

WEDNESDAY 20 JULY 2011 **BusinessDay****Fund traditional councils — IFP**

WORKSHOP | Inkatha Freedom Party (IFP) leader Mangosuthu Buthelezi yesterday criticised the government for failing to fund traditional councils. "You can have thousands of workshops, but if there are no budgets for traditional councils, you are just wasting time," Mr Buthelezi said in Durban during a workshop on traditional leadership in KwaZulu-Natal. Sapa

Cosatu hails corruption arrests

MUNICIPALITY | The arrest of two senior Ekurhuleni municipality employees and a businessman for corruption was welcomed by the Congress of South African Trade Unions (Cosatu) yesterday. "The arrests confirm ... that some of our business people are highly involved in corrupting our government and the state," Cosatu said. Sapa

ANC moots aid to struggling municipalities

SIBONGAKONKE SHOBA
and KHATHUTSHELO MULAUDZI

THE African National Congress (ANC) has told the Cabinet lekgotla to review budgetary process in order to assist struggling municipalities.

The move could result in small rural municipalities receiving additional funds from central government to help them in delivering basic services to communities.

A sizeable number of dysfunctional municipalities across the country were struggling to raise their own revenues, often because they had little or no revenue base.

This meant that they had to rely on funding from provincial and national government.

ANC secretary-general Gwede Mantashe said yesterday the party's national executive committee (NEC) lekgotla, which met at the weekend,

had agreed that budget processes should be reviewed to ensure the effectiveness of councils.

Earlier this year, Free State Premier Ace Magashule revealed that his provincial executive was paying salaries for employees of struggling municipalities in the province.

Mr Mantashe refused to confirm if the envisaged budget review would result in more funds being pumped into municipalities, saying the Cab-

inet would make such a decision. "(The NEC lekgotla) identified programmes and what must be done in the immediate time and therefore give the task to the Cabinet lekgotla to say when you develop the budget these are the priority areas," Mr Mantashe said at a post-lekgotla media briefing.

The Cabinet lekgotla, which influences the medium-term budget, is to convene next week.

League snubs Zuma, hails Motlanthe

SIBONGAKONKE SHOBA
Deputy Political Editor

THE African National Congress (ANC) Youth League yesterday appeared to be pushing ahead with a campaign to unseat President Jacob Zuma by referring to his deputy, Kgalema Motlanthe, as "comrade president".

The league, through its spokesman, Floyd Shivambu, issued a 500-word statement yesterday wishing Mr Motlanthe a happy birthday. But some parts of the statement could be seen as an indirect attack on Mr Zuma.

In the message, Mr Shivambu listed Mr Motlanthe's achievements as a leader since his days in

the National Union of Mine-workers. "The ANC Youth League today draws inspiration from his good lessons, creative and innovative ideas on how the country should move forward."

The youth league statement said: "As a progressive internationalist, comrade Kgalema Motlanthe has never agreed to make unsustainable and unnecessary assurances to imperialist masters, even when he addresses them in their countries." This and SA's decision to vote in favour of a no-fly zone in Libya at the United Nations Security Council has angered the league.

This could refer to Mr Zuma's trip to the UK last year when he

assured foreign investors that the nationalisation of mines was not government policy.

Although league president Julius Malema has denied speculation the league wants Mr Zuma replaced by Mr Motlanthe, yesterday's statement hints that the league prefers Mr Motlanthe.

The national executive committee of the ANC has not opened discussion on leadership succession, but the youth league's elective conference last month called for an open discussion on the subject. "We must be able to talk about our leaders... That must not be seen as a vote of no confidence in our leaders. Discussion of leadership must not be seen as a plot

against a certain leadership," Mr Malema said last month.

This declaration received support from the Gauteng provincial general council held last month.

Since last year, the league has been hinting that it wants change in the ANC leadership. The league also wants ANC secretary-general Gwede Mantashe to make way for its former president, Sports Minister Fikile Mbalula.

On Monday, Mr Shivambu angered many Zuma supporters when he wrote on his Facebook page that former president Nelson Mandela had kept his promise of serving one term and did not put his fate in the hands of party branches. This was seen as an

indirect attack on Mr Zuma. After his election in Polokwane four years ago, Mr Zuma was quoted as having said he would serve only one term as head of the party. He has since disputed this.

Mr Zuma's supporters said Mr Shivambu's statement was divisive. However, Mr Shivambu received some support from other Facebook users.

He was not available for comment at the time of going to press yesterday but responded on his Facebook wall, saying those who jumped to "wrong" conclusions were obsessed with "factionalism and narrow comprehension of the movement".

shobas@bdfm.co.za

Goodbye JZ, hello leader Motlanthe

Deon de Lange and
Michelle Pietersen

THE ANC Youth League has all but abandoned President Jacob Zuma and endorsed Deputy President Kgalema Motlanthe to take over the reins of the ANC – and by implication the country – when party delegates elect new leaders in December next year.

