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Abbreviations and initialisms used in this report

AGSA	Auditor-General of South Africa
ANC	African National Congress
BEE	black economic empowerment
DIRCO	Department of International Relations and Cooperation
GDP	gross domestic product
MEC	Member of the Executive Council
NHI	National Health Insurance
NSFAS	National Student Financial Aid Scheme
PRASA	Passenger Rail Agency of South Africa
SAA	South African Airways
SANDF	South African National Defence Force
SAPS	South African Police Service
SIU	Special Investigations Unit
SOE	state-owned enterprise
UK	United Kingdom
USA	United States of America

Introduction

President Cyril Ramaphosa caused substantial public outrage when he approved a salary raise (retroactive from 1 April 2021) for high-ranking government officials in the *Government Gazette* of 14 June 2022. The explanation for the raise that parliament offered was that the salaries of public office bearers had to be adjusted to “cope with the rising cost of living”.¹

In their attempt to justify the raise, parliament compared the remuneration that is paid to South Africa’s government officials with high-income and highly developed countries such as Germany, the UK, the USA and Australia. These countries have a significantly higher annual per capita gross domestic product (GDP) – which ranges from US\$41 059,20 to US\$63 206,50 (R661 708 to R1 018 586) – compared to South Africa, which has a much lower annual per capita GDP of US\$6 994,20 (R115 389).² Despite this difference in GDP, Wasserman points out that the salaries of South African office bearers still compare well to those of the UK and France, even though these countries’ per capita GDPs are between five and seven times higher than that of South Africa. Yet, when compared to countries in a similar GDP bracket (such as Botswana and Thailand), South African public office bearers earn nearly twice as much as their counterparts.³ South Africa also has a much larger cabinet than most countries. The Ramaphosa II cabinet comprises 28 ministers, while the USA’s cabinet, for example, comprises only 15 members – even though it has a six times larger population and almost ten times larger per capita GDP than South Africa.

Since President Ramaphosa’s inauguration for his first full term and the appointment of his first cabinet in May 2019 governance issues have not abated but have in fact further worsened in many areas. This culminated in early 2022, when unemployment reached 46,2% according to the broad definition, which includes people who are not looking for work.⁴ It is mainly due to this level of unemployment that 46% of South Africans are dependent on some form of social grant.⁵ These grants are funded by an exceedingly thin tax base, with just over 5% of the population paying 91,8% of income tax.⁶ This causes experts to

¹ BusinessTech. 2022. *South Africa’s millionaire politicians need salary increases to cope with cost of living*. 22 June. Available at <https://businesstech.co.za/news/government/599132/south-africas-millionaire-politicians-need-salary-increases-to-cope-with-cost-of-living-says-parliament/>. Accessed on 8 July 2022.

² Wasserman, A. 2019. *South Africa’s cabinet remains much bigger than in other countries – here’s how we compare*. Business Insider, 30 May. Available at <https://www.businessinsider.co.za/cabinet-size-2019-5>. Accessed on 9 July 2022.

³ Coetzee, E. & Mabena, S. 2022. *SA’s MPs earn more than twice as much as officials in countries with similar economies*. Citizen, 3 July. Available at <https://www.citizen.co.za/premium/3129293/sas-mps-earn-more-than-twice-countries-with-similar-economies/>. Accessed 9 July 2022.

⁴ Fin24. 2022. *After long delay, Stats SA confirms record unemployment rate*. 29 March. Available at <https://www.news24.com/fin24/economy/after-a-long-delay-stats-sa-confirms-record-unemployment-rate-20220329>. Accessed on 9 July 2022.

⁵ BusinessTech. 2022. *46% of South Africans are now on grants: Ramaphosa*. 28 February. Available at <https://businesstech.co.za/news/government/563112/46-of-south-africans-are-now-on-grants-ramaphosa/#:~:text=Writing%20in%20his%20weekly%20open,the%20population%20now%20receiving%20grants>. Accessed on 9 July 2022.

⁶ Solidarity Research Institute. 2021. *Income tax flash report*. Available at https://solidariteit.co.za/wp-content/uploads/2021/09/BelastingBlits_ENG.pdf. Accessed on 20 April 2022.

claim that South Africa is nearing the fiscal cliff: Social grants, the servicing of state debt and the salaries of civil servants are almost exceeding the state's total income.⁷

Against this background, it is argued in the current report that the recent salary increase for high-ranking government officials is morally unjustifiable given the already exorbitant pay that public officials receive, the disproportionate size of South Africa's cabinet and the failures of key national and provincial areas of government between 2019 and 2022. In the first section of this report an outline is provided of the lavish salaries and benefits that members of the executive receive in South Africa. This is then juxtaposed with the second section, in which we critically analyse the performance of the Ramaphosa II cabinet and provincial governments from 2019 to 2022 in these key areas:

- education
- public enterprises
- healthcare
- police and defence
- transport
- international relations
- water and sanitation

The continued and repeated government failures in these areas are widely reported on by the media, as well as in national audits and other authoritative reports.

