



Breaking the Makana Chains

A Compelling Order Argument

1st February 2017



Authentic... quite direct : 6 mins

or

Politically Correct... diplomatic: 23 mins

Please choose!

Makana -2017



It's a SMALL company for Heavens sake! – R300m/ turnover

R 2 500 000-/month + deficit?

“Ostrich in the sand” view.

Executive cannot manage – I feel sorry for them

***Some excellent operational people**, and some serious lack of skills and practical experience.*

Little seperation of power between the Political and the operational side of the Muni.

One...two...three! Lets have a meeting,

And another meeting

.....and another meeting.

Why are 222/278 Municipalities in trouble? ☹️

the “80/20%” Rule - Ethnography

Item	Afrocentric/ Mediterranean 80/20	Eurocentric 80/20	Best approach?
Cost in Rands	Process/people	Productivity	Eurocentric
Running a Muni	Consensus	Just ‘Do it!’	Eurocentric
Voters Choices	Emotions Loyalty	Efficiency & Results	Afro/Euro combination
Disciplinary Hearing	I’m Sorry ☹️ Make amends	You’re fired!	Afrocentric
Turnaround Specialist	Consultation Unity driven	Action driven. Casualties	Afro/Euro combination

□ Where's most of the deficit generated?

Payroll as a percentage of income

- **FMCG Retailers : 42%**
- **Mines (large): 35%**
- **Makana..... 55% to 60% ! ??**
- **Just a 20% reduction in unnecessary staff sorts the deficit**



Who knows what is owing or owed to Makana?

Statement for Account 0001008561 (2).pdf - Adobe Acrobat Reader DC

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Statement for Acco... x

1 / 1 100% [Navigation icons]

Postal Code:	6140	Suburb:	CBD
Internet PIN:	644232831	Market Value:	1,376,400.00
		Street:	3 SPRING STREET, 6139 GRAHAMSTOWN
		Land Area:	803.0000
		Deposit:	1,774.00

METER READINGS

METER NO.	METER TYPE	OLD READING	NEW READING	READING DATE	READING TYPE	CONSUMPTION
CYTB228	WATER	7594.000	7633.000	22/11/2016	I	39.000
F816048	ELECTRICITY	43561.000	438890.000	29/11/2016	I	395329.000

ACCOUNT DETAILS

DATE	CODE	DESCRIPTION	UNITS	TARIFF	VALUE
		Opening Balance			3,541.46
18/11/2016	008888	PAYMENT - THANK YOU	.000	.000000	3,541.46-
02/12/2016	000201	RESIDENTIAL PROPERTY RATES	1376400.000	.004672	535.88
02/12/2016	000201	REBATE 1st 15000 OF VALUATION	15000.000	.004672-	5.84-
05/12/2016	000330	WATER USAGE 0 - 10kl/pm	10.000	6.130000	61.30
05/12/2016	000330	WATER USAGE 11 - 20kl/pm	10.000	7.770000	77.70
05/12/2016	000330	WATER USAGE 21 - 30kl/pm	10.000	8.560000	85.60
05/12/2016	000330	WATER USAGE 31 - 40kl/pm	9.000	9.410000	84.69
05/12/2016	000455	ELEC USAGE: DOMESTIC 40AM	395329.000	1.390000	549,507.31
05/12/2016	000311	WATER CONN MNTHLY 15MM	1.000	131.010000	131.01
05/12/2016	000405	ELEC BASIC: DOM 40 AMP (SC 4)	1.000	270.800000	270.80
05/12/2016	000530	REFUSE REMOVAL MNTHLY: DO	1.000	60.860000	60.86
05/12/2016	000610	SEWER CONN MNTHLY DOMESTI	2.000	56.255000	112.51

120+ DAYS	90 DAYS	60 DAYS	30 DAYS	CURRENT	VAT
0.00	0.00	0.00	0.00	627,976.66	77,054.84
TOTAL DUE					627,976.66



Micronized Products (Pty) Ltd
14 Barry Hertzog Avenue
Greenside, Johannesburg

1st February 2017

**Employee Name: Makana Meter Reader – CFO - Etc
Makana Municipality**

RE: FINAL WRITTEN WARNING – UNABLE TO DO THE JOB

You are hereby issued with a final written warning for the following misconduct: **UNABLE TO UNDERSTAND OR APPLY GRADE 3 ARITHMETIC**

The circumstances surrounding the misconduct were as follows: **OVERCHARGED BY R 630 000- CREATING WORK, HASSLE AND OVERSTATING DEBTORS ON YOUR MUNICIPAL ACCOUNTS.**

Further misconduct in this regard will lead to a formal disciplinary enquiry, and may lead to your dismissal from the company. The company urges you to reconsider your past approaches to this matter, and to rectify your behaviour immediately.

A copy of this final written warning will be filed on your personnel file, where it will remain in force for twelve months from the date of issue. This final written warning will lapse on 1st February 2018

Sincerely,

RON AND A VERY UPSET GROUP OF MAKANA RESIDENTS



What to do ?

- 1) **Grahamstown Business Forum ... Good guys!! 😊**
- 2) **Premier saw, came and ... left.**
- 3) **Workshops, task teams, meetings , meetings... and ...**
- 4) **More meetings 😞**
- 5) **Pressure, lobbying GRA**
- 6) **Group efforts – refuse removal, Batman etc**
- 7) **Makana Unity League – court action**

□ *What to do - 2 ?*

1) Administration - Section 139 (1) b Didn't work.... 😞

2) We are not allowed to divert rates/taxes and take over the Municipality's functions 😞

3) We cannot secede (go independent...) 😞

4) Many under-employed/retired folk and expertise in this town 😊 BUT.... They are Eurocentric.... 😞

5) So... I contacted an SC (Advocate who is a Senior Council and acting judge)

□ **And he advised..**

1) Go for Sec. 139 (1) C

1.1) Makana placed under full administration

1.2) Provincial Govt. (Bisho) appoints Administrator

3) Entire Council is dissolved (saving about R7.5 million/annum.

4) Government Administrator is de facto MM with powers.

5) Beforehand – strong letter putting MEC and Premier/Minister on terms to implement Section 139 (1) c

6) If they don't respond, Court application for a "COMPELLING ORDER".

❑ Risks...rewards?

- A) The SC is prepared to charge a very nominal fee – a fraction of ‘normal’ charges due to his connection with Grahamstown 😊
- b) Needs an attorney of record to instruct
- 3) Do action under a Non-profit Company 😊
- 4) Lots of preparation work –like a story book 😞
- 5) Legal Resources Centre, Law Faculty, Afriforum?
- 6) Application will likely be challenged – it is common for the State to fight AGAINST protection of their own citizens 😞 😞
- 7) Will be precedent setting and maybe just the threat will get the desired result? 😊
- 8) GBF, ‘Batman’, Civic groups can continue – Applicant just becomes the ‘Bad Cop’

❑ 1st prize... For Makana (My Dream)

1st Prize

- Makana Inc. – Non-profit Company (directors elected in proportion to rates payment (with maximum 1 vote per property owned)
- R77 million Equitable Share for Makana : used for 5Kl water & 50Kw electricity FREE /month, spend on service delivery backlog and....
- Install prepaid electricity and water meters everywhere (at Muni's cost)
- Rates rebate for poor, subject to 1 day/month voluntary work for Muni.
- Service providers, efficiency driven, outsourcing.

☐ **2nd prize... For Makana**

2nd Prize

- Section 139 1 (c) . – Full administration
- Administrator appointed - a TURNAROUND specialist with Afro/Eurocentric connection.
- Hope like hell there is no 1,2,3 ..lets have a meeting appointed !
- Slow, but steady progress.
- Continue good civic /community input & Involvement

☐ *Last prize... For Makana*

Last Prize

- Carry on Like now

- *And maybe at least be first in the race to the bottom?*



**THE WORST THING WE CAN DO IS TO DO
NOTHING!**

**OR TO WAIT FOR 4 ½ YEARS AND HOPE THE
MAKANA ELECTORATE VOTES FOR ACTUAL
GOVERNMENT THAT WORKS!**



THANK YOU