The league neatly sidestepped an ANC instruction forbidding public discussions about the “leadership question” by disguising its glowing endorsement of Motlanthe in the form of a “birthday message” to the deputy president.

“Comrade Kgalema Motlanthe represents a brighter future of the ANC and the country and will

always be celebrated as one of the best leaders of his generation of ANC leadership.

“Happy Birthday Comrade President!” the league said in a statement yesterday, leaving little doubt that the battle for control of the ANC is now well and truly under way.

It was not lost on commentators that the message was addressed to “comrade president” and not “comrade deputy president”, as protocol would dictate.

And without naming Zuma, the league appears to have aimed a couple of shots across the incumbent’s bow by highlighting the qualities that supposedly separate the two leaders.

The statement went on to

present Motlanthe as a “progressive internationalist”.

The league said Motlanthe “has never agreed to make unsustainable and unnecessary assurances to imperialist masters, even when he addresses them in their countries”.

Political analyst Nic Borain said yesterday that “there is no question in my mind that the ‘birthday message’ is, in fact, the text of an endorsement by the league for Motlanthe to replace Zuma”. Borain also suggested that the message “spins the deputy president’s achievements to gain the highest correlation with the issues the youth league and its backers want foregrounded – especially the nationalisation of mines”.

ANC keen on state pharmaceutical firm

Jabulani Sikhakhane
Political Editor

THE ANC's national executive committee has asked the cabinet to look into the creation of a state-owned pharmaceutical company to give effect to a resolution passed at the ruling party's national conference in Polokwane in 2007. The cabinet will have its mid-year lekgotla next week.

The ANC's highest decision-making body between conferences has also decided

that more funding should be allocated to the Department of Health "to facilitate the implementation of the National Health Insurance" scheme.

The ANC resolved in 2007 to explore the possibility of a state-owned pharmaceutical company that would "respond to and intervene in the curbing of medicine prices".

ANC secretary-general Gwede Mantashe said yesterday there "was a compelling case" for a state-owned pharmaceutical company.

With 0.7 percent of the

world's population, South Africa had 17 percent of the globe's HIV-positive population and used 25 percent of its antiretrovirals, Mantashe said while briefing journalists on the outcome of the national executive committee's four-day lekgotla that ended on Sunday. Though he would not be drawn into the details, the evidence presented by Mantashe suggests that the state pharmaceutical company will initially focus on HIV/Aids drugs.

This would be in line with

Health Minister Aaron Motsoaledi's statement in May that of a "quadruple burden of disease" in South Africa, HIV/Aids and tuberculosis were "the most severe and very expensive burden or pandemic".

To reduce this burden, South Africa is ramping up access to HIV/Aids and TB drugs.

Mantashe said South Africa would be joining many other countries including Brazil, China and Cuba, in setting one up.

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IN THE light of recent media reports, I have taken a decision to make this public statement in order to clarify a few issues which have created a wrong impression.

Over the past few weeks, we have read media reports stating that warrants of arrest have been signed by the National Prosecuting Authority and that there is an imminent arrest of MEC Mike Mabuyakhulu and Speaker Peggy Nkonyeni.

Most unfortunately, these media reports have created an impression that the so-called imminent arrests are orchestrated by certain leaders in an attempt to achieve political objectives ahead of regional, provincial and national elective conferences.

These investigations became public last year and, therefore, we believe that linking these investigations with the ANC conferences is mischievous. We regard this as scurrilous gossip and those who are responsible for this are trying to sow division within the ANC.

For the record, the ANC leadership in the province, including any other member of the provincial executive council or me in my capacity as the premier of the province, have not been formally informed about the warrants of arrest.

There has been no formal interaction with the Hawks or the police with regard to these warrants. We have only heard about these through the media.

In view of the sensitivity and the complexity of this matter, those who have been mentioned in the media, the cabinet and leadership of the ANC have left this matter in the hands of the court. This has

been done solely to allow the due process of the law to take its course. We are, therefore, constrained to discuss the merits or demerits of this investigation and the warrants of arrest.

While we are not at liberty to discuss the merits of the case, I want to confirm that I have previously made statements at the request of the Hawks on September 9, 2010. I had been asked to clarify issues relating to my line function at the time, specifically, when I was the MEC for finance and economic development.

It is important to highlight that there has been no subsequent meetings between me and the Hawks or any other law-enforcement agencies regarding the matter or following the statement I gave in my capacity as MEC for finance and economic development. To this end, there has been no communication whatsoever which serves as a notice that the state intends to call me as a witness in the matter.

As leaders we all have the responsibility to co-operate with law-enforcement agencies and to enable the system of justice to be effected without hindrance.

Critically, I am very concerned about the leaks wherein information comes from law-enforcement agencies, to the media, in cases where those whose names are tarnished are not at liberty to respond, as this equated to a trial by the media. We believe that this might interfere with the normal course of justice.

There is a concerted effort to paint a picture of ANC leaders who are at war with one another and hellbent on using state apparatus to further political ambitions. Media

THE MERCURY

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On amigos, plots and arrests

In spite of speculation and gossip over office-bearers' imminent arrests, the ANC in KwaZulu-Natal remains united, writes Zweli Mkhize

houses have resorted to using so-called political analysts and unnamed sources on a matter whose details have not even been placed before the court of law.

Some media reports have consistently reported tensions among

leaders in the provincial executive council.

The people of this province and the country as a whole must note that there is no such tension. There has been a proper working relationship among leaders of the ANC as

On amigos, plots and arrests

In spite of speculation and gossip over office-bearers' imminent arrests, the ANC in KwaZulu-Natal remains united, writes Zweli Mkhize

of the ANC membership; and with an understanding that they have been entrusted with the responsibility of serving in the government of the day.

It is also important to dismiss reports about my involvement in a so-called plot against President Jacob Zuma.

These reports are ill-conceived and devious gossip. There is no truth reported even though the source of this rumour is discredited. As chairperson of and the entire provincial leadership including regions and branches and general membership as a whole remain solidly in support of President Zuma as the leader of the ANC and president of the Republic of South Africa. No amount of gossip, speculation, rumours and headlines will change that support.

Similarly, we take a dim view of anonymous sources that distort or exaggerate issues with regard to the internal processes of the ANC to merely cause confusion and mistrust.

By virtue of the democratic nature of the ANC, healthy contests at elective conferences of the ANC happen all the time: every two years for branches, every three years for regional and every four years for the provincial and every five years for the national leaderships.

These terms of office are inter-

spaced with elections for councillors such as the one we have just emerged from.

We are also starting regional conferences within the next few months. As should be expected, elections at all levels tend to be associated with tensions which will often leave the structures involved divided or traumatised depending on the aggressiveness of some of the members who might be involved in lobbying.

The ANC has always dealt with these issues and managed to reconcile its members and ensure that the healing process is embarked upon since this is part of a democratic nature of the organisation.

At this stage the ANC remains a stable organisation despite all those tensions, although in these past elections, the ANC has noticed the severity of the problem and has put mechanisms to deal with these such as the national task

team which was deployed to the province led by Comrade Nkosazana Dlamini-Zuma. But this all remains an internal process.

In the meantime, the leaders of the ANC will continue to do their public duties undeterred by the speculation and gossip. Our objective is to speed up service delivery, fight poverty and uplift the people of KwaZulu-Natal.

● Mkhize is the premier of KwaZulu-Natal and the ANC's provincial chairman.

well as in cabinet and in the legislature. The ANC leaders are continuing with the implementation of programmes aimed at speeding up socio-economic development in the province, working in unity and enjoying full support and confidence

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The people of this province and the country as a whole must note that there is no such tension
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Buthelezi urges traditional council funds

IFP leader Mangosuthu Buthelezi yesterday criticised the government for failing to fund traditional councils.

"You can have thousands of workshops, but if there are no budgets for traditional councils, you are just wasting time," Buthelezi said in Durban during a workshop on traditional leadership in KZN.

He is also chairperson of the Zululand house of traditional leaders.

Offices for traditional councils were struggling to operate because they were not receiving government funds.

"People who work in those offices do

not get paid and there is also no money for water and electricity," Buthelezi said.

"This is bad. We did not expect this treatment from our black government."

The councils are intended to promote the role of traditional leadership and enhance unity among traditional communities. They also settle disputes through traditional courts.

Buthelezi joked that he asked his wife to provide food when his traditional council had meetings.

The first day of the two-day workshop was attended by acting Traditional Affairs Minister Nathi Mthethwa, Pre-

mier Zweli Mkhize and co-operative governance MEC, Nomusa Dube.

Buthelezi said the government needed to give official recognition to houses of traditional leaders.

The workshop heard discussions about the role of traditional leaders in local government.

Mthethwa said proper partnerships between traditional leadership structures and local government were needed. Some traditional leaders complained they were not given the opportunity to get involved in development issues involving municipalities. - Sapa

'No plot against ANC leaders'

THE probe into two KZN ANC leaders is not a political plot to discredit them ahead of the ruling party's elective conferences, the party's provincial leader said yesterday.

"The investigations have been ongoing for a long time. To link it to ANC processes is opportunistic and mischievous," Zweli Mkhize said.

Mkhize spoke to Sapa yesterday following reports that the imminent arrest of ANC leaders Mike Mabuyakhulu and Peggy Nkonyeni on corruption-related charges was politically motivated.

It has been reported that the looming arrest of the two leaders is part of a larger campaign to ensure Mkhize retains his position at the ANC's provincial conference at the end of the year.

Mkhize said it was a blatant lie that he or any other ANC leaders were behind the pending arrest.

"What has happened is that I was requested by the Hawks in September last year to make statements to clarify issues relating to my line function when it [corruption] allegedly happened," he said.

There had been no subsequent meetings between Mkhize and the Hawks or any other law enforcement agencies regarding the case or the statement he gave.

"To this end, there has been no communication whatsoever - which serves as a notice that the state intends to call me as a state witness," he said, adding it was not true that he wanted to testify against his own comrades.

"We are taking this case very seriously as government and as the ANC. It is a very sensitive and complex case," he said.

The state alleges there was corruption, money laundering and tender fraud



NO PLOT: Zweli Mkhize

Picture: LERATO MADUNA

in KZN's department of health when Nkonyeni was the MEC.

Mabuyakhulu was the ANC's provincial treasurer when Cape Town businessman and billionaire Gaston Savoi, who was involved in a multimillion rand tender, donated R1m to the ANC. Warrants of arrests for the two leaders were issued early this month and they are expected to be arrested soon.

Other prominent accused are suspended head of Ithala Development Finance Corporation, Sipho Shabalala, his wife, Beatrice Ntombenhle Shabalala and former provincial health boss Busisiwe Nyembezi.

The case relates to the awarding of

contracts by the departments of health and local government for water purification plants and oxygen machines.

The state alleges that Savoi's Intaka Holdings fraudulently secured the deals after colluding with certain officials. He then allegedly inflated his prices and gave kickbacks in return.

Mkhize said the allegations that he or other ANC leaders were involved in a plot was aimed at creating divisions within the ANC ahead of regional and provincial elective conferences this year.

It has been reported that Mabuyakhulu, who is originally from Ngwavuma in the North Coast region, and his supporters there are understood to want him to stand for the regional chairperson position at the regional conferences. If successful, they expect him to use the position as a springboard to challenge Mkhize for leadership later this year.

Mkhize said he was also concerned about the leaks by which information from law enforcement agencies was gained by the media.

"It happens in cases where those whose names are tarnished are not at liberty to respond. This is equal to a trial by the media," said Mkhize.

Commenting on the state of the ANC in the province, Mkhize said elections at all levels of the organisation tended to be associated with tensions.

"The ANC has always dealt with these issues and managed to reconcile its members since this is part of the democratic nature of the organisation," he said.

The ANC remained a stable organisation despite all the tensions. "In past elections, the ANC noticed the severity of the problem and put in place mechanisms to deal with it." - Sapa

'DA probe call not warranted'

Esau Dlamini

MEC for human settlements and public works Maggie Govender says her department has followed due process and was not concerned about a DA call for a probe into the R2bn Vulindlela housing project in Pietermaritzburg.

DA spokesperson George Mari had claimed that there had been irregularities with the tender process in the project and called for an investigation by public protector, Thuli Madonsela and the Special Investigating Unit (SIU).

However the MEC said her department had followed the processes as set out in the Housing Code.

"There are no secrets. There have been full presentations made to the provincial executive council and the portfolio committee on human settlements of which Mr George Mari is a member.

"He has had the opportunity to question and seek clarity on the many questions that he poses to the media and point out any areas of concerns and have them clarified," accusing him of making political capital of the issue.

Govender explained that the beneficiaries of the project had organised themselves into a nonprofit company which included the chiefs who represented the communities living in the nine wards covered by the project.

"The department received the proposal from the Amakhosi (chiefs) who requested the project to be implemented as an Enhanced Peoples Housing Process project. Since the project is in the area which is under jurisdiction of Amakhosi, the department deemed it feasible to use the route of EPHP.

"During 2009 to June 2010, a review of the Msunduzi Municipality Spatial Development Framework Plan for Vulindlela was undertaken. The feasibility studies, including a review of the Spatial Development Framework Plan, council support, geotechnical studies, flood line analysis, settlement patterns, environmental survey, slope analysis, socio economic surveys etc was completed by June/July 2010" the MEC added.

Busa and Cosatu disagree over Walmart

Siyabonga Mkhwanazi

BUSINESS Unity South Africa (Busa) has backed the multi-billion rand takeover deal of Massmart Holdings by US giant, Walmart, and said the merger was in line with government's New Growth Path (NGP) for creating jobs.

Busa's acting executive director for economic policy, Coenraad Bezuidenhout, said this before the portfolio committee on economic development yesterday at the public hearings on the Walmart-Massmart deal.

The deal was approved by the Competition Tribunal, but

trade union federation Cosatu has opposed it.

Bezuidenhout said the takeover should be viewed in the context of creating sustainable jobs.

"It will lead to growth in the retail sector and that will lead to job creation. We believe it is in line with the new growth path. We are not saying that this deal will create millions of jobs."

The thousands of jobs that the merger would create would contribute to government's NGP which envisages the creation of 5 million jobs by 2020 and reducing official unemployment from 25% to 15%, he said.

But chairperson of the

National Assembly's committee on labour, Elleck Nchabeleng, said South Africa needed to raise its entry barriers for multinationals wanting to come into the country in order to protect the local market.

Nchabeleng said companies that wanted to invest had to understand the country's rules.

"For anyone who wants to do business in the country we have to raise the entry barriers to protect ourselves," he said.

But Bezuidenhout argued that this would chase away foreign investors.

Cosatu said workers in the retail sector were already under

siege from big companies.

"Local employers in the retail sector are already beginning to attack workers, as they reposition themselves for Walmart's arrival. It cannot be pure coincidence that Pick n Pay has just announced plans to retrench 3 000 workers," said Cosatu spokesperson Patrick Craven.

"As a giant in the retail sector, Walmart bullies farmers, manufacturers and suppliers to push down their prices and destroys rival companies by the use of predatory pricing.

"This has led to the collapse of many small and sometimes big businesses," said Craven.

NFP suspends senior official

Canaan Mdletshe

THE National Freedom Party has suspended its Limpopo chairperson, Mulalo Mkhathini, with immediate effect.

Mkhathini was suspended for allegedly using the party's name and that of its president, Zanele Magwaza-Msibi, in her money-lending business.

The party revealed this after its national working committee (NWC) findings into the allegations.

National administrator Herman Oosthuizen said Mkhathini was suspended after investigations.



"As the NFP, we would like to inform the public that we were not aware of the alleged unlawful activities by Mkhathini and that our provincial offices were allegedly being used by her to conduct her illegal businesses. We therefore distance the NFP and its president from all the alleged illegal activities," he said.

The NWC said Mkhathini's activities in Limpopo compromised the party's stated policy of transparency, accountability and intolerance of corruption.

"The NWC furthermore noted with great concern the disrepute the alleged business practice brings to the party."

DA takes aim at absent fathers

Ntwaagae Selek

THE Democratic Alliance in Gauteng will help women to claim maintenance from fathers who are failing to provide for their children.

DA member of the provincial legislature, Patricia Mokgohlwa launched Operation Etsa Se Nepahetseng (Operation Take Responsibility) yesterday.

"We aim to promote responsible parenting and raise awareness about the rights of women in claiming maintenance from absent fathers," she said.

Mokgohlwa said the party's representatives across the province would educate women about their maintenance rights. Information tables will be placed at shopping centres.

She said in Western Cape a similar campaign resulted in 150 maintenance defaulters turning themselves in before they were arrested. A further 120 defaulters were arrested at various roadblocks.

More than R300 000 has been collected for maintenance and a total of 343 beneficiaries have so far been traced in Western Cape.

Mokgohlwa said Gauteng MEC for community safety Faith Mazibuko replied to the DA questions last week that 1 041 warrants of arrest were outstanding for maintenance defaulters.

She said a common problem was difficulty in locating offenders.



PIONEER:
Patricia
Mokgohlwa

Kingdom Mabuza

THE ANC Youth League has upped the ante in the ANC leadership contest and practically anointed the party's deputy president, Kgalema Motlanthe, as the party's future leader.

"Comrade Kgalema Motlanthe presents a brighter future of the ANC and the country (and) will always be celebrated as one of the best leaders of his generation of the ANC leadership" the ANCYL said in a birthday message to Motlanthe, who turned 62 yesterday.

"This message is a signal that they have identified Motlanthe as a suitable candidate to challenge Zuma," political analyst Elvis Masoga said.

Masoga said the message was aimed at forcing the ANC to open up the succession debate.

YOUTHS PRAISE MOTLANTHE

The party leadership has argued that doing so would create divisions.

Political analyst Steven Friedman said the ANCYL was speaking on behalf of a nationalist faction within the ANC that wanted Zuma to quit.

"The league is trying to create enough talk about Motlanthe, and to build an impression that he is popular and Zuma is not. The intention is to try and persuade Zuma to step down," Friedman said.

"The league is trying to create enough talk about Motlanthe, and to build an impression that he is popular and Zuma is not. The intention is to try and persuade Zuma to step down,"

Friedman said.

"The ANC Youth League does not need Motlanthe's permission to do all that and he is not buying into their plan. Motlanthe is not willing to run against Zuma the way Zuma did against Thabo Mbeki.

"The nationalist faction can come up with another candidate, other than Motlanthe, to run against Zuma," Friedman said.

The ANCYL is unhappy about Zuma serving a second term as both president of the ANC and the country.

The glowing message to Motlanthe is a far cry from the league's failure to do the same for President Jacob Zuma when

he celebrated his 69th birthday in April.

Yesterday ANCYL spokesperson Floyd Shivambu said the league had not sent Zuma a birthday message because they were concentrating on local government elections.

"We were very busy in April concentrating on elections at that time," he said.

Motlanthe's spokesperson, Thabo Masebe, said the deputy president would not be able to take time out to celebrate his birthday.

"It is a hectic day for him, very busy," Masebe said.

"He is attending meetings, but the staff in his office will sing a birthday song for him."

Radebe finally shows leadership in Justice Department bun fight

THE fact that Justice Minister Jeff Radebe yesterday called an urgent meeting between two of his senior employees — NPA boss Menzi Simelane and the Asset Forfeiture Unit's Willie Hofmeyr — is an indication of the problems besetting crime-fighting.

It is encouraging because at least someone within the Justice Department appears to want to get to the bottom of the allegations of corruption levelled against Hofmeyr.

Certainly, no one can accuse Simelane of going out of his way to show support for Hofmeyr, who has garnered an international reputation for his commitment to combating corruption. He has not asked Hofmeyr to take special leave or served him with a notice of suspension.

By his very inaction, Simelane seems to suggest that there just might be something amiss with Hofmeyr. There has been no public expression of support from Simelane or even the offer of a platitude that Hofmeyr is innocent until proven guilty.

This is particularly odd given that Hofmeyr's accuser — businessman Dave King — is not exactly someone who enjoys universal respect.

In fact, King was, as recent as February, called a "shameless, glib liar" by a judge.

King, who has been embroiled in a long-standing fight with the revenue service and Hofmeyr's forfeiture outfit, is still fighting to see off a massive tax investigation.

So why has Simelane been so reluctant to publicly stand by his man?

Might it be that Hofmeyr was a central figure in Simelane's first major defeat as NPA boss?

President Jacob Zuma and Radebe told him off when he proposed that the forfeiture unit should be run out of the provinces rather than the centralised management under Hofmeyr.

Simelane might have found it extremely tempting to entertain King's accusations — if only to show Hofmeyr who is actually boss. Pity he had to drag one of SA's most effective crime-fighting units into it.

Someone appears to want to get to bottom of the allegations

SIT-IN: JUBILATION AS CHARGES DROPPED

JUBILATION greeted the announcement at the magistrate's court yesterday that — following representations made to the chief prosecutor — all charges were withdrawn against the 29 ANC activists who were arrested while staging a sit-in at the ANC's Moses Mabhida regional offices in Pietermaritzburg.

The accused, who were charged with being in contempt of a court order granted by Judge Trevor Gorven ordering them to cease occupation of the building, were released on bail of R100 each at their first court appearance.

The activists said that they will continue calling for the disbandment of the ANC's regional executive committee and will not stop until this goal is realised. — Witness Reporter.

UMVOTI: DOES MAYOR FEEL GUILTY, ASKS IFP

THE Inkatha Freedom Party questioned yesterday whether a guilty conscience has driven Umvoti's millionaire mayor, Philani Mavundla, to forfeit his R700 000 a year salary and use it to fix potholes in the Town.

Deputy provincial chairperson Blessed Gwala says the IFP has it on good authority that Mavundla has had numerous provincial government tenders awarded to a number of his companies. "Some of them include tenders to build and maintain roads and bridges across KwaZulu-Natal."

Speculating that the mayor could be driven by a guilty conscience, Gwala called on Mavundla "to own up as to the real motives behind this seemingly selfless action". — WR.

ANC mulls state drug firm, says Mantashe

JOHANNESBURG — The ANC is considering establishing a state-owned pharmaceutical company, secretary-general Gwede Mantashe said yesterday.

"Serious discussions started at the lekgotla on starting a state pharmaceutical company," he said at Luthuli House in Johannesburg.

"It's not just an idea ... [it has been] given back to cabinet to say, 'look into the issue' ... there was a compelling case for it," Mantashe said after a four-day ANC national executive committee lekgotla.

"Remember, a year ago the establishment of a mining company was an idea.

"Today that mining company is operating a coal mine and is about to open a second coal mine. So it was an idea.

"Everything starts with an idea and it becomes reality when work is done on it.

"Brazil's state company is opening a branch in Mozambique.

"Now the question we are asking is why should we be a market for Brazil instead of being a market for ourselves?" Mantashe said.

South Africa consumes 25% of the antiretrovirals available in the world, he noted.

The lekgotla received a report on health showing a dramatic increase in the number of people tested for HIV and Aids: it has increased six-fold, from two million per annum to 12 million per annum.

There has also been a "dramatic increase" in the number of people accessing treatment.

The formation of a state-owned pharmaceutical company does not spell doom for the private sector, said Mantashe.

"The fact that there is a pharmaceutical company, a state-owned pharmaceutical company, doesn't mean that the pharmaceutical industry will be closed down.

"There will still be a pharmaceutical industry, there will be a state company operating in the sector. There is a need for that, in the same way that we are establishing a mining company but not closing the mining sector."

The NEC lekgotla agreed to go ahead with plans to create an office of the "Land Valuer General" and on the establishment of the Land Management Commission, Mantashe said.

This would complement processes around the government's Green Paper on land reform, already unfolding. Organisations such as AgriSA, the Food and Allied Workers Union and the Transvaal Agricultural Union are involved in the consultations.

—Sapa.

MKHIZE: Arrest warrants link with ANC 'opportunistic, mischievous' Probe into MECs 'not a plot'

THE criminal investigations of two KwaZulu-Natal ANC leaders is not a political plot to discredit them ahead of the ruling party's elective conferences, the party's provincial leader said yesterday.

"The investigations have been ongoing for a long time. To link them to ANC processes is opportunistic and mischievous," said Dr Zweli Mkhize.

Mkhize spoke to the media yesterday following reports that the imminent arrest of ANC leaders Mike Mabuyakhulu and Peggy Nkonyeni on corruption-related charges is politically motivated.

It has been reported that their pending arrest is part of a strategy to

ensure Mkhize retains his position at the ANC's provincial conference at the end of the year.

Mkhize said it is a blatant lie that he or any other ANC leaders are behind the arrest warrants.

"What has happened is that I was requested by the Hawks in September last year to make statements to clarify issues relating to my line function when it [corruption] allegedly happened," he said.

There have been no further meetings between him and the Hawks or any other law enforcement agencies regarding the case or the statement he gave, said the premier, adding that "the state intends to call me as a state

witness".

He had made the statement to the Hawks because leaders have "the responsibility to co-operate with law enforcement agencies and to enable the system of justice to be effected without hindrance".

It is not true that he wanted to testify against his own comrades, he said.

The state alleges there was corruption, money laundering and tender fraud in KZN's Health Department when Nkonyeni was the MEC.

Mabuyakhulu was the ANC's provincial treasurer when Cape Town businessman and billionaire Gaston Savoi, who was involved in a multi-million-rand tender, donated R1 mil-

lion to the ANC.

Warrants of arrest for the two were issued early this month and are expected to be executed soon.

Also accused are the suspended head of Ithala Development Finance Corporation, Sipho Shabalala, his wife Beatrice Ntombenhle Shabalala and the former provincial health chief, Busisiwe Nyembezi.

The case relates to the awarding of contracts by the departments of health and local government for water purification plants and oxygen machines.

The state alleges that Savoi's Intaka Holdings fraudulently secured the deals after colluding with certain offi-

cials. He then allegedly inflated his prices and gave kickbacks in return.

Mkhize said the allegations that he or other ANC leaders are involved in a plot are aimed at creating divisions within the ANC ahead of regional and provincial elective conferences this year.

Supporters of Mabuyakhulu, who is from Ngwavuma, reportedly want him to stand for the post of regional chairperson at the forthcoming regional conferences.

If successful, according to the report, they expect him to use the position as a springboard to challenge Mkhize for leadership of the province later this year. — Sapa.

List woes haunt ANC, say pundits

BHEKI MBANJWA and SAPA

TENSIONS in the KwaZulu-Natal ANC were as a result of the indecisiveness of the party's leadership to act on some of the main problems plaguing the party, including the shambolic list process ahead of the local government elections this year, two of the province's political analysts have said.

Nhlanhla Mtaka, of Ingabadi group, said the ANC in the province had shown indecision in dealing with some of its problems, especially the list process, and that this had exacerbated tensions within the ruling party.

The ruling party has been plunged into disarray recently with some of the party members in the Moses Mabhida region openly revolting against the leadership in the region and in the province.

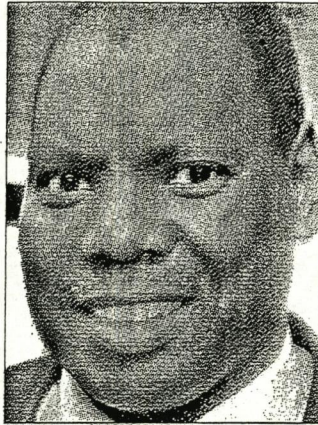
The disgruntled members were unhappy with the appointment of what they said were corrupt councillors in top positions in municipalities across the region.

More recently, news that two senior leaders in the ANC could be arrested on charges of fraud, had sparked speculation that this was being engineered by some leaders inside the party to discredit these two leaders ahead of the elective conferences of the party.

But this has been dismissed by the party's provincial chairman and premier, Zweli Mkhize.

"The investigations have been ongoing for a long time. To link it to ANC processes is opportunistic and mischievous," Mkhize said.

Mkhize spoke to Sapa yesterday after reports that the looming arrest of the two leaders was part of a larger campaign to ensure Mkhize re-



ZWELI MKHIZE

tained his position at the ANC's provincial conference at the end of the year.

Mkhize said it was a blatant lie that he or any other ANC leaders were behind the pending arrests.

"What has happened is that I was requested by the Hawks in September last year to make statements to clarify issues relating to my line function, when the corruption allegedly happened," he said.

Mtaka concurred with Mkhize, saying that it was opportunistic to link the pending arrests to internal power struggles as the investigations into the case started long ago.

Mtaka, however, blamed the National Prosecuting Authority (NPA) for its handling of the case, saying it had shown indecision.

"Now the NPA is under pressure because it has to provide something new to the case when it goes back to court in August."

But another analyst, Nathi Mazibuko, differed, saying the allegations that the arrests were politically linked were true.

"There seems to be an element of too much coincidence in that this is not the first time that (legislature Speaker Peggy) Nkonyeni is charged

ahead of an elective conference.

"The timing of these arrests is very suspicious because it comes after (Economic Development MEC Mike) Mabuyakhulu has received backing from the northern regions. It is also known that some members were in favour of Nkonyeni becoming the provincial chair."

Mazibuko said Mkhize was losing his grip on the province.

"This was clear when he was booed by ANC members at the funeral of Sibiya in Kwa-Mashu. I was there, I witnessed this; it was the same thing that happened to his predecessor, Sibusiso Ndebele, before he was removed as a leader of the province. The tensions are there for all to see, they are very glaring."

Mtaka said the ANC now had to seek guidance from members if it was to deal effectively with the crisis it is facing.

Witness

Regarding the case or the statement he made, Mkhize said there had been no subsequent meetings between him and the Hawks, or any other law-enforcement agencies.

"To this end, there has been no communication whatsoever - which serves as a notice that the state intends to call me as a state witness," he said.

It was not true that he wanted to testify against his own comrades.

The state alleges there was corruption, money laundering and tender fraud in KwaZulu-Natal's department of health when Nkonyeni was the MEC.

Commenting on the state of the ANC in the province, Mkhize said elections at all levels of the organisation tended to be associated with tensions, but he maintained the ANC remained stable.

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List woes haunt ANC, say pundits

Zuma still our man, says premier

ANC leaders in KwaZulu-Natal were still fully behind President Jacob Zuma as the ANC president, the ruling party's provincial leader said yesterday.

"The position that the ANC and its alliance partners had before the elective conference in Polokwane in 2007 has not changed. We still fully support

him," Premier Zweli Mkhize said.

His comments follow reports that he and other ANC members were plotting to ensure that Zuma did not win a second term as the ANC president during the party's elective conference next year.

"The reports on the so-called plot against President

Jacob Zuma are ill-conceived and devious gossip. There is no truth in these," Mkhize said.

The entire provincial leadership, including regions and branches and general membership remained in full support of Zuma, he added. The ANC in the province campaigned for Zuma to replace former president Thabo Mbeki. - Sapa

Municipality funding to be reviewed

Limited revenue concerns ANC

JABULANI SIKHAKHANE

THE ANC has mandated the cabinet to review the funding of municipalities, especially small and rural municipalities whose ability to generate their own revenue is limited.

Municipal government, which spent R232.6 billion in the year ended June 2010, derives on average more than 70 percent of operating revenue from user charges – electricity, water and refuse removals – and property rates.

Small and rural municipalities, however, generate a much smaller portion, making them heavily dependent on transfers from the national government.

Rural municipalities, of which there are 70, generate an average 37 percent of own revenue, according to the Financial and Fiscal Commission, making them reliant for 63 percent of their operating revenues on transfers from the national budget and subsidies.

Gwede Mantashe, the secretary-general of the ANC, said yesterday that the ruling party's national executive committee had spent a lot of time during the four-day lekgotla –

which ended on Sunday – discussing local government, particularly “reviewing the budgeting system”.

He said the cabinet, which will hold its own mid-year lekgotla next week, had been given the task “to revisit the budgeting system for local government, including the role of district municipalities”.

The review of district municipalities would focus, in particular, on their role in providing shared services to small municipalities within their jurisdiction, Mantashe said.

Focus

Transfers from the national budget to local government would reach R70bn this year, Nathi Mthethwa, the acting Minister of Co-operative Governance and Traditional Affairs, told Parliament in May.

Among other decisions taken at the lekgotla were that government departments should focus more on filling vacancies of frontline staff and less on administrators and managers.

Mantashe said this decision was meant to make clearer the resolution from the ruling party's January lekgotla, calling on departments to fill

vacancies.

He said one of the reports presented at the lekgotla had shown that the hiring of nurses and doctors, for example, had lagged far behind the hiring of administrative and managerial staff.

The government has also been asked to ensure funding of distribution and generation of energy, especially solar and wind farms in the Northern Cape.

The committee also endorsed the creation of the office of the land valuer-general and the land management commission.

Rural Development and Land Reform Minister, Gugile Nkwinti, said in June that his department was drafting legislation to enable the creation of the valuer-general.

In other countries, the office of the valuer-general performs many functions, including being the principal adviser to the state on land valuation matters, keeper of a register of land ownership and occupation, as well as a provider of valuations for rating and tax purposes.

It also determines compensation in cases of compulsory acquisition of land by the state.