The findings of the report are summarised in the conclusion, in which policy and reform recommendations are provided to government on how the deep-rooted issues in South Africa could be solved. However, since the ANC government has shown itself unwilling or unable to implement such far-reaching structural changes, we also provide an alternative in the form of community-based federalism to create a free, prosperous and safe society on the southern tip of Africa.

Salaries and benefits of members of the executive

The June 14 salary increase raised the remuneration of ministers to R2 473 682 and deputy ministers to R2 037 129 per year.⁸ In provincial governments, premiers take home an annual salary of R2,3 million⁹ and

⁷ Rossouw, J. & Joubert, F. 2020. *Suid-Afrika se fiskale afgrond*. Maroela Media, 31 August. Available at <https://maroelamedia.co.za/debat/meningsvormers/suid-afrika-se-fiskale-afgrond-2/>. Accessed on 20 April 2020.

⁸ BusinessTech. 2022. *South Africa's millionaire politicians need salary increases to 'cope with cost of living', says parliament*. 22 June. Available at <https://businesstech.co.za/news/government/599132/south-africas-millionaire-politicians-need-salary-increases-to-cope-with-cost-of-living-says-parliament/>. Accessed 6 July 2022.

⁹ Baloyi, T. 2022. *Salary increases for MPs, Ministers, Deputies – how much they earn now*. *The South African*, 6 June. Available at <https://www.thesouthafrican.com/news/breaking-salary-increases-cyril-ramaphosa-public-officials/>. Accessed on 5 July 2022.

members of the executive councils (MECs) R2 037 million.¹⁰ In addition to their salaries, these ministers, deputy ministers, premiers and MECs receive additional government-funded benefits in accordance with the *Guide for members of the executive*.¹¹ These benefits include:

Motor vehicle transport

- Ministers and deputy ministers (i.e., national members of the executive) receive one vehicle for official use as well as VIP protection in both Pretoria and Cape Town, to the maximum value of R800 000 respectively. This amounts to a total cost of R1,6 million to the taxpayer for each national member.
- Premiers and MECs (i.e., provincial members of the executive) receive one vehicle for official use with VIP protection to the combined value of R800 000.¹²
- Vehicles may be replaced after either five years or 120 000 kilometres, or if there are serious mechanical issues.
- Fuel, maintenance and repairs are covered by the state.
- Spouses and other dependent family members may be transported in official vehicles by the driver/aides or the South African Police Service's (SAPS's) VIP driver or protector. It is unclear how the use of official vehicles is monitored in these cases.
- If the official vehicle is unavailable, vehicles of a similar make and model may be rented. If members travel by air, they are met at the airport by the VIP protection service, either in their official vehicle or rented vehicle.

Members of the executive were not frugal in using these vehicle benefits. It was reported by the media that ministers had spent more than R20 million on new official vehicles between 2019 and 2022.¹³

Domestic travel

- The flight costs of all members of the executive are covered for official purposes. Their spouses (or an adult family member who accompanies them in an official capacity) may accompany them on no more than six official domestic trips.

¹⁰ Head, T. 2022. Salary INCREASES for Ministers, MPs tabled – here's what they'll earn in 2022. *The South African*, 31 March. Available at <https://www.thesouthafrican.com/news/breaking-what-is-salary-increase-for-ministers-mps-how-much-earning-2022/>. Accessed on 11 July 2022.

¹¹ Republic of South Africa. 2019. *Guide for members of the executive*. Available at https://www.gov.za/sites/default/files/gcis_document/201912/guide-members-executive.pdf. Accessed on 19 September 2022, pp. 2–26.

¹² The amount for official car purchases is stated to be R700 000 in the 2019 *Guide for members of the executive*. However, the National Treasury approved an increase of the spending limit to R800 000. This has not been updated in the guide that is available on the government's website. See: BusinessTech. 2022. *Ministers in South Africa can now spend more on luxury cars – here's what they are driving*. 6 May. <https://businesstech.co.za/news/government/583792/ministers-in-south-africa-can-now-spend-more-on-luxury-cars-heres-what-they-are-driving/>. Accessed on 8 July 2022.

¹³ *Ibid.*

- The flight costs for dependent children who go along on official journeys are covered if these children cannot stay alone at home.
- The costs for VIP facilities at domestic airports are covered for members of the executive and their spouses.
- Any travel expenses that are incurred by members of the executive, their spouses (or adult family members who accompany them) and their children out of necessity if they cannot remain at home are reimbursed.
- National members of the executive and their spouses have access to twenty special single domestic flight tickets respectively per year. These tickets are used at the discretion of these members and may in some cases be exchanged for use by other family members.
- Dependent children of national members are eligible for an additional six air single tickets to reunite with their parents in either seat of office.

International travel

- National members of the executive may travel abroad for official visits on a maximum of two trips per year.
- National members of the executive may be accompanied by their spouses (or one adult family member) if the trip is longer than three days and they are invited to attend official functions.
- Provincial members of the executive may travel abroad if they put the necessary policy framework in place and adhere to the provisions that apply to national members.
- All members of the executive are allowed business class tickets for flights that are longer than two hours.
- The use of VIP lounges at international airports is encouraged for “security purposes”.
- Members of the executive and their spouses (or accompanying family members) receive accommodation, a daily allowance of 110% of the maximum allowance payable in terms of the financial manual issued by the Minister of Public Service and Administration. If the allowance proves insufficient, reasonable expenditure can be claimed back to the additional amount equivalent to the maximum daily allowance. Members are also reimbursed for expenditure on gratuities, drivers, newspapers, news magazines and other out-of-pocket expenses for which receipts are not normally issued.
- Members of the executive stay in 5-star hotels during overseas journeys.

Residences

- Members of the executive may occupy a state-owned residence free of charge.
- Members of the executive with two seats of office may, in addition to their free primary state residence, rent another state-owned residence at a market-related price.

- Water and electricity, domestic services, equipment (Wi-Fi, computers and relevant subscriptions) and security measures (including a guardhouse) are provided for.

Notably, the official cabinet residences that are in the Bryntirion Estate in Pretoria are exempted from load shedding (the planned interruption of electricity supply to prevent excessive load on the national grid), even though official government policy makes no provision for special exemption for ministers. Most remarkably, hospitals do not even enjoy this exemption – this recently came to light when it was reported that the Charlotte Maxeke Academic Hospital’s backup generators were unable to cope with stage 6 load shedding.¹⁴ According to the departmental spokesperson Thami Mchunu, the taxpayer was charged for the purchase and installation of power generators to the value of R1,3 million at the official residences of national members who live outside the areas that are exempted from load shedding in the 2021/2022 financial year. Due to the extensive load shedding, maintenance and diesel to fuel these generators cost the taxpayer more than R600 000 from April to June 2022.¹⁵

Personal and administrative support

In their private offices, ministers are each allocated seven staff members and two household aides; deputy ministers are each allocated five staff members and two household aides. Premiers are each allocated seven staff members and one household aide, while MECs are each allocated five staff members and one household aide.

In terms of departmental support to the offices of members of the executive, ministers receive two staff members each, while premiers and MECs receive one staff member each.

Key areas of government failure

Education

A quality education system is the foundation of any successful and prosperous country. Yet, from 2019 to 2022 South Africa’s education system continued to achieve poor results. An International Monetary Fund working paper showed in June 2019 that South Africa’s education budget corresponded to those of other countries of the Organisation for Economic Co-operation and Development, and far exceeded

¹⁴ Slabbert, A. 2022. *President en sy kabinet word pyn van beurtkrag gespaar*. Netwerk24, 10 July. Available at <https://www.netwerk24.com/netwerk24/nuus/aktueel/president-en-sy-kabinet-word-pyn-van-beurtkrag-gespaar-20220710>. Accessed 11 July 2022.

¹⁵ Slabbert, A. 2022. *Jy betaal R600 000 in drie maande vir ministers se kragopwekkers*. *Beeld*, 17 July. Available at <https://www.netwerk24.com/netwerk24/nuus/aktueel/jy-betaal-duur-aan-die-ministers-se-diesel-20220716>. Accessed on 20 September 2022.

most peer sub-Saharan countries in per capita terms.¹⁶ However, despite significant spending, South Africa's education system is consistently ranked among the worst performing in the world, as a 2020 global education benchmark – which ranked South Africa's education second last out of 75 countries – recently illustrated.¹⁷

The underperformance of South Africa's education system is the result of mismanagement and corruption at both provincial and national level. From 2019 to 2020 the education sector was responsible for annual unauthorised expenditure to the amount of almost R1,4 billion, according to the Auditor-General of South Africa (AGSA).¹⁸ The Department of Basic Education alone incurred fruitless and wasteful expenditure of R80 million.¹⁹ The AGSA further exposed that the same department spent R3,21 billion irregularly from 2020 to 2021.²⁰ However, the most significant drain on the government's education funding remains the mismanagement of the National Student Financial Aid Scheme (NSFAS), which is funded by the Department of Higher Education and Training. The NSFAS alone was responsible for irregular expenditure of R77,49 billion from 2020 to 2021.²¹ Legal claims against the Department of Higher Education and Training for the same period amounted to R5,16 billion – mostly due to a case of intellectual property infringement.²²

The same levels of mismanagement are also evident in ANC-led provincial governments. In 2020 the AGSA found that the education departments required “urgent intervention to prevent the collapse” of this key area of service delivery.²³ KwaZulu-Natal's provincial department of education incurred irregular expenditure of R1,58 billion and unauthorised expenditure of R240 million from 2019 to 2020,²⁴ while the Eastern Cape's provincial department of education incurred R990 million and the Free State's provincial department of education R100 million in unauthorised expenditure over the same period.²⁵

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- ¹⁶ Mlachila, M. & Tlhalefang M. 2019. *Struggling to make the grade: A review of the causes and consequences of the weak outcomes of South Africa's education system*. IMF working paper. Available at <https://www.imf.org/en/Publications/WP/Issues/2019/03/01/Struggling-to-Make-the-Grade-A-Review-of-the-Causes-and-Consequences-of-the-Weak-Outcomes-of-46644>. Accessed on 20 September 2022, pp. 49–51.
- ¹⁷ Workman, M. 2020. Our education system is broken, and unless we fix it, all else is doomed. *Daily Maverick*, 26 November. Available at <https://www.dailymaverick.co.za/article/2020-11-26-our-education-system-is-broken-and-unless-we-fix-it-all-else-is-doomed/>. Accessed on 25 July 2022.
- ¹⁸ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 58.
- ¹⁹ *Id.*, p. 93.
- ²⁰ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, p. 65.
- ²¹ *Id.*, p. 65.
- ²² *Id.*, p. 48.
- ²³ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 62.
- ²⁴ *Id.*, p. 90 & 92.
- ²⁵ *Id.*, p. 92.

This pattern of financial mismanagement was repeated in 2020 to 2021, when KwaZulu-Natal's provincial department of education again incurred R8,15 billion in irregular expenditure that was not speedily dealt with.²⁶ In the same period, the Eastern Cape's provincial department of education incurred R1,03 billion in unauthorised expenditure²⁷ and had a budget deficit of R2,90 billion.²⁸ The Free State's provincial department of education was responsible for R40 million in fruitless and wasteful expenditure in 2020 to 2021 alone.²⁹

In addition to widespread financial mismanagement, several high-profile scandals in the public education sector came to light in recent years. It was reported in September 2021 that Gauteng's provincial department of education had spent R431 million on awarding tenders for the decontamination of schools in 2020 during the Covid-19 pandemic.³⁰ Later in December 2021 six people – including employees of Mpumalanga's provincial department of education – were arrested for stealing a reported R3 million.³¹ These scandals, mismanagement and corruption have manifested in the dismal state of school infrastructure. According to the South African Human Rights Commission, 3 297 schools in South Africa in 2021 still had pit toilets, which severely put learners at risk of falling in.³² A further 253 schools were without water and 248 schools had no sanitation at all.

The mismanagement and corruption that took place from 2019 to 2022 in the national and provincial education departments are reflected in the sub-standard performance and poor infrastructure that characterises South Africa's education system. Against this background, it is apparent that, while a large sum of money is being spent on education, taxpayers are seeing very little value for the money that they spend.

Public enterprises

The Department of Public Enterprises is the South African government's shareholder representative that is tasked with overseeing several state-owned enterprises (SOEs). Under the leadership of Minister Pravin Gordhan since 2018, many of these enterprises continue to haemorrhage money and provide sub-

²⁶ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, p. 67.

²⁷ *Id.*, p. 45.

²⁸ *Id.*, p. 46.

²⁹ *Id.*, p. 53.

³⁰ Ngqakamba, S. 2021. *Three senior Gauteng govt officials face charges over R431m school decontamination tenders*. News24, 23 September. Available at <https://www.news24.com/news24/southafrica/news/just-in-three-senior-gauteng-govt-officials-face-charges-over-r431m-school-decontamination-tenders-20210923>. Accessed 8 July 2022.

³¹ McCain, N. 2021. *Six arrested in R3m education department fraud scandal*. News24, 21 December. Available at <https://www.news24.com/news24/southafrica/news/six-arrested-in-r3m-education-department-fraud-scandal-20211221>. