assessing the extent to which it can use private sector services to improve efficiencies," he said

About R35 million has been earmarked for inter-departmental Aids work, Gungubele said

He said key features of this budget were an increased allocation to build services at new clinics and to assist municipalities in the delivery of primary healthcare,

- R35 million for the inter-departmental Aids programme
- R45 million for information system projects

Gungubele said his department had concluded an agreement with the Treasury Department to retain some of the money generated instead of turning all of it to the Treasury as has been the case

Gungubele said the department will not be able to live within this budget merely by making "savings" on stores and professional service costs only

"We will have to prioritise services more clearly, make gains through technical efficiency, increase revenues from private patients and also by billing other government departments using our institutions," he said

Gauteng to spend R150-m to revive flagging inner cities

Sowetan 1/4/99 (Pg 5) (266)

By Joshua Raboroko

THE Gauteng government is to spent R150 million to regenerate inner cities and revive standards in the wake of apartheid

Delivering his closing address to the Legislative Assembly, Gauteng Premier Mathole Motshegka said that a steering committee and three task teams had been established to plan and finance city centres and to curb crime in them

The province was working with the Department of Environmental Affairs and Tourism to clean up the cities, he said Inner-city regeneration was on course.

Motshegka said more than 10 local authorities, including the Greater Johannesburg Metropolitan Council, had already accepted "community justice programmes".

These local authorities, he said, were developing proposals for the establishment of municipal and metropolitan police and municipal and community courts. These structures would be reinforced by community policing forums and street and block committees To prevent the development of kangaroo courts, the forums would be charged with the responsibility of establishing and guiding communities.

"Members of all these structures will be drawn from and be accountable to the communities they serve. They will also be trained and familiarised with the human rights culture to ensure that justice prevails."

To reinforce these efforts, modern police stations have been built in Ivory Park on the East Rand and in Diepkloof in Soweto A pilot project will be started in Khayalami in Midrand.

The province has also appointed a commission to ensure that taxi violence is brought to an end

Another commission has been appointed to launch a massive plan to address management and security problems at hospitals, Motshegka said

The province's various departments had provided water and houses to three million people; connected electricity to two million households, built 500 new clinics and provided telephone lines to more than three million people, the premier said

The Star Thursday

Council blueprint irks union

By Edwin Naidu

The South African Municipal Workers' Union has not ruled out the possibility of a strike by its members or mass action at community level.

The union said yesterday that if the Greater Johannesburg Metropolitan Council did not stop the introduction of its Igoli 2002 restructuring programme, it would go ahead with the strike.

It slammed the council's transformation blueprint, saying it lacked vision and did not take into account the needs of the city's poor. It added that the planned R200-million sale of the Fresh Produce Market was unwise because the market generated income for the city's coffers.

Samwu spokesperson Maria van Driel said that, by selling the city's assets, the council was placing the future of the people in the hands of corporations and multinationals.

"We are really worried about how such initiatives would ever kickstart development. The socio-economic spinoffs will be negative for the city's poor," she said.

She said that according to the council's blueprint, assets such as Rand airport, the Civic Centre and parts of the water and electricity services were to be sold.

"If the city has financial problems, why sell its income-generating items?" she asked.

Van Driel said the union would, in about three weeks, release its own blueprint for restructuring the city.

She added that Samwu would seek the support of local communities, religious organisations and non-governmental organisations to put pressure on the council to stop the plan.

Kenny Fihla, chairperson of the Transformation Lekgotla, said the council's plan was the best way to restructure Johannesburg's municipality, and aimed to get the city out of the red by 2002.

He added the council was open to discussion and would consider any concrete proposals.

Samwu opposes Igoli 2002

CT(BR) 8/4/99 (266)

FRANK NXUMALO

Johannesburg — The South African Municipal Workers' Union (Samwu) yesterday rejected the Igoli 2002 plan to restructure Johannesburg and called for an immediate halt to the process

"Samwu does not believe there is a financial crisis in Johannesburg that could be improved by selling off profit-making and job creating assets Any restructuring plan must first rectify areas where money is being wasted"

The union said arbitration was currently in process between employers and Samwu because of a dispute over last year's restructuring plans, since launched under another name

Victor Mhlongo, Samwu's Gauteng provincial chairman, said "A National Framework Agreement on municipal restructuring was concluded last year between all municipalities and Cosatu, which Igoli 2002 completely ignores

HALT! *Victor Mhlongo of Samwu wants the Johannesburg restructuring plan to be shelved*

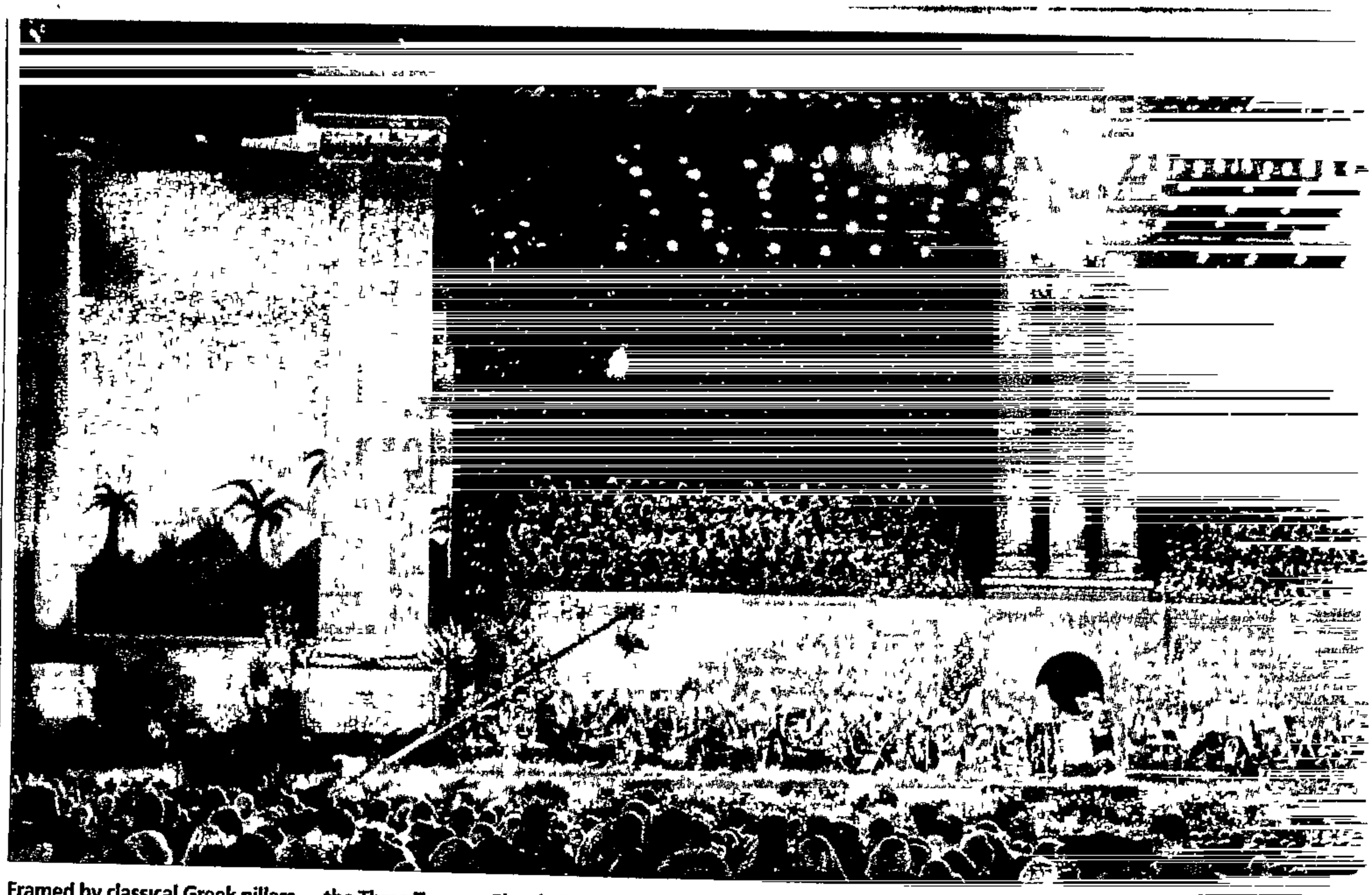
PHOTO JOHN WOODROOF

"This brings into question the authority of national government in driving negotiations around local government"

Mhlongo said Samwu had "not been consulted" on a restructuring process that would radically alter the conditions of service of members, especially in the services designated for privatisation

He said this was a contravention of section 64 (4) of the 1995 Labour Relations Act, which stipulated that unions must be consulted in cases of workplace restructuring when this resulted in changes in conditions of service

Some of the agreements ignored by Igoli 2002 included the Municipal Services Partnership Framework signed by Cosatu and the South African Local Government Association, and government policy that public sector service delivery should be restructured democratically by all stake-holders



Framed by classical Greek pillars ... the Three Tenors – Placido Domingo, Jose Carreras and Luciano Pavarotti – perform on the imposing stage at the [illegible]

Gauteng is 'best pla[illegible]

Rich Western Cape and KZN could use some Northern Province cheer – survey

OWN CORRESPONDENTS
Cape Town

Gauteng and Mpumalanga are the nicest places to live in in South Africa The Free State is the province with the least going for it, followed closely by KwaZulu Natal The Western Cape lets itself down because of a bad case of social depression

As part of the Reality Check series which begins in *The Star* today, we rated each of the country's nine provinces on a wide range of criteria

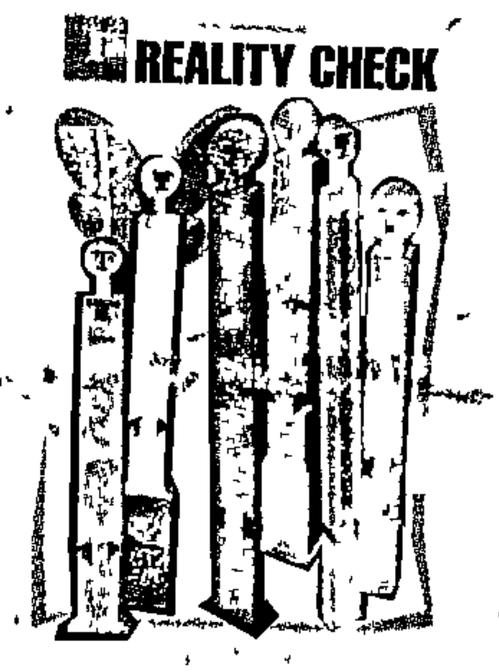
We asked whether its citizens have taps and toilets, how often they go hungry and how much faith they have in governance and the economy

We found out how their lives have changed in the past five years and questioned them on their experiences of crime

We combined answers to 23 questions and gave each province a score on four dimensions' living conditions, crime, confidence in the country and general satisfaction Then we put these together and ranked the provinces

We found that even the high crime levels in Gauteng don't detract from the fact that its citizens are basically content It has much of the infrastructure needed to support its population and, compared to the other relatively well-off provinces, its people have faith in both provincial and national governments, as well as in the economy Despite its bad press, Gauteng retains the promise of eGoli – the city of gold

Right up there with Gauteng comes Mpumalanga It's people are less well off but much more positive They say their lives have improved over the past five years and expect the future to be even better Another plus is the low crime report.



Northern Province is the poorest province but it ranks third overall because of the remarkably upbeat attitudes of its people They may not have large salaries or running water inside their homes, but they are more likely to be positive.

The most obvious contender for the crown, the Western Cape, is ranked just fourth Its ratings are the mirror opposite of Northern Province top for living conditions and bottom for attitude

We found that its residents are easily the best off in the country they are the most likely to be fed, employed, educated and have their rubbish removed regularly, yet they don't feel very good about their lives Confidence in all levels of government is low and there is a general air of despondency and dejection

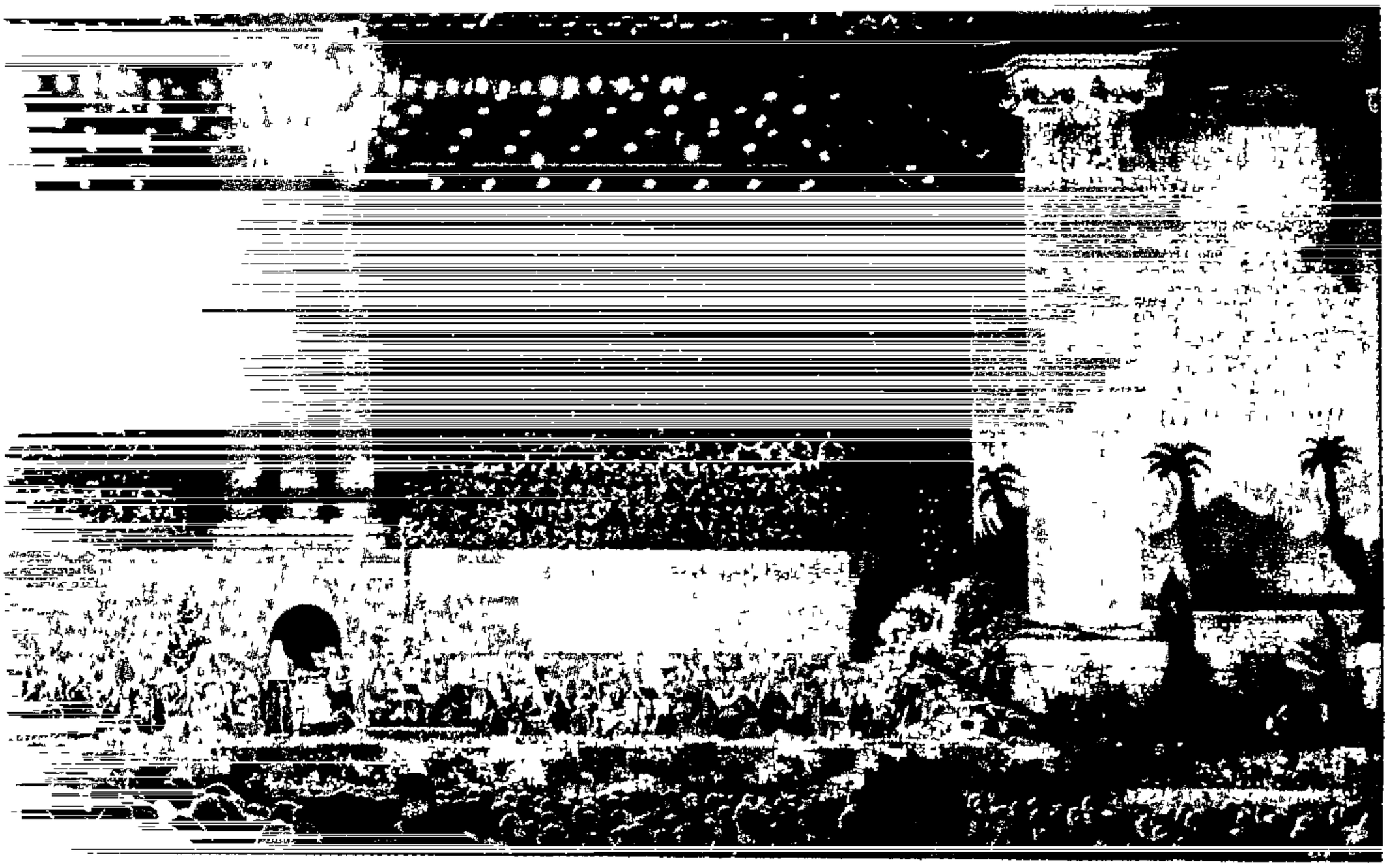
KwaZulu Natal just escapes coming last because of the relative wealth of the province There is a high incidence of crime and, like the Western Cape, its citizens give themselves away by their negative attitudes

These two have more in common KwaZulu Natal and the Western Cape are the only provinces not to [illegible] the ANC – perhaps a[illegible] of their d[illegible] the process of c[illegible] Africa The survey that, five years later, chantment remains also both experienc[illegible] els of political v[illegible] recent past, with its tant effect on morale

The high standard[illegible] in the Western Cape tributed to the [illegible] under apartheid [illegible] coloureds and [illegible] Africans last.

As part of the fo[illegible] ern Province, with

KENNETH MOLEFE



* Luciano Pavarotti – perform on the imposing stage at the Union Buildings last night.

► Full story – see Page 3

'best place to live'

'rovince cheer – survey

(266) Star 19/4/99

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KwaZulu Natal just escapes coming last because of the relative wealth of the province There is a high incidence of crime and, like the Western Cape, its citizens give themselves away by their negative attitudes

These two have more in common KwaZulu Natal and the Western Cape are the only provinces not to have voted for the ANC – perhaps a reflection of their disenchantment with the process of change in South Africa The survey suggests that, five years later, this disenchantment remains They have also both experienced high levels of political violence in the recent past, with its concomitant effect on morale

The high standard of living in the Western Cape can be attributed to the pecking order under apartheid whites first, coloureds and Indians next, Africans last

As part of the former Western Province, with its high coloured population, the Northern Cape also benefited from these policies It scores high on living conditions but low on confidence and satisfaction

These findings are consistent throughout our survey and reflect one of Reality Check's central themes The large difference between people's perceptions and their realities More details of these and other findings will be published throughout this week

Best address 1 Gauteng and Mpumalanga, 3 N Province, 4 Western Cape, 5 N Cape; 6 NW, 7 Eastern Cape; 8 KZN, 9 Free State.

Least crime 1 N Province, 2 N Cape; 3 Mpumalanga; 4 NW, 5 Western Cape, 6 Eastern Cape, 7 KZN; 8 Gauteng, 9 Free State

Best living conditions 1 Western Cape; 2 Gauteng; 3 Northern Cape; 4 KZN; 5 Free State; 6 Mpumalanga; 7 Eastern Cape; 8 NW; 9 Northern Province

Most satisfied 1 N Province, 2 Mpumalanga, 3 NW, 4 Free State; 5 Eastern Cape; 6 Gauteng; 7 KZN; 8 N Cape, 9 Western Cape.

► Here is your reality

A McIntjes Parker Advertising 980084 THE STAR

Striking waste workers could lose jobs

Star 26/4/99 (266)

Council says they provide an essential service, and as such should not have downed tools

By Themba Sepotokele

Waste workers from Greater Johannesburg's Southern Council could find themselves without jobs after they downed tools demanding a wage increase last week

Pat Nhlapo, spokesperson for Southern Council mayor Nandi Mayathula-Khoza, said yesterday that 313 contract workers, responsible for sweeping the streets and collecting refuse in Soweto, went on what was an illegal strike

Nhlapo said the workers embarked on a work-stoppage without following proper procedures. By not collecting refuse they were creating a health hazard, he said

"The council is now considering terminating their contracts It's been days without refuse being picked up and this is having a serious impact on residents

"The council unfortunately has a financial problem (insufficient payment for services from ratepayers) and cannot afford the increase It's unfortunate that they decided to down tools without consulting"

Each waste worker presently earned R45 a day, he added

Council adviser Jimmy Oliver said striking workers provided essential services and were thus not supposed to have embarked on a work stoppage

"It is of course sad that they have not received an increase for the past 15 months However, they are not supposed to strike because of their essential work," Oliver explained

Meanwhile, Nhlapo said the council was in a dilemma because there were 350 former waste workers whose contracts were terminated last year and who were now demanding to be reinstated.

And on the other hand there were the present crews who had embarked on an illegal strike

The workers, who had been hired by Wade Refuse and Wykom Waste companies contracted to the council, lost their jobs when the council terminated their contracts

However, the council and former workers had reached an agreement that only six people of the original group would be rehired

Nhlapho said some of the remaining 344 workers could be placed in other departments when and if any vacancies occured

Victor Sibiya, a representative of former council employees, said they would adhere to the council's decision

MAIL & GUARDIAN
May 7 to 13 1999

A shopping trail of debt

(266) M+G 7-13/5/99

Mungo Soggot and Evidence wa ka Ngobeni

Mbhazima Shilowa, the cigar-puffing trade union supremo in line to steer Gauteng into the 21st century, has clocked up a string of debt judgments while sustaining a luxurious lifestyle

Local credit agencies list four judgments in favour of banks against Shilowa for amounts ranging between R18 000 and R276 000 Shilowa also managed to attract three debt judgments in the past two years from the same bank — Nedcor The banking group declined to comment or say whether it had tried to attach Shilowa's property

An African National Congress representative speaking on behalf of Shilowa said that the matters had been settled Nedcor declined to comment on this The *Mail & Guardian* has established that Shilowa paid up late this week

The biggest judgment against Shilowa is for R276 577,84 According to papers filed with the Johannesburg High Court, Shilowa ran up the debt on his overdraft The other two Nedcor judgments are for R18 245 and R73 295 The last judgment, passed in 1995, is in favour of Absa for R91 000, and resulted in the bank attaching Shilowa's house

The judgments cast doubt on Shilowa's financial management skills, which will soon be in the spotlight as he has been selected to replace Mathole Motshekga, who was sidelined by the ANC after earning the reputation as a shoddy manager Motshekga has also been accused of mismanaging donor funds while he ran an NGO in Pretoria in the 1980s

The latest credit check on Shilowa was carried out by Stannic, Standard Bank's car finance arm, in March, when Shilowa bought a new Audi A4 Approached for comment, a Volkswagen representative said this week Shilowa had traded in another Audi and paid off the balance of the new car at cost price — a boon the carmaker says it extends to the Congress of South African Trade Unions (Cosatu) The representative said Volkswagen, like many other car manufacturers, had a standing arrangement with Cosatu and the government in terms of which it sold cars at "dealer billing", or cost price

Shilowa and his wife, Wendy Luhabe, live in a comfortable thatched house in the north of Johannesburg Luhabe, one of South Africa's top black businesswomen, is wealthy in her own right She chairs Women Investment Portfolio Holdings, and is a managing partner of Bridging the Gap, which forges ties between big-business and talented workers

It is difficult to reconcile Shilowa's credit rating with his expensive taste, which has slipped into the public spotlight over the past five years He is reputed to be a member of the exclusive club, Cigafrique, whose members meet in Gauteng to puff on Cohibas and sip Chivas Regal Shilowa's membership was reported in Canada's *Toronto Globe & Mail*, which claimed the puff club was launched by the Cuban ambassador to South Africa at a big smoke-up in March 1997

The popular trade union leader is also believed to be a connoisseur of French wines

In 1997 Shilowa hit the headlines for apparently refusing to be downgraded to business class on a flight from London to Johannesburg Fellow passengers were quoted saying Shilowa insisted he always travelled first class, and demanded his luggage be removed so he could take the next available first class pew to Johannesburg Passengers quoted in the South African press claimed their flight had been delayed 45 minutes

Mbhazima Shilowa: The premier-elect clocked up a string of debt judgments

Union starts campaign against officials' 'self-enrichment'

(266) Sowetan 25/5/99

By Joshua Raboroko

GAUTENG MEC for development planning and local government Sicelo Shiceka is to convene urgent meetings with the Greater Johannesburg Council and the city's Southern Metropolitan Council executives over bonuses and allowances paid to officials.

This was confirmed yesterday by the MEC's spokesman Mr Mavi Panyane, who said the meetings – to be called soon – would be an attempt to discuss and resolve problems.

The MEC will meet the two councils in the wake of criticism from opposition parties, the South African Municipal Workers Union (Samwu), the South African National Civic Association and its affiliates that officials are enriching themselves by paying themselves hefty bonuses.

By late yesterday Samwu members had started a campaign against the Greater Johannesburg's four-man team of senior transformation managers who could each earn performance bonuses of between R345 000 and R535 000 over the next two years if they achieve the council's objectives.

The team – city manager Mr Ketso Gordhan, transformation project manager Mr Pascal Moloi, chief finance officer Mr Roland Hunter and labour relations specialist Mr Makgane Thobejane – signed two-year contracts with the Johannesburg Metropolitan Council a few weeks ago.

The union announced its opposition to the council's plan a few weeks ago, saying the document had no economic substance and was little more than a glossy public relations report.

It said that although an agreement had been reached between the union and the council the matter should be put on hold.

The union was disgusted to find out that seven assets had been designated for privatisation in the next seven months.

The union immediately lodged an objection against this as well as the bonus of R500 000 that was offered to the four top executives if they privatised the assets speedily.

The union will be getting a mandate from the workers on how to proceed with the campaign, as well as canvassing for support for the African National Congress in the June 2 elections.

● See page 7.

Union in protest at privatisation moves

(266)

Sowetan Reporter

THOUSANDS of chanting members of the South African Municipal Workers Union (Samwu) demonstrated outside the Johannesburg Library Gardens yesterday in protest against the iGoli 2002 programme to be introduced by the Greater Johannesburg Metropolitan Council (GJMC) in two months

The protesters said they were "disgusted" by the fact that no less than seven public assets had been designated for privatisation in the next two months.

The union called for the immediate halt of iGoli 2002 saying it had no economic benefits being little more than a "glossy public relations document"

The wide-ranging programme is aimed at privatising some of the major assets owned by the cash-strapped GJMC to alleviate the financial crisis facing the council

Chairman of the Johannesburg branch of Samwu Mr Caleb Mokoena said workers remained sceptical about the entire exercise as it would lead to retrenchments

Mokoena added that the union had not been properly consulted on the move

He also pointed to what he called an agreement between the union and the council in which, according to Mokoena, the council had agreed to hold back the implementation of iGoli 2002 until it had been referred to a bargaining forum

Mokoena said a matter of contention for his union was that four council executive officers would be given bonuses amounting to more than R2 million

The GJMC announced recently that the bosses – city manager Ketso Gordhan, transformation projects manager Pascal Moloi, chief finance officer Roland Hunter and labour relations specialist Makgane Thobejane – would be paid bonuses equal to a year's salary if they met all their targets to turn the cash-strapped council around

Sowetan 25/5/99

Probe clears Shiceka of corruption charges

BD 28/11/99

Motshekga says accusations against MEC were 'in good faith'

(866)

Pearl Sebolao

THE committee probing allegations of corruption and maladministration against Gauteng local government MEC Sicelo Shiceka has cleared him of all charges

Announcing the findings in Johannesburg yesterday, Gauteng premier Mathole Motshekga said there was no substance to the accusations levelled against Shiceka by his former head of department, Silas Mbedzi

Mbedzi, who has since taken up the position of acting CEO of the national local government transformation programme, accused Shiceka of chairing departmental tender board meetings against procedure, employing an underqualified friend as a consultant, allowing his personal assistant to travel on business class flights and irregularly awarding himself a R3 000 clothing allowance

Motshekga said at a news conference the findings were verified by the director-general of the public service and administration department and by the legal team in the premier's office, and Mbedzi had accepted the findings when they were presented to him.

He said government officials could use government funds when travelling overseas. However, they had to refund government. This had been done and the cheque was deposited in May.

Motshekga could not explain why the cheque was only received in May, saying it had been dated much earlier.

He also said that according to government regulations personal assistants were entitled to fly in business class when accompanying their ministers or MECs

Gauteng director-general Lulamile Mbete said at a news conference that blame for the employment of an unqualified staff member could not be laid at Shiceka's door.

"Appointments are not done by politicians but by government officials. Shiceka had no influence on the appointment."

He also said the individual concerned had the required skills.

Motshekga said his office recognised the right of officials to raise concerns they might had with heads of government and "we believe Mbedzi did this in good faith".

Sighs and hopes in the rainbow nation's queues (266)

Xolani Xundu BD 3/6/99

THE wind blew in Vereeniging yesterday as if it was taking with it this section of the white electorate's hopes about the future

They came in their numbers, queuing alongside their black fellow citizens to cast their votes at the NG Kerk in Vereeniging South

"Nothing seems to get better in this country We will have to wait and see," said a voter who wanted to remain anonymous

"Everywhere you go, there are bad things happening I really do not know what the future holds for me and my family here," she said

An elderly man who also refused to identify himself said although he did not vote for the African National Congress (ANC), he hoped the party would get all the "big worries" right this time around

"Their first five years in government were difficult I hope they will take a serious look and address issues like crime, housing and unemployment," he said

There was a much more jovial mood in the Vaal Triangle township of Sebokeng, where several thousand voters queued to make their mark

At the Hostel Two community hall people were wrapped in blankets, wearing balaclavas and warm jackets to keep the chill winter wind at bay

Some decided to keep the home fires burning Groups of people sat around fireplaces along the run-down Hostel Two, which was a site of fierce fighting between ANC and Inkatha Freedom Party supporters in the late '80s and early '90s

Young boys entertained voters with gumboot dancing People threw coins to them in encouragement Street food vendors were also all smiles because of the booming trade

People expressed high expectations at voting stations in Sebokeng, Sharpeville, Vereeniging, Rustenburg, Vaal, De Deur and Meyerton They expect life to become better for themselves and their children They want jobs, houses, the eradication of crime and a safe living environment

"I hope the ANC will make things better this time not only for the rich and privileged but for the poor as well We want jobs and they must fight corruption at all levels in their ranks," said Sharpeville resident Mike Montshiwa

Piet Nontshinga, 70, tired because he had been queuing since 6am said "I just want President Thabo Mbeki to help us He should make sure that the rule of law is reinstated in this country

"We are no longer safe in the streets — even in our houses — because of these criminals"

Independent Electoral Commission presiding officers and police said the process had gone smoothly with no incidents Outside De Deur Primary School, however, Helen Steyn was sworn at by mostly black voters for allegedly jumping the queue

Patience is the presiding virtue

(266) BD 31/8/99

Stephen Laufer

PHAKE-TABENG — Patience was a distinct virtue for voters in this dormitory township 60km outside Pretoria, as seemingly endless queues snaked around the dusty yard of Mapola Middle School, the voting station for the day

A few thorn trees offered a modicum of shade from the midday sun as the Independent Electoral Commission's (IEC's) presiding officer, TP Aphanei, said he had called in reinforcements to help him deal with more than 3 000 registered voters By 12 30pm just 370 of them had cast their ballots, some after reporting waits of more than four hours

Aphanei said he had been allotted six assistants, five of whom had turned up After a call for help the IEC had sent a further six officials The crowd was cheerful and nobody seemed to mind the wait very much

In Pienaarsrivier, north of the Carousel casino, presiding officer Kgapu Maoka said two of his 12 officials had not turned up — one because she had given birth on Tuesday By midday 448 of about 700 registered voters had cast their ballots Maoka said he thought voting might be over by sundown

The voter flow in Pienaarsrivier seems to have been helped along by the attentiveness of the presiding officer to the IEC handbook In an attempt to shorten queues and save unnecessary waiting for those who had come to the wrong polling station, he appointed a queue marshal to check identity books as people arrived

In Stilwater, near Mabopane, presiding officer Elias Raphudufudu said he was concerned about how he was going to file his results to the IEC election centre in Pretoria He had not been issued with a cellphone as expected

Raphudufudu said that shortly after 11am 236 of 872 registered voters had cast their ballots He expected a rush after dark as many people had been forced to go to work despite it being a public holiday

Down the road in Temba, the Portion 9b voting station was crammed into an army tent With 1 800 registered voters, the presiding officer was looking decidedly unhappy at 11 45am when he admitted that just 160 voters had been processed since 7am

A voter reaching the head of the queue said he had been waiting for five hours to cast his ballot

BD 7/6/99

Bullets in the park cause Yeoville delay

(266) BD 3/6/99

Pat Sidley

VOTING at the Yeoville Recreation Centre got off to a delayed start yesterday Bullets were found in the park surrounding the centre, and sniffer dogs were called in to check for further problems There were none

It was likely, said an official, that one of Yeoville's less salubrious types had stashed his bullets there Conversation early in long wait echoed the theory about the bullets

One political party official told how he had his house cleaned out by four armed robbers with a truck waiting outside Those around him shared similar experiences One waiting voter was taken aback by a neighbour who fretted about the loss of a credit cards in an incident in which his wife had been raped It was all Yeoville.

So were the ways people in the the good-natured throng found to while away the long hours of waiting Vendors appeared mid-morning with cigarettes, sold for 50c each Trays arrived with more substantial offerings peanuts, sweets, chips and coke

Voters had their identity books checked as they edged toward the voting hall Many said their identity documents had been stolen since registration They were all helped by overworked Independent Electoral Commission (IEC) officials

An official grew testy when an elderly black woman asked another voter for help in the booth, aiming his ire at the hapless woman Someone with a sense of the audience played music from powerful speakers on a Times Square balcony overlooking the park The crowd developed a rhythm, though not quite like the one in The Full Monty

At the voting hall, a sour-looking woman was angered by the sight of helpful IEC officials leading elderly, fatigued women in to vote She reminded everybody, volubly, that they could have voted the day before

When the ballot boxes were crammed full, new ones, collapsible cardboard boxes wrapped in plastic, were set up, watched by observers to make sure there was no rigging

Centres of yesteryear's violence wear air of tolerance and civility

BD 3/6/99 (266)

Nomavenda Mathiane

PHOLA Park and Katlehong in the East Rand, centres of violence until five years ago, reflected the opposite yesterday when an air of civility, respect and tolerance prevailed among voters and officials

This was illustrated at the Thokoza auditorium hall where a group of Inkatha Freedom Party supporters, who had registered in KwaZulu-Natal, sought "declaration" votes

Presiding officer Thoko Mofokeng and party agents defused what could have been a volatile situation when they explained to the upset voters that declaration votes had to be cast the day before The voters accepted their explanation

At Phola Park, queues of voters were delayed because officials issuing ballot papers had to explain voting procedures

Each individual explanation took minutes which resulted in a slow voting rate In some cases voters had difficulty in identifying the party leaders they wanted to vote for

Mofokeng agreed with other presiding officers from Phola Park and Greenfields that the Independent Electoral Commission had failed voters by not providing adequate voter education

Some voters were not able to differentiate between national and provincial ballots

Party agents and presiding officers at the various East Rand voting stations were vigilant about processes and potential problems, and continually discussed issues among themselves

If a decision had to be taken, it was taken after consultation Rival party officials even shared meals

Mofokeng' who started the day wearing mens' socks over sandals, had to take the socks off "There is a lot of running to be done I am called here, there and everywhere and I found I could not run with the socks on," she said

The biggest crowd and largest police contingent were at a polling station at the entrance to Phola Park.

Pap en vleis

Residents looked grey and haggard due to dust and the early morning cold Some voters said they had been standing in queues since 3am They had warmed themselves at fires which were kept burning outside the voting station

Melusi Mboda, who lives opposite the voting station, said he left his house at 4am when he realised the queue was getting longer and longer

While Agnes Tshabalala was sitting on a chair in the voting area, her husband was standing in the queue "I had no idea I would still be here at lunch time I have to suffer for my convictions," she said

Most voters said they had not eaten anything since arriving at the voting station early in the morning Vendors selling at the gates of the voting stations did a roaring trade selling fried meat and pap

No alcoholic beverages were being sold

Greenfields, next to Phola Park, turned out to be an anti-climax with voters quietly awaiting their turn to vote

In the past few weeks, Greenfields has been a flashpoint and trouble had been expected after a couple who supported the United Democratic Movement were killed at the adjoining township of Phola Park

Gauteng police commissioner Sharma Maharaj, accompanied by Gauteng safety and security MEC Paul Mashatile, visited the polling station

There was a visible presence of police and military personnel

At Phola Park five parties — the Democratic Party, African National Congress, Inkatha Freedom Party, Pan Africanist Congress and the Freedom Alliance — were represented

At Greenfields, only the ANC, IFP and UDM were present

Just another day for East Rand citizenry

Farouk Chothia (266) BD 3/6/99

FAR from being overwhelmed by emotion, the people of Ivory Park on Gauteng' East Rand went to vote yesterday as though it was a humdrum civic duty

With toddlers wrapped to their backs in blankets, women braved the icy weather to wait patiently to cast their ballots

There were men too,' but the absence of youth was striking Some younger people were playing soccer on a nearby field "If there's time, we'll vote Politics doesn't really interest me," one of them said

But the older people in the queue of several hundred held a different view "The vote is our right We get it every five years I won't waste it," one elderly man said .

There was nothing out of the ordinary about the atmosphere at the polling station people chattered about the mundane as they patiently waited in the queue Asked how they felt about voting, they replied "I felt fantastic," or "It was exciting " But no joy was written on their faces, there were no spontaneous dances to celebrate the occasion. Perhaps it was a welcome sign, showing that SA is becoming a normal country But there is also reason to worry can the government build its much-vaunted "partnership" with the people to tackle SA's woes if the electorate is not bubbling with enthusiasm?

School deputy principal Jabulani Mayaba was the presiding officer at the polling station He was determined to prevent political acrimony, barring anyone with party T-shirts or caps from entering the precincts of the station This area of about 3 000 voters was contested by the African National Congress (ANC), United Democratic Movement and the Pan Africanist Congress

The ANC , which had set up a local election committee, seemed the best organised There was music playing, with the song, "Open the way Thabo Mbeki is coming," booming through the air

In the only dispute in the first two hours of voting, ANC officials objected to Mayaba's ban on voters in party colours casting their ballots "Tell us where you got this regulation from," ANC officials shouted at him

As tempers flared, Mayaba quickly instructed police inspector Riaan Nortje "Get this woman (an ANC official) out of here!"

But Nortje, who has been a policeman for 10 years, displayed another remarkable change in SA the move away from the politics of force to the politics of negotiation

He played the role of mediator and, about 10 minutes later, Mayaba and the ANC members were embracing each other Watching from a distance, Nortje shook his head and muttered "Politics It makes people mad "

Ilja Graulich

agreed that a lack voter education was the biggest problem many people want-

property n ie diamond town specifically so that he could return to vote in the district

The Independent Electoral

ELECTION '99

Cold and commitment in Johannesburg

BD 3/6/99 (266)

Soweto's elderly waited to have their say for a better life for the nation's youth

Samantha Enslin, Pearl Sebolao, Sibonelo Radebe, James Eedes and Dermott White

VOTING in cosmopolitan Johannesburg was, as in most of the rest of the country, marked by only minor problems

At Coronationville Secondary School, the first vote cast in SA's second all-race democratic elections was at precisely 7 02am yesterday morning

Presiding officer Alice Botha, like her counterparts at polling stations in Bosmont, Newclare, Westbury and Riverlea, reported no delays in opening polling stations and no shortage of ballot papers

The only complaints at the polling station in Riverlea Extension were about the chilly weather and the lack of breakfast

At the Riverlea recreation centre polling station, one woman was instructed by her fellow voters to return to the poll once she had removed her party political attire

The mood among those queuing was sober and queue walkers, party troubleshooters who were there to keep their supporters in check, and police officers had little to keep them occupied But once inside the polling stations the enthusiasm to vote was evident

For perhaps the first time since the 1994 election, Joubert Park in central Johannesburg became accessible to ordinary citizens who converged to cast their votes Many fear the park as a haven for handbag or cellphone snatchers

At least 3 000 people stood in long queues, some for up to three hours

The Hillbrow voting station was the biggest in Gauteng and one of the biggest in the country with 14 000 people registered there

Business was booming for street vendors as hungry voters had no other options but to buy food from them Most of the local shops were closed

Casting a vote in Soweto required more than patience as some people queued for seven or more hours The patience displayed by aged residence of the Soweto community was particularly striking They said they were doing so in the interests of the younger generation and those still to come

"We have experienced too much hardships during our lifetimes and would like to see things changing for the better for our children", said one group at Meadowlands-Inkonjane Primary School

They were convinced that their votes and waiting to cast them would send a powerful message to the politicians

At most stations, older and disabled residents were given preference

At Meadowlands, after every five ordinary voters one senior or disabled resident was permitted to vote

Deputy presiding officer at the station Themba Ngcobo expressed fears of missing the 9pm closing deadline

Ngcobo was expecting lines to be further lengthened by people joining them after work, but he hoped to have dealt with all the senior residents by sunset

One group on a street corner in Zola township suggested voting should take place over two days

Overall security was not an issue for Soweto yesterday but many potential voters could have forfeited their right to vote because of long queues

The mood in the Witpoortjie Hotel bar provided ample evidence of SA's strides towards democracy

Just a short distance from the centre of Krugersdorp, the bar is ostensibly a living relic of the old SA Men-only toilet facilities harking back to a bygone era make the bar about as welcoming to women as the old SA was to blacks

But the banter between white patrons and "oupa" the black barman was anything but the old SA The talk was about queues, results and agreement that this time around things had seemed better organised The sentiment mirrored the activity at voting stations throughout Krugersdorp and Roodepoort

Independent Electoral Commission (IEC) officials in the area said few logistical problems had surfaced In Roodepoort, the high-tech bar-code readers slowed up the process and had to give way to a hastier manual handling of the voters roll

More than 7 000 voters had been registered at the President High School in Ridgeway despite an IEC directive that the number of registered voters per station should not exceed 5 000, but an official said the voters should not be left stranded

SOWETAN Thursday June 10 1999

New deal may salvage council

(266) (99)

By Joshua Raboroko

THE Greater Johannesburg Metropolitan Council has been granted a new credit rating that is expected to lure investments and dispel market perceptions that the city is an "irredeemably bad credit risk"

This means the council can raise cheaper loans as part of its iGoli 2002 to make local governance in Johannesburg geared for a world class city

At a media briefing yesterday, the chairman of the Transformation Lekgotla appointed to resolve the financial problems in the council, Mr Kenny Fihla, said the credit rating reflected a "reasonable baseline from which Johannesburg could be built"

The rating was conducted by consultants Fitch IBCA South Africa and reflected a strong capacity for timely repayment in the short-term

The consultants reviewed the council's level of revenue, refinance flexibility and payment prioritisation capacity

Making the announcement, Fitch IBCA's managing director Mr Mike Berry, said the rating reflected the turbulence that accompanied the restructuring of authorities that now made up the city after 1994

The financial bases created by previous authorities were subjected to unsustainable operating and capital spending demands

In addition, he said, a high profile tax strike by a wealthy suburb in Sandton caused cash flow strains

A large number of residents still failed to pay for services and these factors were were core to Johannesburg's difficulties

Berry said the city had incurred operating deficits of more than R500 million since 1996 The fiscal year-ending June 1999 was also likely to end in a deficit

Looking into the future, he said the city had a relatively modest debt redemption schedule through to 2004 About R500 million in debt would have to be paid

Bid to give Jo'burg back its glitter

(266)

By Joshua Raboroko

JOHANNESBURG appears to have lost much of its fabled glitter and is instead becoming a place for rats, cockroaches and displaced people seeking shelter in old, dilapidated buildings or on pavements.

Many of the buildings in the central business district have become toilets, storage places and sites for prostitution in a city once envied for its primary position in commerce and industry

At a recent workshop in Johannesburg attended by the public sector, developers, community bodies and non-governmental organisations, the degrading conditions in the city were positioned at the top of the agenda.

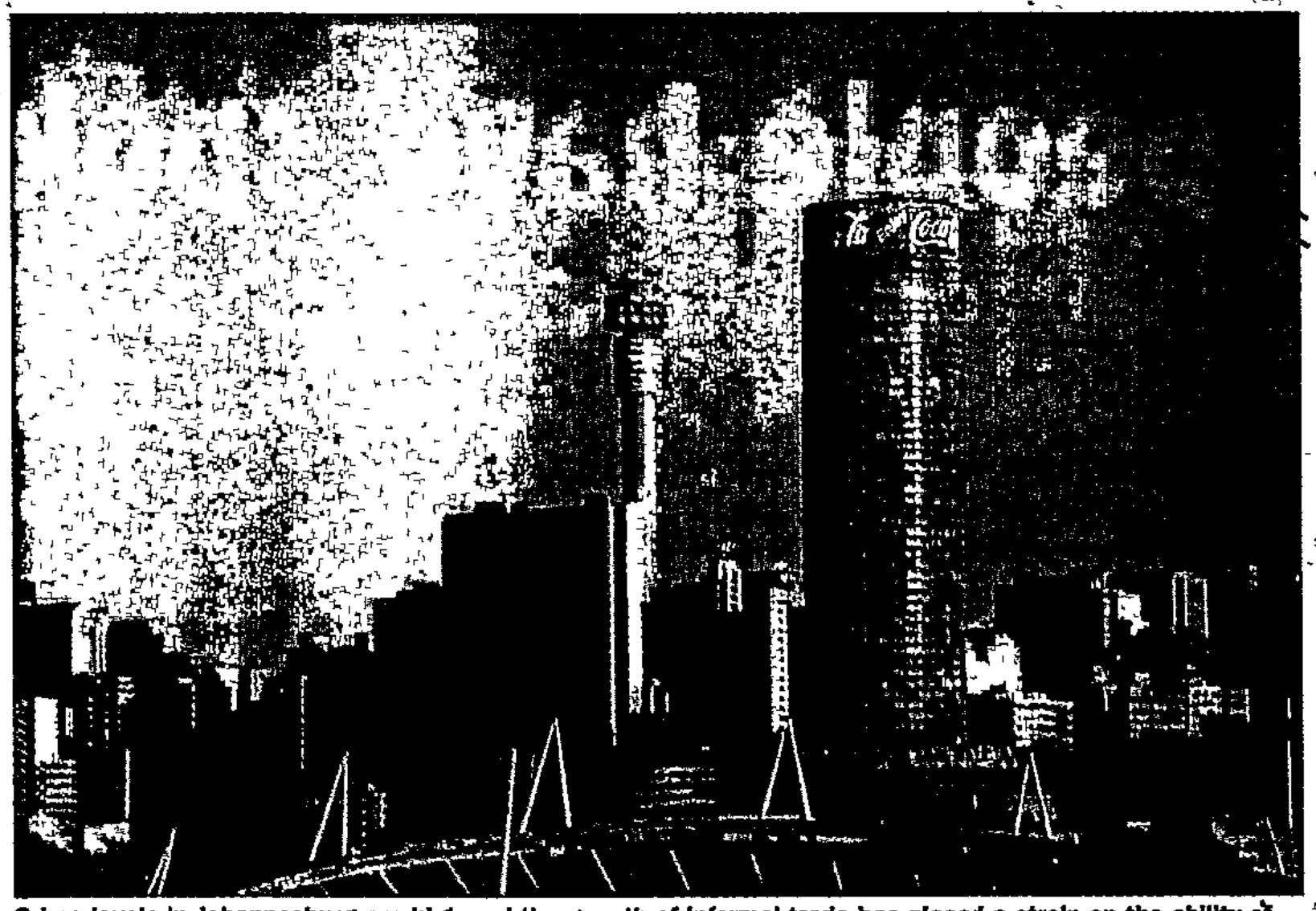
Delegates said most of the run-down buildings were to be found in Hillbrow, Berea, Braamfontein, Doornfontein, Vrededorp, Newtown, Pageview, Bellevue East, Bertrams, Troyeville and Jeppestown.

Said one resident at the conference. "Crime levels are high and the growth of informal trade has placed a strain on the ability of the authorities to keep the streets clean Moreover, an unregulated taxi industry is congesting the streets Buildings, particularly residential, have been allowed to decay, with rats and cockroaches having a field day"

Newly launched Bad Building Programme project manager Julie Hallows said these buildings were home to more than 160 000 people, indicating a population growth of at least 25 percent over the past five years

She said an estimated 800 000 people travel to work in the inner city daily, using various forms of transport

The Greater Johannesburg Metropolitan Council is committed to reversing this decline It established the Inner City Committee as a Section 59 Committee in September 1997 she said.



Crime levels in Johannesburg are high and the growth of informal trade has placed a strain on the ability of the authorities to keep the streets clean.

The purpose of this committee and the inner city office was to ensure a successful strategy of urban renewal through a programme of interventions and actions contained in an inner city development strategy

This strategy seeks to make Johannesburg a destination city, a residential area, an education centre and an economic hub It also hopes to provide a desirable quality of life for residents

She said it would be a long struggle to reach this goal The problems surrounding the dilapidated buildings in the inner city of Johannesburg are wide-ranging

- Some landlords have abandoned their buildings and cannot be traced,
- Some property owners cannot afford to upgrade run-down buildings,
- Many bad buildings are in substantial arrears with payments for municipal services,
- Tenants in many bad buildings fail or refuse to pay rentals or for municipal services,
- Management of bad buildings is often inadequate or non-existent, leading to further dilapidation,
- There is tension between property owners and tenants, and
- Vacant commercial buildings are often in a potentially dangerous state and are subsequently occupied by squatters when businesses vacate them

According to conventional wisdom, overcrowding is cause of the decline of residential buildings in the inner city of Johannesburg

However, recent studies have shown that the most significant contributing factor is a lack of good management and maintenance of existing housing stock.

Hallows said the Bad Building Programme sought to address the consequences of this lack of management. It planned to convert homes in the inner city into well-managed and maintained rented homes.

The programme was not limited to residential use. Other uses for non-residential buildings would be considered as well.

Delegates at the conference argued that the regeneration of buildings would stimulate new investment in the inner city. They suggested that those in poor condition be taken over by organisations willing to buy and upgrade them.

The Bad Building Programme also intended to stimulate investment and the renewal of the inner city by creating the means for buildings with high arrears and in poor condition to be taken over by companies.

For such buildings, the project proposed the sale of shares in the building followed by the formation of a new company which would redevelop the building.

"Instead of paying for the building at the present value, the new owners would take over the outstanding debt to the council – discounted or written down to the value of the building," said Hallows.

The council would facilitate the transfer of ownership from the old owners to the new owners. "It is the intention of the programme to reverse the decline of buildings and the non-payment of services," said Hallows

She invited individuals who wanted to participate in the programme to submit their proposals by June 28 The council would consider further proposals up to August 30

The conversion and upgrading of buildings into family units should be seen against the background of the project *Vusani Amadolobha* (regeneration of towns), which was launched earlier this year by Gauteng local government MEC Sicelo Shiceka.

During his budget speech, Shiceka said R48 million was set aside over a period of two years for the improvement of towns and cities in the province.

These projects were part of an attempt to prevent businesses from leaving the central business district. The programme is scheduled to run over five years

Shilowa to push for service delivery

Sowetan 18/6/99 (266)

By Sowetan Reporter

PATRIOTISM and unity across the racial, political and economic divide are expected to feature as the dominant themes in Gauteng premier-elect Mbhazima Shilowa's inaugural address after being sworn in today

He is also expected to echo the importance of a partnership between government and members of the public that found strong expression in the African National Congress' election manifesto

However, sources cautioned against expectations that Shilowa will use today's occasion to reflect on policy and programmes that the provincial government might opt for under his leadership

What is more likely, they say, is a clear reference to what government priorities will be

In this regard he will certainly re-emphasise his government's commitment to clean administration and good governance

As for detailed programmes and policy, these will probably be left for the opening of the Legislature

Shilowa is known to have a strong preference for inclusive governance and will possibly use today's opportunity to appeal to opposition parties to work with rather than against the ANC government

Stronger emphasis on government by consensus, especially in the context of a developing democracy, may therefore find recurrent reference in his address This would obviously be in line with his approach to leadership in the labour movement, where Shilowa earned respect for his ability to build consensus and forge a partnership between trade unions and business

He is known to have argued in various forums that diversity, no matter where it manifests itself, must be exploited for the good of democracy rather than be used as an excuse to generate antagonism and adversarialism With the robust electioneering of recent months a thing of the past, he may well find support for his invitation to the opposition

Relations between the opposition and the majority ANC in Gauteng deteriorated significantly in the last few years and rebuilding a working partnership could therefore become a priority for Shilowa

Broad objectives

He may well use the inauguration platform also to cement his relationship with previous Gauteng premiers, especially Mathole Motshekga, whom he succeeds There is much that Tokyo Sexwale and Motshekga have started that Shilowa will be expected to build on as he takes over today

He is not expected to deviate from the broad objectives the ANC has always emphasised as central to its developmental programmes President Thabo Mbeki's reference in his inaugural address to the nation will therefore almost certainly find expression in Shilowa's address today

While Shilowa will call on the opposition to work with the ANC in steering the province's development, he will in all likelihood focus on the need for delivery in the interests of the poorest sections of society

Gauteng premier-elect Mbhazima Shilowa

Mbeki also made an unambiguous reference to addressing the challenge of poverty, unemployment and homelessness

This theme, which focuses on the need to respect the fact that the ANC's overwhelming mandate comes from the poorest of the poor, has found expression in all of the parties' major statements after its election victory Shilowa is unlikely to ignore it even if he emphasises the need for cooperative governance

Jo'burg council and trade unions reach agreement

(266) CP 20/6/99

By MALOSE MONAMA

NEGOTIATIONS between the Greater Johannesburg Metropolitan Council and two sector trade unions on transformation and restructuring in the city, ended well this week as the parties reached consensus

The two unions, the South African Municipal Workers Union (SAMWU) and the Independent Municipal and Allied Trade Union (IMATU) ended talks in the bargaining council when the GJMC agreed to sign a guarantee that privatisation projects would be placed on hold

The unions demand to be part of whatever decision is taken on the transformation and restructuring of the council services.

SAMWU, with about 20 000 members in the Johannesburg Metro and IMATU, with about 10 000 members joined hands in demanding that the trade unions form part of any decision to bring about change.

The meeting had earlier got off to a rocky start when the unions discovered minutes to a meeting they were not informed about which detailed advanced plans to sell of several of the GJMC's subsidiaries.

SAMWU provincial secretary, Phinda Mhlongo said: "We are happy that the GJMC has guaranteed that nothing will be implemented without first being discussed with the unions."

The South African Communist Party and the South African National Civics Organisation support SAMWU's call for the restructuring of Johannesburg to be democratically decided.

Johannesburg's council approves R8,2bn budget

BD 25/6/99 (266)

Xolani Xundu

THE Johannesburg metropolitan council yesterday passed an R8,2bn budget which it said would go a long way to balancing the city's books The Democratic Party (DP) opposed it, saying service delivery would decrease by 9% in the eastern local council

DP leader Mike Moriarty said the R400m allocated for maintenance and infrastructure development was inadequate and at least R800m was needed for it

The council allocated R84m in capital expenditure for all five metropolitan local councils due to financial and institutional difficulties, executive committee chairman Collin Matjila said

He said the council's approach in estimating income had been conservative

The council had allocated R400m towards the working capital reserve which would increase it to just more than R1,6bn

Matjila said R141m of the deficit of R291m brought forward from last year would be wiped out and the balance of R150m would be catered for in next year's budget

The council expected to incur a further R50m because of its Year 2000 crisis compliance programme, expenditure which it would finance from its operating budget

Matjila said the operating budget allocation was determined by the council's policy of reducing expenditure on institutional-supported activities and also on softer services in favour of direct services

The electricity allocation increased from last year's 43% to 45% and infrastructure and technical services rose from 28,4% to 28,7%

The council said budget priorities included tackling basic needs, maintaining existing infrastructure, enhancing revenue collection, enforcing credit control measures, improving income generation and reducing emphasis on revenue absorption services

Matjila said the council was concerned by the decline in the council's equitable share

"Council has been notified that the intergovernmental grant for 1999/2000 will be R24m, whereas the 1998/99 grant was R35m"

He said "I believe it is well understood that it cannot be business as usual and we must all bite the bullet to ensure that this great city is transformed into a viable and sustainable agent for development and the delivery of services "

New National Party (NNP) leader Yakoob Makda supported the budget, saying it would go a long way to serving the needs of the city's poor

It also emerged that the NNP and the ANC had entered into negotiations, with the former proposing amendments to the budgets which were accepted

These included reviewing the budget at certain intervals to deal with issues such as personnel shortages, inadequate law enforcement and insufficient repairs and maintenance provisions

Makda said the council should show commitment to increasing the levels of service payments and outstanding accounts "We have to handle cash flows with our budgets on a monthly basis " He said it was the budget's shortcoming not to reflect the iGoli 2002 plan which aimed to privatise noncore functions and integrate others

Transformation body may face legal challenge

BD 28/6/99 (266)

Xolani Xundu

THE Johannesburg metropolitan council could be involved in a tough legal battle if the SA Municipal Workers' Union (Samwu) finds grounds to challenge the constitutionality of the city's transformation committee

This could negatively affect the city's plans for iGoli 2002, which aims to avert the threat of a financial and institutional crisis

Samwu general secretary Roger Ronnie said the union's lawyers were looking at the constitutionality of the committee He said the union wanted to find out what powers the committee had in relation to those vested in the council by the Local Government Act

"We want to know whether it has the powers to take the kind of decisions it is currently taking and whether the council can delegate those powers to another structure," he said

The committee is disposing of assets such as Metro Gas, Rand Airport and the Johannesburg Athletics Stadium It hopes to use the money to pay off its R291m debt and to finance infrastructure development Ronnie said there was no law that gave the committee powers to take these decisions

In terms of the Local Government Act, only the local government MEC could proclaim such structures, something Ronnie said was never done regarding the transformation committee

The committee was approved by the council in November last year and takes over functions previously performed by Johannesburg's local municipalities

Opposition parties rejected the committee as an early form of centralised governance which would erode the autonomy of local municipal councils

The committee took over the mandate of an extraordinary committee of 15 councillors which was empowered by the Gauteng government early last year to co-ordinate functions previously carried out individually by each of Johannesburg's five municipalities

The move was mooted as a temporary measure to steer the city through a crippling financial and administrative crisis which saw it accumulating losses at a rate of more than R130m a month

Ronnie said the union was exploring the powers the committee had in terms of the law "This is a constitutional matter and it flies in the face of the kind of democracy which we hoped was being brought into play by the 1995 local government elections "

By locating decisions such as disposing of council assets in the committee, elected councillors were being prevented from participating in the process "Council structures have been undermined," Ronnie said

The council's executive committee chairman, Collin Matjila, said it would be improper to comment on the issue at this stage

R519-million budget approved

(266)

Sowetan 28/6/99

By Joshua Raboroko

THE Eastern Gauteng Services Council has approved a R519 million budget for the 1999-2000 fiscal year aimed at building and upgrading essential services and infrastructure in the area

Presenting the budget, chairman of the executive committee Mr William Mahlangu said the budget showed an increase of R24 million over last year's budget.

The budget will benefit 10 local councils, including Greater Germiston, Brakpan, Nigel and Springs and 13 rural councils comprising, among others, Cullinan, Devon and Eikenhof

Mahlangu said despite adverse local economic conditions, the council refrained from increasing levies as it derived its income from employers in the region

About R309,8 million will be spent on regional functions and bulk infrastructure

This meant provision of water and electricity, waste water treatment, solid waste management, cemeteries and crematoriums, land use and transport planning.

Mahlangu said the budget was in line with the Reconstruction and Development Programme that included community liaison, development of human resources and economic empowerment on implementation projects.

He said the council had an emerging contractor programme to teach building and business management skills to contractors.

Mahlangu said the remaining R209,9 million would be allocated to community projects by the local councils within the region

These projects, he said, included the building or upgrading of sports grounds, reservoirs, community halls, street lighting and roads

Mahlangu said the budget, which was not opposed by other parties, would go a long way in the alleviation and provision of a better life for the communities within the region

He said such projects could only be delivered if residents paid for services

Tight credit control measures had been introduced in some areas and payment levels were improving, Mahlangu said

IN BRIEF

Burns project launched

ELECTION '99

Nobody rallies to the ANC, it would seem

Villagers vote with enthusiasm, writes **Reneé Grawitzky**

PIETERSBURG — Nobody in Nobody, a small village near the University of the North, boycotted the elections yesterday — despite earlier threats that residents would not vote because they had been without water for a month.

Hundreds of Nobody residents braced themselves against cold weather and huddled in blankets while they waited outside Mapadithoma High School to cast their votes This scene was repeated in a number of rural villages in the Northern Province where voters braved the cold for hours on end.

Despite joblessness and insufficient running water, people were enthusiastic to vote for only the second time in their lives

Isaac Chelope, a teacher in Ga-Ramokgopa, a village near Louis Trichardt, said: "We want our voice to be heard Even though we face unemployment and a lack of sufficient running water and roads this is still an African National Congress (ANC) stronghold "

People had became disillusioned as promises had not been met, he said "But there is still hope "

A little old man in the neighbouring village of Sekhokho Station very proudly emerged from the polling station telling everyone he had just voted for the ANC

A common sight here, where illiteracy is rife, was a group of political party and Independent Electoral Commission (IEC) observers assisting voters who were unable to read

This task was difficult when observers had already begun post-election celebrations. An IEC electoral officer at one polling station appeared to have spent the night in a nearby shebeen

The atmosphere was far more sedate at the polling station in Pietersburg, where Northern Province premier Ngoako Ramatlhodi voted. People stood by as he was hurried through the queue to vote.

However, some voters were not so lucky and were told that they had to vote elsewhere. These voters had registered in Pietersburg but the IEC had put incorrect stickers in their ID books One woman spent four hours trying to find a polling station that would agree to let her vote "How do you vote after being messed around like this?" she asked

Luckily, for her, nobody took her ballot

BD 3/6/99 (266A)

BA 31/6/99

Of handwritten ballots and birth

(266A)

Reneé Grawitzky

PIETERSBURG — A shortage of ballot papers at some polling stations in the Northern Province led a resourceful presiding officer at a station in Driekop to use handwritten ballot papers to ensure residents could vote

Despite this incident, voting in the province went ahead relatively smoothly. There were reports of a number of stations opening late and the slow processing of voters, while a presiding officer in Bushbuckridge was dismissed for failing to understand the electoral process

Provincial executive officer S Nevhutalu said while no security problems had been experienced, one person had been arrested in Vuwani for threatening a commission official during an incident in which a woman gave birth while waiting to vote

Security forces and the SA Police Service maintained a heavy presence in the Bushbuckridge area following heightened tensions over its incorporation into Mpumalanga, but no incidents were reported

The Independent Electoral Commission acknowledged that some voting stations would have to remain open after 9 o'clock as processing had been slow, either as a result of a shortage of ballot papers or because stations opened late

Police did not anticipate security problems as people stood in queues into the night, but many were unhappy they had to do so

A lack of understanding of the electoral process was also evident among party observers. In some villages, party observers gathered around voters as they were voting

The presiding officers explained they were assisting illiterate voters. But, in some cases the observers appeared to be subtly pressuring confused voters

MBHAZIMA SHILOWA

DISCIPLE OF FISCAL DISCIPLINE

New Gauteng premier says he is open to ideas from the private sector (266) FM 9/7/99

Former trade union supremo Mbhazima Shilowa, a central committee member of the SA Communist Party (SACP), has been accused of using — or abusing — his newly acquired position as Gauteng premier to pack the provincial cabinet with communists

The charge, contained in articles quoting unidentified sources in *Sunday World* and the *Mail & Guardian*, is rejected by Shilowa as illogical

"I brought in three new members," he says of the 10-member provincial executive council, which he inherited from his predecessor, Mathole Motshekga "I found seven there already"

He names the three new members as Gwen Ramokgopa, Khabisi Mosunkutu and Trevor Fowler Then he spells out his conclusion as though delivering a lecture in elementary logic "So, if there is a high proportion of communists, they must have been there already"

A former security guard who rose to become secretary-general of the Congress of SA Trade Unions until he was "redeployed" as the ANC candidate for the Gauteng premiership, Shilowa offers a rhetorical finale "So, therefore, I think the charge is just a red herring If you don't have facts, you go for the Red bogey"

Dressed in a black Mao-style suit, Shilowa (41) explains the facts of political life to those who, he believes, are still wont to see Reds under the bed

"I am a member of the SACP But I was not asked to come to Gauteng as a member of the Communist Party I was asked to (serve as premier) because the ANC felt I could do the job I am not here to serve members of the Communist Party I am here to serve all the members of Gauteng

"Therefore, I would be very stupid to appoint an executive committee on a partisan basis If I did so, the ANC would be right to say, 'We think you must move out of the ANC' "

Shilowa stresses that the communists in the Gauteng legislature are all members of the ANC and are subject to ANC discipline and committed to ANC policy

"Nobody was sent to (the provincial) parliament, including myself, on the basis that they are communists," he says "Everyone who is in the Gauteng Legislature went through an ANC process We may have communists in the legislature But that is not their qualification for being there The qualification is that the ANC felt that (they would represent its interests)"

He pointedly observes that the ANC's provincial executive committee issued a statement reaffirming its confidence in him after an unnamed member of that committee was quoted as saying he had ignored "senior provincial party leaders when he appointed his cabinet"

The depiction of Shilowa as a dedicated communist determined to advance the cause of "the party" is reinforced by an article in *The Star* in which he identifies himself as a Marxist-Leninist Shilowa offers an explanation for the label he reportedly slung around his own neck

For him, Marxism is "a tool for analysis", not "a dogma" While Marxism is useful as "a theoretical basis" for understanding political and economic realities, it should not blind Marxists to alternative ideas, particularly on the question of delivering "quality service to the people"

"If you are dogmatic, you would say 'In 1917 it was said you must do the following ' I don't believe in that But equally, if business comes to me to convince me on the virtues of the market, it won't help"

If, however, businessmen approach with a plan to bring tangible benefits to the poor in the form of, say, houses, clinics or schools, he will listen and, if convinced that their ideas are sound, "implement them tomorrow" — Marxist theories of class warfare notwithstanding

His plans to speed up economic development in the province are based on a vision of partnership with business notables, the latter-day "robber barons" of pristine Marxist theory Thus he

- Says of the task of job creation "We have to work with business",
- Asks after outlining provincial government plans to devote 6% of the budget to capital expenditure and provide funds to encourage small and medium entrepreneurs "What role will the private sector play?", and
- Uses the pronoun "we" to include rather than exclude the private sector in an address delivered to the SA Chamber of Business before the June 2 election

Another issue is raised during the *FM*'s interview with Shilowa the exclusion of

Mbhazima Shilowa *plans to speed up economic development*

Westonaria Local Council overspent by R2,3-m

By Joshua Raboroko (366)

THE cash-strapped Greater Westonaria Local Council overspent by R2,3 million of its operating budget for the 1997-98 financial year, according to the auditor-general's report

The report says the excess has been condoned by the council during the 1998-99 financial year, warning that all operations could be seriously affected if non-payment for services continued

Most of the losses incurred are in bulk buying of electricity and water – totalling R851 507 and R848 538 respectively – repairs and maintenance (R567 268), contribution to capital development fund (R11 106) and capital costs (R47 420)

The report says the shortfall between billings and payments for the period July 1 1997 to June 30 1998 amounted to R5,1 million

It says the non-payment of services continued, coupled with the fact that the council's external investment decreased by R8,1 million, primarily to fund operating and capital expenditure

Consumer debts increased by R5 million, from R17 million at June 30 1997 to R35 million in June 1998

A debt-age analysis revealed that debtors in arrears for 90 days and longer increased by R5 million from R9 million as at June 30 1997 to R14 million on June 30 1998

The continued level of service delivery of the council could be seriously affected as a result of continuing deterioration The reason for the deterioration could be attributed to the fact that the council is not consistently carrying out maintenance duties

Sowetan 14/7/99

R400-m municipal debt write-off sparks outcry

(266) ARG 3/8/99

Democratic Party hits out at Johannesburg council

ARGUS CORRESPONDENT

Johannesburg – The Greater Johannesburg Metro Local Council has allowed individuals and businesses to run up multi-million rand debts for rates, water and electricity – and has now written them off

Yet people in various parts of the city, including Soweto, are facing judgments because of non-payment, and in Thokoza, thousands of residents are living without services because of non-payment of municipal services

The Greater Johannesburg Metro Local Council has written off about R400-million in bad debts during the past weeks, the majority from the inner city

Many of the debts now written off are far higher than the value of the properties concerned

Amounts vary from R150 000 to R2,5-million, with several in the R1-million bracket

The Eastern council alone has written off about R40-million in debts

Council spokesman Keith Peacock said many of these involved liquidations of companies

"Where a company is insolvent, the liquidators made every effort to ensure that the business continues and rates and services are paid for while they were looking for buyers, and that is why the debts mount

"In some cases it is not possible to continue the businesses While the council would like buyers to take over existing debt this is not always possible, especially where debt is greater than the value of the property," he said

He admitted that there had been a number of cases where the councils had not responded quickly enough with credit control measures and moved to a realistic sale of the asset to recover money outstanding

With new credit control measures, however, write-offs would in future be lower and these cases would not recur, he said

Councillor Mike Moriarty, Democratic Party Metro leader, said the DP was opposed any amounts being written off

"Writing off bad debts rewards the defaulters and penalises the payers, making them bear more than their fair share of the cost of services

"By letting debtors off the hook the councils are condoning, and even encouraging, non-payment

"The already-inadequate expenditure budgets of the city are based on 100% payment of accounts Any shortfall in revenue raised will impact negatively on service delivery

"The most pressing reason for council not to write off any debts is the impact this will have on the Johannesburg's creditworthiness," Mr Moriarty said

Johannesburg vows to safeguard jobs

(266) (232) 12/8/99

FRANK NXUMALO
LABOUR EDITOR

CT (BR) 12/8

Johannesburg – The privatisation of the Greater Johannesburg Metropolitan Council's utilities and assets would not result in massive retrenchments, the council said yesterday

"We are guaranteeing jobs and that there would be no negative impact on conditions of service," said Kenny Fihla, the chairman of the city's Transformation Lekgotla, the council's privatisation committee

Fihla said this was possible because the council would impose a contractual obligation on buyers of its assets to take over the entire worker complement and conditions of service at the time of the transaction

He said the council was not only upbeat because it had "received many offers" to buy, but also because the new owners would be operating in conditions of virtual market monopoly

The South African Municipal Workers' Union (Samwu) said its main concern was the loss of revenue to private hands

Themba Nxumalo, the Witwatersrand regional secretary for Samwu, said the people to be hardest hit by the sale of the fresh produce market would be Johannesburg's unemployed, estimated at 30 percent, because private operators would almost certainly increase tariffs.

Anna Weeks, Samwu's national spokesman, did not think it was legally possible for the council to build the compulsory takeover of staff and their conditions into a contract

Fihla said loss-making council assets such as Metro Gas, the Johannesburg Stadium and Rand Airport would be sold

He believed the major causes of poor performance were managerial inefficiencies compounded by a severe lack of infrastructural investments

The council is in the red with arrears amounting to R2,1 billion, and growing by R33 million a month It owes banks R2,8 billion but has already paid R615 million in interest this year

These shortages of funds forced the council to cut back on capital expenditure from a planned R1,7 billion in 1996-97 to R84 million this year

The water and sanitation, electricity and waste management would be registered as companies in terms of the Companies Act

Fihla said this would enable them to source funds from private markets on the strengths of their balance sheets

As the sole or majority shareholder, the council would be paid a dividend at the end of each trading period

CITY GOVERNMENT

FM 20/8/99

IGOLI'S AMBITIOUS PLANS FOR WORLD-CLASS STATUS (266)

Opposition suspects quest for 'unicity' political control

Of all the grand visions emanating from the ruling ANC, none is more ambitious than its dream for Johannesburg transformation of SA's largest city and its urban satellites from a megalopolis afflicted by financial crisis and incipient decay, to a world-class African city

To that end the ANC leadership in the Greater Johannesburg Metropolitan Council (GJMC) has sought to mobilise "all stakeholders" around its vision, even those who are deeply sceptical of its political agenda The formation of a broad based transformation steering committee at last week's *iGoli* 2002 Summit — attended by Gauteng premier Mbhazima Shilowa and local government MEC Trevor Fowler — is evidence of that

The vision has many ramifications but it rests on a core concept abolition of the present two-tier local government system and transformation of Greater Johannesburg into a "unicity" or megacity

It is hardly coincidental that the *iGoli* summit was preceded by a statement from Local Government Minister Sydney Mufamadi announcing that five unicities will emerge after the pending local government elections in or soon after November 2000 The five unicities will be located around Johannesburg, Cape Town, Durban, Pretoria and the East Rand

Leaving aside the physical evidence of decay in Johannesburg — dirty and depressing streets in the CBD, malfunctioning traffic lights, bent and rusting pylons — the financial plight of the city is delineated in a GJMC publication spelling out the urgent need for change Describing the problems facing Johannesburg as a "crisis" the publication, *iGoli 2002*, records that

- Arrears owed to the GJMC and the subcouncils amount to R2,1bn (and, ANC councillor Kenny Fihla says, growing at R30m/month)
- Recovery of all the arrears is not feasible and R1bn will have to be written off (budgetary provision has already been made to scrap R400m)
- The need to reduce expenditure has meant a R500m cut in the capital budget, with further cuts planned, resulting in serious shortfalls for "new infrastructure and essential maintenance"
- Wasted expenditure, with unaccounted losses of municipal water and housing stock alone totalling R310m and "fraud and bad management" compounding the problem

Sydney Mufamadi

The ANC blames the current local government model for the crisis The present structure, which emerged when the black townships where amalgamated with the old, white-controlled Johannesburg, has one distinguishing feature power is divided between the GJMC and the subcouncils, whose areas of jurisdiction include parts of the historically disadvantaged black areas

The ANC contends that the present system encourages duplication, leads to lack of co-ordination and hinders the transfer of funds from developed (white) areas to underdeveloped (black) areas

An important step in the transformation plan is the creation of a single local government authority responsible for administration in the unicity, possibly under an executive mayor comparable with the powerful mayor of New York

Thereafter certain functions for which the local authority is at present responsible will either be transferred to specially established entities — defined as public utilities and commercial agencies and corporatised units — or privatised

Utilities will be responsible for water and sanitation, electricity and waste management Agencies will provide services where it is difficult to allocate costs to individuals or households Both, however, will be run on business lines, with the CEOs or MDs responsible for their financial viability

Nonprofitable council operations — Metro Gas is one, Rand Airport another — will be privatised, an exercise which will save the council monthly losses and provide it with cash to establish and administer the envisaged "world-class" city

Services that cannot be assigned to utilities or agencies or which are not earmarked for sale to private entrepreneurs may be corporatised — that is, established as separate entities with their own budgets and operating capital and specialised functions The Johannesburg Zoo, the Civic Theatre and council-owned farms are all earmarked to be corporatised

Gauteng's Fowler and Shilowa *earnest about iGoli*

The relationship between the new (leaner) metropolitan council and the utilities, agencies and corporatised units will be that of client and contractor If the contractor fails to deliver, its senior officers may be fired (the council is a major shareholder and political boss), or find their contract awarded to competitors

The opposition Democratic Party, while approving of the move to put local government operations on a business basis, is sceptical about the efficacy of the plan It contends that the failure by Johannesburg's ANC managers to establish financial viability and managerial efficiency since 1995's local government elections does not augur well for the city under the same managers, even after restructuring

There is a deep suspicion within the DP that the ANC is enamoured of megacities for an undeclared reason its desire for megapower As DP councillor Claire Quail puts it "The ANC's relentless pursuit of a single-tier system of local government has one major objective — total political control of Johannesburg"

Patrick Laurence

Duarte faces summons over expenses

ST 29/8/99 (266)

CELEAN JACOBSON

A BITTER dispute has erupted between Jessie Duarte, the newly appointed High Commissioner to Mozambique, and the Gauteng government over an outstanding debt of R27 000.

Last week, the province asked the state attorney to issue a summons against Duarte, former Gauteng Minister for Safety and Security, to recover the money

The department claims Duarte incurred the debt on foreign trips It includes

- R7 200 for a business-class ticket to Portugal for Babalazi Bulunga, a close friend of Duarte's,
- R6 000 advanced to her for a five-day trip to Portugal in April 1997,
- R11 505 in outstanding expenses for a trip to London in July 1997,
- R1 001 advanced for a visit to Sweden, and
- R2 117 which was overpaid to her last year

According to records Duarte has repaid R6 827 of the total R34 651 she owed

Kalyani Pillay, the state attorney for Johannesburg, said a summons would be served next week

Duarte refused to speak to the Sunday Times on the record, but it is understood that she disputes the outstanding amount

Thabo Masebe, the spokesman for the provincial government, said acting Premier Paul Mashatile had spoken to Duarte on Friday and she had undertaken to make arrangements to repay the money

He said Duarte had made four payments of R1 000 each, the last in June, and another R2 827 had been accounted for. "By the time she leaves she will settle her debt," he said

But Peter Leon, leader of the Democratic Party in Gauteng, said "I don't believe Duarte when she says she is making arrangements to pay it back She has been saying this for over a year "

In a letter dated March 12 1999, Duarte told Susan Pienaar, former acting head of department, that she regarded the "matter as closed"

Vincent Hlongwane, spokesman for the Minister for Foreign Affairs, Nkosazana Zuma, said. "If Duarte owes money to the government, she must pay it back "

But it was unlikely to affect her new job, he said.

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Enter our Matric Dance Dress competition on page 21. See also page 7

Midrand is best left on its own — until later

(266) DD 7/9/99

Continued economic development can provide a foundation for a future unicity, writes **Xolani Xundu**

THE battle for Midrand, SA's current king of rapid economic development has been provisionally decid ed Some wanted to swallow it, some wanted to tear it into pieces, some wanted it to remain an independent urban district council and some did not want it at all Mostly however, Midrand's neighbours were licking their lips in anticipation of swallowing SA's juiciest local authority

Few will be happy with the demarcation board's proposal, announced yesterday Under these proposals the Midrand corridor will go to Johannesburg The fate of Tembisa and Ivory Park is yet to be investigated

Midrand is growing by more than R1bn a year worth of investment It has been described as the fastest-growing investment town on the continent, with growth in excess of 20% a year

It is an economic driver, a city that is emerging not as a suburb of Pretoria or Johannesburg, but as an economically viable, independent environment

There are strong sentiments within the Midrand metropolitan local council that the area should not be linked with Pretoria, a future East Rand metro or Johannesburg and these views are likely to be put forcefully during the coming review process

This view says Midrand should be an independent metro-in-waiting, with boundaries extended to include portions of Sandton and Centurion

This view is supported by property developer Charles Ellis, who says it is imperative that the area falls under one administration "We have experienced many problems in arbitrary lines being drawn in the Johannesburg-Pretoria corridor This problem should be resolved by putting the area under one administration The corridor is the most successful development region in the country and on the continent "

He says major projects have been blocked by municipal jealousy, including the R1bn Mo Afrika shopping and leisure complex that was planned for Midrand, but was opposed by the Centurion municipality

Planning in the corridor is not integrated Midrand is doing its own planning, as is Centurion This inhibits overall development

Ellis says the region has the potential to attract billions of rands more in investment, creating more jobs "in the shortest possible term" He warns the area will lose focus and become nothing more than the periphery of a unicity if co-opted into either Johannesburg, the East Rand or Pretoria

Pretoria, due to become a unicity after the local government elections next November says it looked at Midrand when drawing up its metropolitan council boundaries, but will not be "rigid" about the issue

Councillor Peter Maluleka says Pretoria does "not want to be seen grabbing all the rich places and leaving out historically disadvantaged areas"

But what about coupling Midrand with the East Rand? Midrand is currently part of the Khayalami metro, which some say means it should go to the East Rand metropolitan council

Khayalami metro development and economic planning manager Musa Soni says Midrand is part of the Khayalami region by virtue of its connections with the townships of Tembisa, Winnie Mandela and Ivory Park

"It is very difficult for us to consider the separation of Ivory Park, Winnie Mandela and Tembisa because we believe that the intention of the new demarcation process is to integrate communities socially, economically and politically," says Soni

He says there is a strong social and political link between Ivory Park, Rable Ridge and Tembisa One would find it difficult to draw the line "How do you separate Midrand from Ivory Park and Tembisa? This cluster of townships is one If Ivory Park falls outside Tembisa one is going to create an unbalanced development because those two nodes are one community"

Soni says that if Midrand stands on its own as an urban district council it will defeat the purpose of redistributing resources

The view from Braamfontein is different Johannesburg metropolitan council transformation manager Pascal Moloi says Johannesburg does not want Midrand But the board has given it a large chunk

"For service delivery and representative democracy, Midrand would be a nightmare for Johannesburg," says Moloi

The Johannesburg council was already working on a fixed number of councillors, he said If the city was expanded it would be forced to have bigger wards, the shape of the council would not make sense in terms transport, health and disaster management

Johannesburg's three-year iGoli 2002 plan was developped to address challenges of finance, institutional arrangements and service delivery If Midrand was given to Johannesburg it would mean going back to the drawing board on all of these plans

Moloi, however, says Johannesburg had prepared contingency plans in case it inherited part of Midrand "We will have a chance to say whether we agree or not," during the review process

Some believe the demarcation board decision on where to put Midrand was motivated by a desire to give one of the three metros a "cash-cow", and that Midrand will end up subsidising other areas to the detriment of its own immediate neighbourhood One senior Midrand council official says the area generates R95m in levies per annum

On the other hand, it has been getting back R25m in capital funds from the Khayalami council It "effectively costs" Midrand R70m to be a member of the Khayalami council In reality, the official says, it is subsidising better-off municipalities like Letabong and Kempton Park while people in Ivory Park have no toilets

The other question to be posed is whether Tembisa and Ivory Park can be separated and fall under different councils the two townships are separated by a street

Midrand is today at the economic heart of Gauteng So far, it has managed to coordinate its own development and has a vision for the future Leaving it alone could bring significant rewards for the entire region in the long term

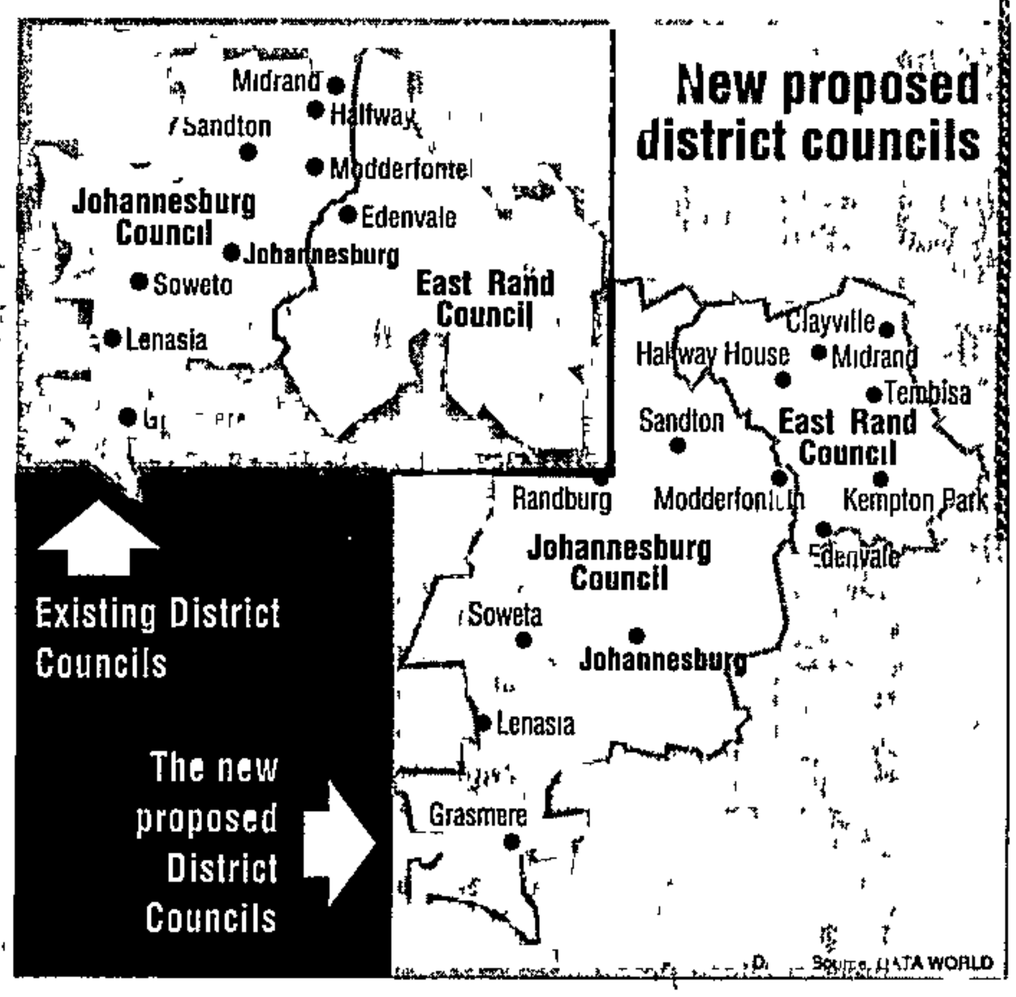
In economic terms, Johannesburg does not need Midrand The East Rand does, and Pretoria seems indifferent

These areas have their own development plans in place. They developed them without considering Midrand The challenge for them is to implement their plans and make their councils economically viable

In the long term, when all four councils have developed sufficiently, a debate on integrating them into one powerful council might make sense Midrand, if allowed to be a single urban district, would play a pivotal role in developing that powerful unicity

For now, development should still be diversified Each council can market itself as an investment area specialising in, for example, information technology or manufacturing

It is in SA's long-term interest, however, that the whole development dynamic in Midrand is brought under a single local authority, where it can be co-ordinated in an effective way It would not make sense to partition Midrand because that would kill development in the area



'We must move to inflation targeting'

Reserve Bank governor **Tito Mboweni** says this monetary policy framework is key to price stability

WE MUST move from informal to formal inflation targeting because the eclectic framework has at times created uncertainties about Reserve Bank decisions The Bank's actions are sometimes perceived as being in conflict with the stated guidelines for the growth in money supply and bank credit extension Will the adoption of inflation targeting lead to a more effective monetary policy? I believe that this will be the case and that inflation targeting should minimise the social and economic cost of achieving price stability

A number of industrial countries such as New Zealand, Canada, the UK, Sweden, Finland, Australia and Spain adopted an inflation targeting framework during the 1990s More recently some of the developing countries have also opted for this framework

Whatever the motives of the countries were, the adoption of an inflation-targeting strategy in all cases reduced the role of formal intermediate targets or guidelines, such as the exchange rate or the growth rate in money supply

Commitment to an intermediate target would be inconsistent with inflation targeting In an inflation-targeting framework the central bank has to adopt a strategy of determining directly what the likely path of inflation will be

Close attention is typically given to changes in indicators which in the past have affected inflation This has led to sophisticated models for the prediction of inflation The fact that inflation targeting has to rely on forecasting has led to the criticism that this is a weakness of the technique because forecasts are inherently unreliable True, but any other monetary policy framework also has to take account of the fact that policy changes will affect inflation only some time in the future

The central bank will always have to take a view on how its current policy stance will affect future price developments, whatever monetary policy framework it decides to pursue

The difference between inflation targeting and other frameworks is that inflation targeting makes forecasting explicit and transparent

The adoption of inflation targeting does not mean that the central bank must apply definite rules and is not left with any discretion Exclusive emphasis on inflation goals over the short term could lead to a highly unstable real economy in the case of serious supply shocks If a severe supply shock hits the economy, keeping inflation close to the long-run target could be very costly in terms of lost output The government and the central bank cannot simply change to inflation targeting without first ensuring that ordinary people are in favour of price stability

It is important that the public does not get the impression that the central bank is dogmatic about the containment of inflation and does not care about other critical issues of importance to the economy It is also important that the public is assured that there are no hidden agendas and that the stated objectives will actually be pursued

The announcement of inflation targets clarifies the central bank s intentions and reduces uncertainty about the future course of monetary policy They make the central bank's intentions explicit in a way that should improve private sector planning

Inflation targeting could also have disadvantages One of its limitations is that it could lead to inefficient output stabilisation This can occur particularly in the event of significant supply shocks, such as sharp changes in the price of oil

If financial markets do not react quickly to the instruments applied, it obviously reduces the effectiveness of monetary policy Thus, before inflation targeting is implemented, it is important that a decision is taken on the inflation target that will be set, a satisfactory forecasting framework is developed, and a high degree of transparency is ensured

In all inflation-targeting countries the practice has been to specify the target in terms of the consumer price index or some variant thereof Preferably the index should include a range of products whose prices fully describe changes in the cost of living and are generally accepted by the public

Including prices over which policy has no control may lead to misleading signals when these prices move out of line

A choice also has to be made between setting a single point or a target range This reflects a trade-off — a narrower band may be interpreted as indicating a stronger commitment to the inflation target, but frequent breaches could undermine credibility

A fixed-point target is much more difficult to hit than a band A single point provides the best focus for inflation expectations and avoids the disadvantage of a band, which tends to concentrate expectations towards its upper boundary A band, however, leaves some discretion to the central bank and can provide more flexibility in the case of unforeseen price shocks

It is also important to decide at what level the target should be set High targets may give the impression that the central bank is not serious about combating inflation It is better to lengthen the period over which the target will be reached than starting at too high a level

The Bank has decided that with the introduction of inflation targeting it will improve the transparency of monetary policy further by periodic testimony to Parliament, the regular publication of a monetary policy review report and focused statements after the meetings of the monetary policy committee

Although inflation targeting is a difficult monetary policy framework to apply in practice, most of the preconditions for its implementation can be met in SA It should lead to closer economic co-ordination and greater transparency and accountability

It is, however, at the same time important that our house is in order before we implement this framework

This is an edited version of Mboweni's address to the Economic Society of SA last night

New map receives a mixed reaction

BD 8/9/99 (266)

The most far-reaching changes will affect Pretoria and the East Rand metropolitan councils, writes Xolani Xundu

SALUTATIONS gripes and comments somewhere in between All could be heard in municipal offices throughout the country yesterday following the municipal demarcation board s proposals for district and metropolitan council boundaries

The body hopes to finish its work by mid-November following public comment

The proposals are unlikely to have far-reaching implications — except in the case of the Pretoria and East Rand metropolitan councils — but a few apple carts may be upset

The board proposes expanding Pretoria s boundaries to include Centurion and the townships of Garankuwa, Mabopane, Winterveld, Temba and Hammanskraal

Pretoria councillor Peter Maluleka said areas to the city s northwest already affect council planning There are thousands of people who, on a daily basis, commute from these areas to Pretoria.

He warned, however, that if these areas were going to be financial burden to the metropolitan council it would have to suggest to national government looking at their inclusion as "a funded mandate"

Maluleka suggested the inclusion of these areas under the metropolitan council could tilt the balance of power in the council in favour of majority-black political parties

The Pretoria council also plans to discuss with the board the exclusion of areas like Pienaarsrivier from its area of jurisdiction

The East Rand metropolitan council s hopes — mirrored in Khayalami — that Midrand would be included in its jurisdiction has been dashed at least for now

Khayalami metropolitan council development and economic planning manager Musa Soni said "It seems the demarcation board is not taking into account local council's submissions They are not doing what is best for Gauteng, but what is best for Johannesburg"

Soni said the board was creating "one of the richest metros" without balancing the equitable share for the whole of the province

Co-ordinator of the East Rand metropolitan council Mpho Mofokeng said the council supported the recommendations of the board but their wishes had been overlooked

A further setback to the East Rand has been the split of the Edenvale municipality, with the Modderfontein area being incorporated into the Johannesburg metropolitan council

The Lekoa-Vaal metropolitan council also welcomed the proposals, but will pursue the inclusion of Nigel, which would be folded into the East Rand, because it would provide them with administrative infrastructure

Lekoa-Vaal manager for urbanisation Maretha Jordaan said everyone had accepted that the area had been proposed as a district council but the issue of Nigel, which under the board's plan would be co-opted into the East Rand, would be appealed because it would give the council an administrative capacity to provide services in adjacent areas and could serve as a distribution point

Jordaan said a district council in the region would work better — especially in making government cheaper This was the only way to go

In Durban officials welcomed the proposals but expressed concern about the extent of rural and tribal areas that the board had proposed they take responsibility for

The Durban metropolitan council had proposed to the demarcation board that those tribal authorities in which it was already providing services be included in its area of jurisdiction because people in these areas worked and commuted to Durban daily

Apparently, these tribal authorities have large tracks of unoccupied land that are not being utilised either for agriculture, tourism or settlement

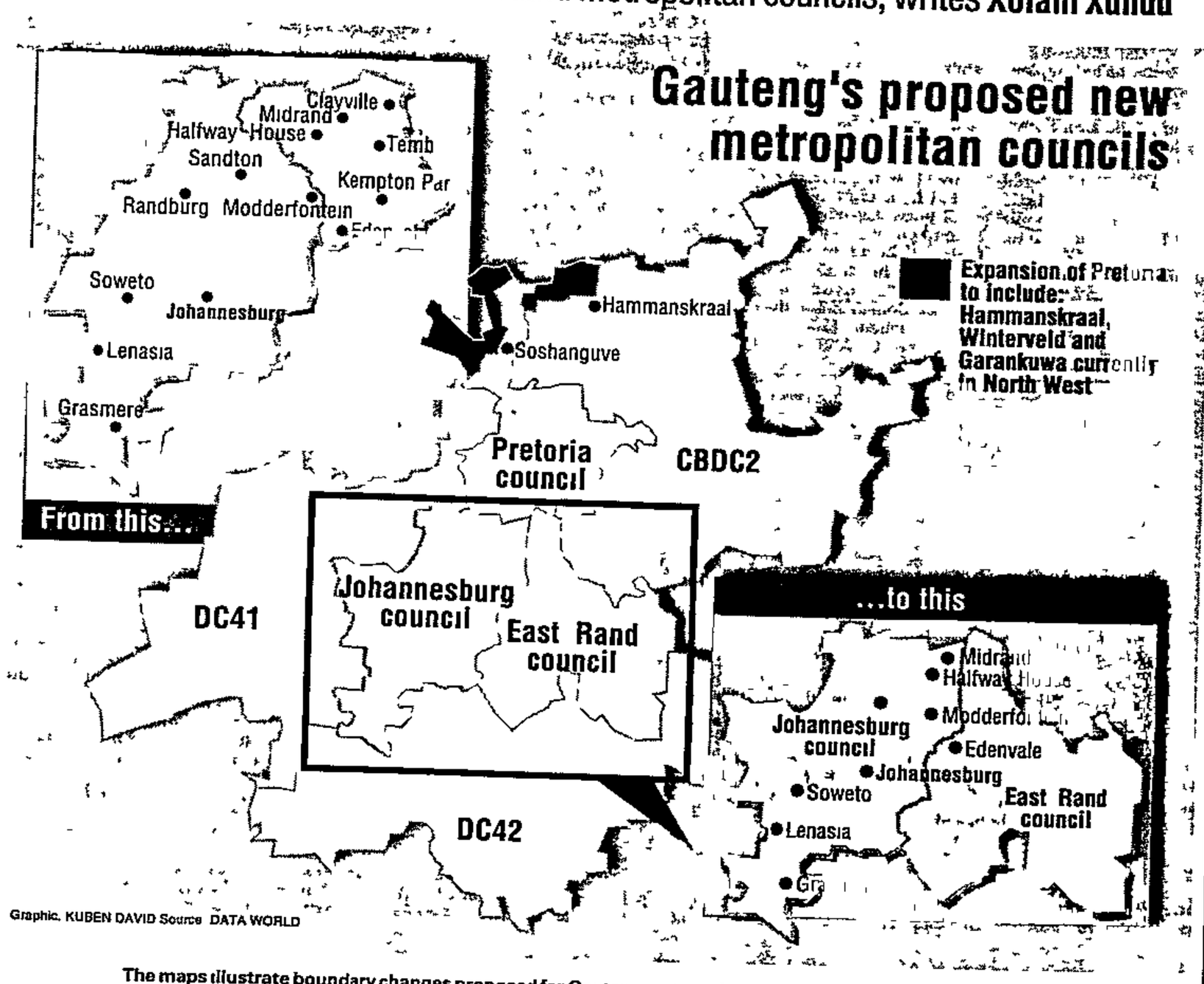
The council had proposed to co-opt only settlement, agriculture and tourism land However the board said it did not want to split these areas, the council should instead co-opt the whole area or none of the tribal authorities which are mostly west and south of the city

Nomusa Dube chairman of the transformation committee in the Durban metropolitan council, said it did not make sense to include areas that were not functionally linked to the city

The inclusion of those areas understood to have Inkatha Freedom Party links would not make a difference The council had never had problems with the people in these tribal authorities as it had been providing services

The board said the metropolitan boundaries of Cape Town were adequate and no changes were proposed

Comment: Page 15



The maps illustrate boundary changes proposed for Gauteng metropolitan councils by the demarcation board Yesterday's Business Day transposed the maps.

Samwu finds itself at a crossroads

(266) BD 1/10/99

Johannesburg council is to implement the Igoli 2002 plan, despite the union's objections, writes **Xolani Xundu**

THE SA Municipal Workers' Union (Samwu) is at a crossroads The predominantly African National Congress (ANC) Johannesburg metropolitan council is going ahead with the implementation of the Igoli 2002 plan, regardless of the union's objections.

The council has on a number of occasions indicated that it was going ahead with its implementation despite the fact it was still negotiating with Samwu on the matter.

It has already set up advisory boards for utilities such as electricity, water and sanitation, waste management, the Johannesburg Zoo and the bus company.

According to the three-year Igoli 2002 plan — developed to tackle challenges of finance, institutional arrangements and service delivery — these utilities will remain council property, but will be managed by private companies

The metropolitan council is also going to privatise the Rand Airport, the Johannesburg Stadium and Metro Gas and will sell off non-strategic land in the area. Samwu is opposed to these plans and wants the process halted, but the council maintains it is going ahead regardless of these objections.

On Wednesday — the day before the bargaining council meeting intended to solve the impasse — Johannesburg metropolitan council's transformation committee chairman Kenny Fihla, city manager Ketso Gordhan and labour relations specialist Makgane Thobejane said the city was going ahead with implementation.

Gordhan said Johannesburg was accountable to about 4-million people and had to get its priorities right Fihla said "We have come up with a plan that is going to benefit everyone, including the unions.

"We are going ahead with implementation and we are starting immediately".

Samwu yesterday held a rally attended by about 2 000 people at the Library Gardens in central Johannesburg The rally was meant to be a forum where union leaders would report back on the proceedings of the bargaining council and decide on the way forward

Samwu president Petrus Mashishi said the union was going to declare a dispute if negotiations at the bargaining council meeting failed to resolve the impasse around Igoli 2002

At the rally, Mashishi said the metropolitan council could not say whether it was going ahead with implementing the plan or not.

"They tabled a document and said it is going to be difficult for them to answer that question before the document is discussed

"What we found out is that the document is talking about implementation," Mashishi said.

However, he said the union had agreed to discuss the document and would meet the council on Tuesday for another round of talks

SA Communist Party (SACP) Johannesburg branch spokesman Mazibuko Jara said "These are our comrades It makes it difficult for us to use tactics that we used before against the previous government," he told the rally

Samwu is caught between the Congress of SA Trade Unions (Cosatu), the SACP and the ANC, having an alliance at national, provincial and local level Samwu is a Cosatu affiliate and assumes that it should enjoy a favourable relationship with the Johannesburg metropolitan council

The council, on the other hand, looks at Samwu as just an employee organisation The council argues that it cannot be bogged down by shop floor issues and believes that Samwu should feel the same. A balance between workplace issues and those of broader society has to be found

Fihla says there are things that the union wants which cannot be provided by the council, while the same can be said of the union

"There are difficulties. They arise from the fact that our administrative structures are inadequate, the management system has collapsed

"Those problems have created conditions that are favourable for a poor work ethic, for an attitude that does not put people first, and we are in fact unhappy with that environment," he said

For the council to resolve these issues, it has to accept that the conditions of service must be in line with the overall transformation agenda, the Igoli 2002 plan

"We think that we are undergoing a transitional phase as council The unions are also undergoing a transitional phase, moving away from protest politics where everything that came from the employer was regarded with suspicion and was thought wrong, to a point where people begin to appreciate issues on the basis of their own merit," said Fihla

Mashishi said he believed the privatisation of council assets such as the fresh produce market would lead to higher prices, which would make vegetables and fruit unaffordable to the man in the street He also asked why Metro Gas, which has provided "cheap gas for the rich" in the last 100 years, could not have its service extended to the poor, especially people in squatter camps

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Survey highlights SA's conundrum

MUNICIPAL DEMARCATION

POLITICAL WAR OVER ALLOCATION OF MIDRAND TO JOHANNESBURG

ANC mayor joins fray; board chairman says the area is poor

The Demarcation Board's plan for the incorporation of Midrand and the industrialised areas of Edenvale into Johannesburg has rekindled controversy over the concentration of political power in SA's largest city

The recommendation, disclosed by Demarcation Board chairman Michael Sutcliffe, comes after an earlier decision to radically alter the structure of local government in Johannesburg by dissolving the city's four metropolitan subcouncils and concentrating power in the Greater Johannesburg Metropolitan Council (GJMC)

Expansion of Johannesburg's boundaries to the north and east means that new centralised local authority in Johannesburg — which will take charge after the pending local government elections, scheduled for November 2000 — will have power over a larger area than originally expected

If the proposals are finalised after the expiry of the 30 days allowed for the submission of objections — which seems likely, barring minor modifications — Greater Johannesburg will emerge as a unicity or megacity of leviathan proportions and its governors as men and women of immense power

If, as expected by Johannesburg city manager Ketso Gordhan, the ruling ANC opts for an executive mayor, modelled on the mayor of New York, then even power within the Johannesburg's ANC will be concentrated in the hands of one person

The Democratic Party has orchestrated opposition to the ANC plan — now a virtual *fait accompli* — to turn Johannesburg into a unicity with a single-tier system of local government But the Demarcation Board's proposal to locate Midrand and parts of Edenvale-Modderfontein within the borders of an enlarged Johannesburg has brought new voices into the chorused opposition They include, ironically, ANC voices from or near Midrand

Thus Khayalami mayor Isaac Mahlangu, whose area of jurisdiction includes Midrand, opposes the board's decision He charges that it "completely ignored the input from the Khayalami Metro Council"

As the Midrand Local Metro Council is a subcouncil that falls under Khayalami Metro Council, Mahlangu talks on behalf of the Midrand councillors, some of whom serve on the executive committee of the Khayalami Council

Mahlangu accuses the board of creating one viable metro — the GJMC — at the expense of the surrounding areas

On the decision to transfer the industrialised areas of Edenvale-Modderfontein to Johannesburg, Mahlangu says "We find it difficult to establish reasons for creating the new Greater East Rand Metro while taking away its core resources"

In the past four years, he notes, the Edenvale-Modderfontein complex has contributed "in excess of R200m" to the development of a string of historically disadvantaged areas, including Thembisa and Phomolong

Midrand Chamber of Commerce & Business president Billy Forrsman sees no reason why Midrand should be incorporated into Greater Johannesburg He describes Midrand as an economically viable area which "runs itself cost-effectively" and should be left alone

Mike Moriarty , leader of the DP in the GJMC, interprets the board's proposals as an exercise in "social engineering" The objective is to shore up ANC rule in Johannesburg, he contends "All that is happening is that existing functioning units are being cobbled together to entrench ANC domination "

On the proposed East Rand Metropolitan Council, Moriarty's comments converge with those of Mahlangu, though their party political departure points are divergent "The East Rand finds itself without the profitable tax bases of Midrand and the fast-growing industrial part of Edenvale-Modderfontein," says Moriarty "The East Rand metro is disparate, uncohesive and makes no sense from a service delivery point of view "

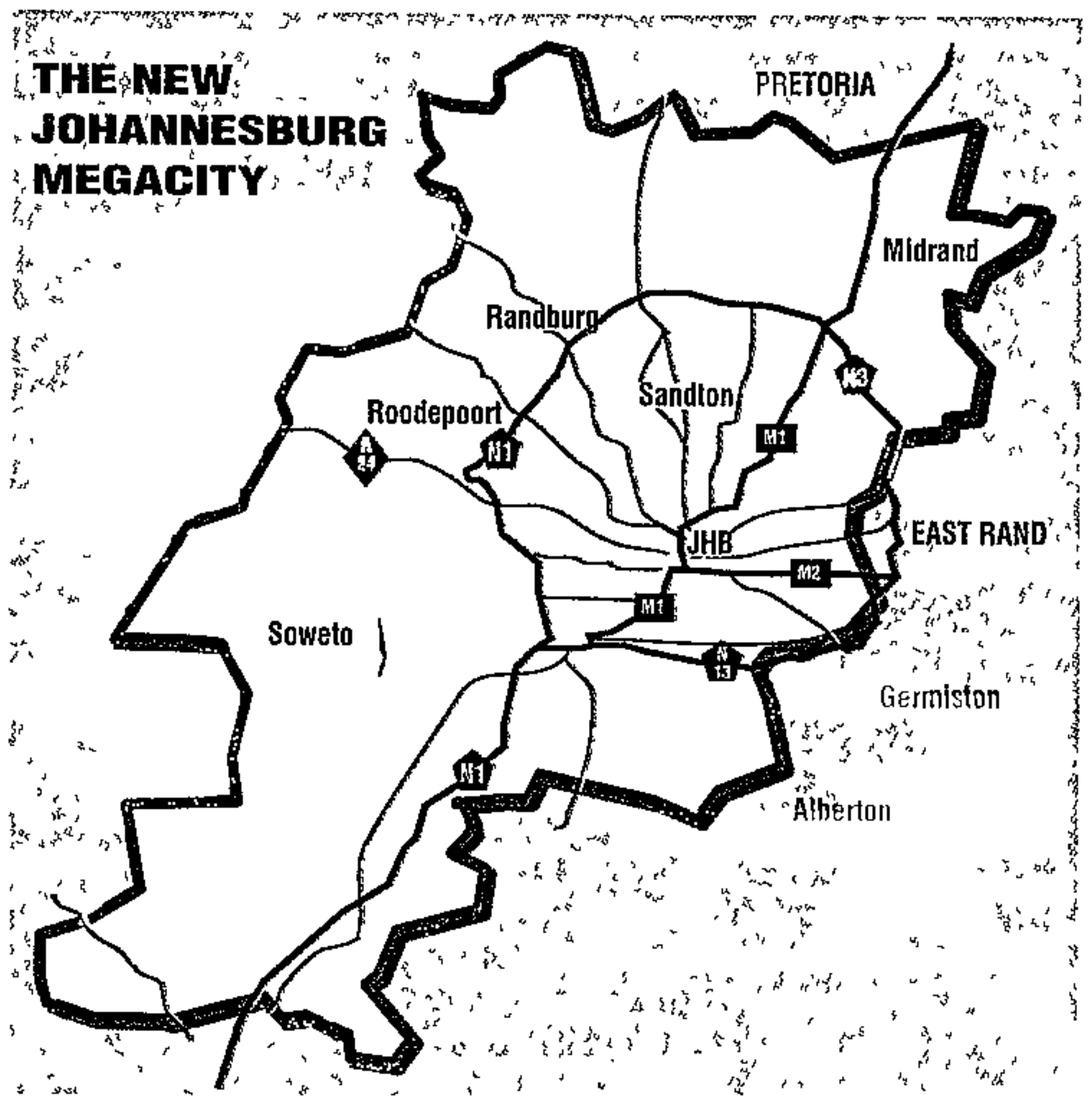
Another political anomaly emerges on closer examination the ANC-dominated GJMC opposed the incorporation of Midrand in its submission to the Demarcation Board Since the announcement of the board's decision, however, the ANC has signalled its acceptance, and its councillors in Johannesburg have retreated in concurring silence

Sutcliffe, a prominent ANC member in KwaZulu-Natal until his appointment as board chairman, denies that the decision to adjust Johannesburg's boundaries to include Midrand was prompted by the need to provide ANC-controlled Johannesburg with "a cash cow"

Of the three local government units under Khayalami, Midrand has the lowest bank credit rating, says Sutcliffe The majority of Midrand residents live in Ivory Park and Rabie Ridge and are "very poor" and unlikely to fill Johannesburg's coffers, he adds

Sutcliffe repudiates reports that ascribe political motives to the board's proposals He notes that he has been criticised by aggrieved ANC members in Midrand as well as the DP and the New National Party

The political divisions may have been blurred, but battle has been joined **Patrick Laurence**



Unions take on council over implementation of Igoli 2002

Xolani Xundu

THE Johannesburg Metropolitan Council will face the wrath of the unions from today following its decision to go ahead with implementing its Igoli 2002 plan

The SA Municipal Workers' Union (Samwu) and the Independent Municipal and Allied Workers' Union (Imatu) begin their plan of action against Igoli 2002 with a march from Library Gardens in central Johannesburg to the metropolitan centre in Braamfontein to present a memorandum calling for a halt to the plan The march will be addressed by SA Communist Party secretary-general Blade Nzimande

Samwu president Petrus Mashishi said yesterday that the unions would "force" the council to come back to renegotiate the plan, which was developed to tackle challenges of finance, institutional arrangements and service delivery Samwu declared a dispute with the council over the unilateral implementation of the plan three weeks ago

The council had on a number of occasions indicated it was going ahead with its implementation, despite the fact it was still negotiating with Samwu on the matter

It has already set up advisory boards for utilities such as electricity, water and sanitation, waste management, the Johannesburg Zoo and the bus company

According to the plan, these utilities will remain council property, but will be managed by private companies The council is also going to privatise Rand Airport, the Johannesburg Stadium and Metro Gas, and will sell off non-strategic land in the area

Samwu and Imatu are opposed to these plans and want the process halted, but the council maintains it is going ahead regardless Mashishi said the unions understood the need to transform and restructure local government, but wanted to be part of the process He said they were told that Igoli 2002 was not open for negotiation

(266) BD 26/10/99

Angry workers accost council chairman

BD 27/10/99 (266)

Xolani Xundu

THE chairman of the Johannesburg metropolitan council's transformation committee, Kenny Fihla, had to be whisked away from angry workers who were baying for his blood in Braamfontein yesterday

Fihla had just accepted a memorandum from about 12 000 SA Municipal Workers' Union and Independent Municipal and Allied Workers Union members calling for a halt in the implementation of the council's Igoli 2002 plan

Workers demanded an immediate answer, but Fihla said they would get one tomorrow One protester took the microphone and accused Fihla of lying

Workers surrounded the truck where Fihla and top Johannesburg metropolitan council members had gathered to accept the memorandum Some tried to attack him, but police intervened and instructed the driver of the truck to pull off Stones were thrown, smashing the window of the truck

Police and union officials managed to calm the protesters down.

Workers gathered earlier at Library Gardens in central Johannesburg to march against the council's "unilateral" implementation of Igoli 2002, developed to tackle challenges of finance, institutional arrangements and service delivery

SA Communist Party general-secretary Blade Nzimande earlier addressed the march, where he accused the Johannesburg council of violating the resolutions and agreements of the SACP, Congress of SA Trade Unions and African National Congress on consultation

Fihla later said the process of consultation had been concluded and the council was moving ahead with the implementation of the Igoli 2002 plan

Union wants to stop Igoli 2002

(266)

Xolani Xundu

THE SA Municipal Workers' Union (Samwu) has called on the SA Local Government Association (Salga) to intervene in its dispute with the Johannesburg metropolitan council on Igoli 2002

Samwu president Petrus Mashishi said yesterday Salga should put a stop to the unilateral implementation of the plan, developed to tackle challenges of finance, institutional arrangements and service delivery

"Samwu is demanding that Salga, as an employer body in local government, meet urgently with Johannesburg's transformation lekgotla (committee) and call on them to adhere to collective agreements reached in the SA local government bargaining council," said Mashishi

He said the Johannesburg council was a member of Salga, and it was expected to uphold, not undermine, collective agreements concluded in "good faith" between the unions and the employer in the bargaining council

By ignoring these agreements, Johannesburg was setting a "dangerous" precedent that could be followed by other local authorities, making the bargaining council irrelevant, said Mashishi

He said Igoli 2002 undermined every clause in the framework for the restructuring of municipal service provision

Salga spokesman Vusi Khoza said the association was unable to comment until it had received a formal request from Samwu

Samwu and the Independent Municipal and Allied Trade Union (Imatu) last month declared a dispute with the council over the implementation of the plan The process is now going for arbitration

Meanwhile, the council is implementing the plan and has set up advisory boards for utilities such as electricity, water and sanitation, waste management, the zoo and the bus company

These utilities will remain council property, but will be managed by private companies The council will set policies, determine tariffs and has said that there would be no retrenchments

It plans to privatise Rand Airport, Johannesburg Stadium and Metro Gas and will sell off non-strategic land in the area

Unions are opposed to the plans and want the process halted, but the council is going ahead regardless of objections

IGOLI 2002

FM 5/11/99

JO'BURG'S POLITICAL BOSSES UNDER FIRE FROM WORKERS

Betrayal of workers alleged and denied (266)(232)

The series of political skirmishes between the ANC-led government and public-sector trade unions on the national terrain is duplicated at local government level in SA's largest city where ANC councillor Kenny Fihla was nearly assaulted by angry workers during a protest march last week

The adversaries in Johannesburg are the Greater Johannesburg Metropolitan Council (GJMC) and the SA Municipal Workers' Union (Samwu), backed by its ally, the Independent Municipal & Allied Trade Union (Imatu) At issue is the GJMC plan known as iGoli 2002, to overhaul local government in the metropolis and to resolve its recurring financial crises and the associated problems of unreliable service provision and decaying infrastructure

The plan rests on two pillars

- Conversion of strategically important functions fulfilled by the GJMC into commercially run utilities (water and sanitation, electricity and waste management) agencies (roads storm-water drainage and parks) and corporations (zoo civic theatre and bus service and council-owned farms) Responsibility for financial viability and efficiency will rest with the CEO in charge of these entities and
- Privatisation of unprofitable GJMC assets, including Johannesburg Stadium Metro-Gas, Rand Airport and the Fresh Produce Market

Trade union anger at iGoli 2002 is fuelled by several factors One is the contention that the plan has been foisted on them by the GJMC and is not a negotiated response to the problems facing local government in Johannesburg Another is that the plan is weighted in favour of the business sector at the expense of the workers particularly the GJMC's 27 000 employees A third is that as it stands iGoli 2002 contradicts the ANC s Reconstruction & Development Programme and even the constitutional obligations of local governments to provide services to the poor

Thus a joint Samwu and Imatu memorandum, now being studied by the GJMC states of iGoli 2002 'Its motive force is advancement of business sectional interests in the main, thereby ignoring the needs of communities at large (It) will not deliver to the historically disadvantaged communities who constitute the majority in the city"

The memorandum charges that iGoli 2002 surrenders to 'managing directors and their boards" the political authority invested by city residents in their elected representatives

It challenges what it sees as the plan s bias in favour of the private sector at the expense of the public sector, asserting that the involvement of the private sector in the provision of fundamental services "in many parts of the world has been marred by inefficiency and corruption'

Countering the GJMC contention that the privatisation forms only 1% of iGoli 2002, the memorandum states "(The) 1% is a veil for concealing far greater privatisation in the form of subcontracting and managerial contract as well as the potential to privatise in future"

Underpinning and reinforcing these objections is the more direct fear that iGoli 2002 will open the way for retrenchment of workers in the name of commercialisation, aka profitability

As Samwu general secretary Mncedisi Nontsele notes, the CEOs of council-owned agencies and corporations will have the power to accept tenders from the private sector at the expense of the entities they are mandated to manage Therein he says, lies the danger of demoralisation of council workers and, worse still redundancy layoffs

Anger is rising in union ranks, as evidenced by the intervention of police to rescue Fihla from the protesting workers

Fihla acknowledges that responsible union leaders, realising they could not guarantee his safety called on the police to intervene and escort him to safety

He downplays the significance of the protest march describing the turnout as "poor" — not more than 2 000 — and certainly not enough to fulfil union leader predictions of 20 000 demonstrators He agrees that council workers are genuinely anxious about the security of their jobs, pensions and medical aid funds But, he says, the objective is to extend services to the poorest residents and to do so "without shedding a single job"

Fihla agreement to submit union dispute to mediation

Fihla denies that he is responsible for the suspension of a dissident ANC councillor Trevor Ngwane He says the decision to suspend Ngwane after he publicly aligned himself against iGoli 2002 was taken by the ANC 40-member regional executive council, not by an individual

He insists the council has consulted continuously since February with the unions on iGoli 2002, charging that Samwu brought "new representatives to every meeting" between February and June and, therefore, was unable or unwilling to respond to GJMC presentations of the plan

But Fihla says the GJMC has agreed to submit the dispute with the unions to mediation by a mutually acceptable neutral party Discussions to that end are in progress

Patrick Laurence

Unions lodge complaint against Jo'burg metro council (266)(232) AD 5/11/99

Xolani Xundu

THE Johannesburg metropolitan council is being taken to the National Economic, Development and Labour Council (Nedlac) over its unilateral implementation of Igoli 2002

The Federation of Unions of SA (Fedusa) and the Independent Municipal and Allied Trade Union lodged a section 77 notice on Wednesday, allowing for a protest to be lodged on socio-economic issues in terms of the Labour Relations Act, with Nedlac The case will be heard on Monday in Kempton Park.

Fedusa general-secretary Chez Milani said yesterday that as a result of the council's plan, there were possible job losses, services were becoming unaffordable and the Johannesburg council was not carrying out its constitutional duty to remain a service provider

Milani said the Johannesburg metropolitan council must stop the unilateral implementation of the plan, developed to tackle challenges of finance, institutional arrangements and service delivery

The council must adhere to the stipulations contained in the national framework agreement on municipal service restructuring

"The plan must be workable in the interest of the community and the country at large. We are dealing with a sector that is there to provide services to all"

Meanwhile, the African National Congress (ANC) in the Johannesburg region came out in support of the plan yesterday, saying it was its policy

Regional secretary Louis Ramaro said the plan was adopted by the ANC before it was implemented by the Johannesburg metropolitan council's transformation committee

He said Igoli 2002 has been a subject of "extensive" debate within the organisation since its inception Labour concerns were noted, but the consultation process could not be an unending one

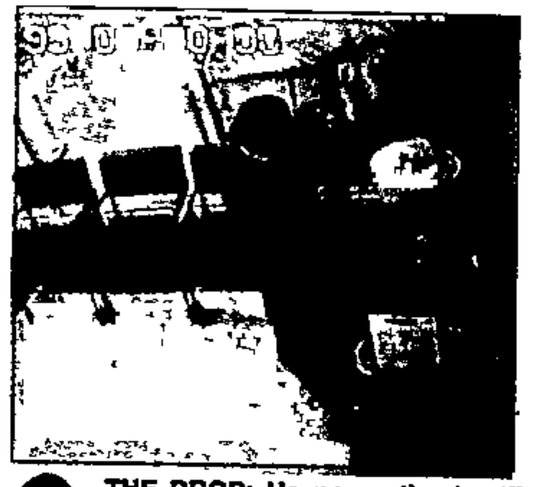
"Consultation is not being discouraged, but the council cannot stop functioning and allow the city to go into further ruins," said Ramaro

The SA Municipal Workers' Union has also declared a dispute with the council on the plan and the process is to go to arbitration

ANDRE JURGENS

1 GOTCHA. The man heads for the kitchen with a coffee cup in one hand (raised) and a cool-drink bottle filled with 'muti', believed to be chloroform, in the other

2 INSIDE. He makes a beeline for the yellow urn while nobody is looking. His plan is allegedly to drug the staff who will later count the millions paid into the coffers of the Greater Johannesburg Metropolitan Council



3 THE DROP: He pours the 'muti' from the cool-drink bottle into his empty coffee cup. A split second later he pours it into the urn

ST 14/11/99

Bizarre plot to drug office staff

Council employee's plan to seize millions foiled by hidden camera

DEEP in the bowels of a fortress-like building full of cash in downtown Johannesburg, a tiny video camera zooms in on a council employee attempting to execute a bizarre crime.

With a cool-drink bottle filled with what is believed to be chloroform he prepares to drug the cashiers who will count the millions paid into the coffers of the Greater Johannesburg Metropolitan Council by pouring his mixture into an urn just before tea time.

But he was caught in the act. He had hoped that a cup of his "muti" would put the counters to sleep so he could escape with his haul at leisure.

The operations manager for revenue collection, Herman Kruger, said he was astonished when he was tipped off about the planned heist in May this year by an unnamed informant

The cash the man was after is collected from various paypoints throughout Gauteng and brought by armed guards to the municipal Central Pay and Collection building.

Behind its thick grey vault doors, the money is counted, sorted, packed into trunks and then taken in armoured vehicles to be deposited in banks Security in the building, on Main Reef Road, is tight, but this did not stop the man who was employed as a "money packer" from brewing up his plot

"When we were told about his plan we hid video cameras in the roof of the kitchen area," said Kruger

The video footage, watched by the Sunday Times, shows the alleged would-be criminal strolling down a corridor holding a coffee mug and a cool-drink bottle.

It shows him entering the kitchen and lifting the yellow urn lid, sending a lunchbox crashing onto a table below Quickly he pours the pungent liquid into the urn and leaves the kitchen A minute later, apparently to check if the "muti" has mixed with the water, he returns His face registers disgust as steaming water and fumes engulf his head "The second camera clearly shows him staggering away, intoxicated by the fumes," said Kruger

The man was immediately arrested for attempted murder connected to the "muti"

Police investigations are continuing, but the man has not yet been charged

Kruger said there were "numerous" municipal employees in the city who were suspected of theft or corruption

Although this was one of the most unusual cases that the Greater Johannesburg Metropolitan Council has had to deal with, it is losing about R1-million a month in various departments to light-fingered staff

Between November last year and April this year, about R2,5-million worth of council property was stolen Although the council is insured and steps are being taken to stop theft, the battle continues

Another incident under investigation is an alleged R512 000 robbery by a driver hired by the municipality to deliver bulk cash payments

The driver claimed to have been hijacked and robbed But it has since emerged, said Kruger, that he allegedly had an accomplice and the duo went on a shopping spree, buying a 4x4 vehicle and building materials for a house with the loot.

Other scams under investigation include cheque fraud committed by cashiers at municipal paypoints People paying electricity accounts in cash are taken for a ride when corrupt officials pocket the money and substitute stolen cheques as payment. In one such case, a stolen cheque book was used to steal R387 000 in a single day

Some people pay their accounts at post offices with fraudulent cheques — the post office's receipts do not indicate whether the amount was paid by cheque. It reflects all payments as cash.

"A case in point is that of a Lenasia Extension 2 woman who paid an account of more than R8 000 by cheque at Kibler Park Post Office. When the cheque was dishonoured, she insisted she had sent her maid's husband with cash," said Prema Naidoo, chairman of the executive committee of the Southern Metropolitan Council

Between January and April this year, almost R1-million worth of electricity account cheques, paid in through branches of the post office in Johannesburg, and a further R400 000 via a large supermarket chain, bounced

"This is just the tip of the iceberg," said Andries van Zyl, executive officer for revenue collection in the Southern Metropolitan Local Council

Naidoo said the council was working closely with police to stop fraud Although no arrests have yet been made, he promised action soon

Worrying problem

WORRIED. Council executive Kenny Fihla

THE chairman of the Greater Johannesburg Lekgotla Transformation Committee, Kenny Fihla, admitted this week that the metropolitan council faced a "worrying problem" of corruption and theft.

"We have been receiving reports of widescale theft, of fuel and cash disappearing from municipal payment offices," he said

"Broadly speaking we are well aware there has been a high degree of inefficiency, weak management and weak financial controls As a result, it became easy to defraud the council "

In the past three years, he said, many officials had been investigated for corruption and disciplinary action had been taken against more than 100 bus drivers for "misappropriation of funds"

The council was now taking serious steps and spending a considerable amount of money to "plug these holes"

These included beefing up the internal audit department and using sophisticated computer software to catch the culprits

SUNDAY TIMES INVESTIGATION

The multimillion-rand electricity scam

PEOPLE are fiddling their meters and hiring crooks to reconnect their electricity supplies Council employees are accepting bribes to lose records and illegally switch meters back on Electricity theft has become a national scandal, costing South Africa billions of rands

For six weeks, the Sunday Times tracked the corruption in city councils and on the streets of South Africa

Corruption fighter killed

ONE council official could have lost his life because he was trying to root out corruption.

Basie Lombard, 48, the city's acting strategic executive for finance, was shot three times in the neck and body while reversing out of his driveway at his home in Germiston on October 20 this year

His wife, Judy, was also injured when the occupants of a red Toyota Corolla sprayed the couple's car with bullets

East Rand police spokesman Inspector Joep Joubert said that although the shooting initially looked like a hijacking, the investigating team were "not ruling out" other motives for the killing

Lombard's cellphone, vehicle and other belongings were not taken after the shooting

Council staff do not believe he was hijacked and claim he died because he was trying to root out corruption.

Staff plunder R2,5m in assets

THE Greater Johannesburg Metropolitan Council has lost items worth R2,5-million to thieving employees in six months

These include gravestones, cellphones, cars, batteries, radios, tool boxes, copper bars, cables, windows, doors, tyres, computers, first-aid kits, electric gate motors, kettles, microwaves, wheelbarrows, lawnmowers, a kitchen sink, a diesel engine, gearbox parts, ladders and even plastic teaspoons

Councillor Claire Quail said this week that she has been forced to keep plastic teaspoons in her office because the council's had all been stolen

"This illustrates the kind of attitude we are dealing with a total lack of regard for council property There is major plundering of the council's assets," she said

iGoli 2002 will send Jo'burg down the drain

M+G 19-25/11/99 (232) (266)

The Greater Johannesburg Metropolitan Council's plan to rejuvenate the city is nothing more than a localised version of Gear in which privatisation is central, writes **Ebrahim Harvey**

Unhappy: Head of GJMC transformation Kenny Fihla has called opposers of the council's iGoli 2002 plan 'ignorant workers' manipulated by a few union leaders with hidden political agendas PHOTOGRAPH: RUTH MOTAU

The most tragic thing about the Greater Johannesburg Metropolitan Council's (GJMC) iGoli 2002 plan is that it is not only the council's 29 000 employees who will be adversely affected by the privatisation drive. Many poor communities who rely on the provision of basic services — electricity, water, repairs, rubbish removal, sanitation and so on — will too

What lies at the heart of the iGoli 2002 plan and the growing conflict it has engendered between the parties is one word privatisation The term "transformation" is misleading since it is understood to apply to fundamental change for the better and not to the impending consequences of privatisation job losses, tariff increases and greater hardship

As the biggest and most powerful city in South Africa and Africa, Johannesburg is very important for our future. We urgently need a plan to revive a city which has faced a growing crisis over the past few years. We need more efficient and effective delivery of services to communities. The unions, led by the South African Municipal Workers Union, and civics agree with this.

But the biggest problem right now, which threatens to worsen the crisis, is the iGoli 2002 plan which is pivoted on privatisation

How can the city be turned around when it is a foregone conclusion, contrary to the denial by the council's head of transformation *lekgotla*, Kenny Fihla, that privatisation will inevitably lead to cost-cutting measures such as retrenchments, and tariff increases, in order to ensure profitability. This is what has happened elsewhere in the world where municipal services have been privatised What will make Johannesburg different?

While the services may become more efficient and effective, a consequence of greater capital and technology, it will be at costs increasingly out of the reach of most people who live in the GJMC townships, many of whom are already in arrears and struggling to pay current municipal rates Add to that the widespread poverty and unemployment and it is very clear that iGoli 2002 is going to worsen the situation

What will happen to all those who cannot afford to pay for these services? The inescapable logic of privatisation, which is driven not by satisfying the basic needs of people but by profits, means that these people will not get basic services because the current subsidies will fall away together with the provision of services by the municipality

The claims by Fihla that unions and other stakeholders were adequately consulted just cannot be true Fihla has gone further to claim that of the more than 300 organisations who attended the iGoli 2002 summit in August all, except for a few endorsed the policy

How can this be true when unions, civics, the South African Communist Party and others demonstrated their opposition to iGoli 2002 a few months ago? Fihla called the protesters "ignorant workers" who were manipulated by a few union leaders who had hidden political agendas. Rings a bell with our apartheid past, doesn't it?

It is interesting to see how some former unionists, once they enjoy big salaries, bonuses and benefits in top managerial posts, become just like the bosses they fought against earlier

Fihla, a former leading shop steward, and Makgane Thobejane, former general secretary of the National Education, Health and Allied Workers Union and now the GJMC's labour relations specialist, are examples of this trend Lets face it money, and the promise of more, can work wonders in quickly changing militant leaders into arrogant bosses.

The suspension of councillor Trevor Ngwane has reinforced the demands of the opposition, has sinister implications for local government and is yet another stark reminder of how the African National Congress tends to deal with criticism and opposition from within its ranks. The ANC cannot bludgeon its way through legitimate opposition, both within and outside its ranks

However, in the final analysis, Fihla is a cog in a big machine. He cannot do other than what he is doing Having adopted it as policy the ANC must take political responsibility for iGoli 2002, its consequences and Fihla's actions. iGoli 2002 is a localised and customised version of the government's growth, employment and redistribution strategy (Gear), in which privatisation is central. That is why both Gear and iGoli 2002 have been welcomed by the World Bank

Fihla's denial that iGoli 2002 will lead to privatisation and retrenchments is misleading. He has stated earlier that privatisation will bring much needed capital to relieve mounting debt Besides, one of the main objectives of the Social Plan Fund which emerged from the Jobs Summit of 1998 was to make provision for municipalities affected by large-scale retrenchments That in itself confirms that retrenchments will most likely occur.

How does the council reconcile its increasing emphasis on development and satisfying the basic needs of the disadvantaged while at the same time embarking on privatisation which is certainly going to undermine development and the capacity to satisfy those needs?

How will it improve service delivery and extend services to those who don't have it when responsibility for this will be removed from the council and placed in the hands of private companies whose main concern will be a profitable return? There is no consistency between these declared objectives and privatisation That is the most glaring problem

The argument of Khehla Shubane of the Centre for Policy Studies in defence of Fihla, that iGoli 2002 will be beneficial to communities if the debate is taken out of the realm of ideological commitment, is nonsense.

Where has privatisation or the fight against it occurred on a strictly non ideological basis? This is the same arguments the World Bank and the International Monetary Fund have used over the years. It is an attempt to depoliticise the issues of privatisation and transformation. Every major policy decision, in the final analysis, has an ideological underpinning That is the ABC of policy studies. Shubane must spell out what he means.

The citizens of Greater Johannesburg, if they wish to build and revitalise this city, and prevent it from going down the sewage tubes, are left with no alternative but to unite in opposing iGoli 2002 When satisfying the most basic needs of people is abdicated by the municipality and placed in the hands of capital for a profitable return, then clearly the time has come for affected communities to take a stand This city belongs to all its citizens and not to the council or the ANC

Ebrahim Harvey is a former member of the Congress of South African Trade Unions He is currently a freelance writer

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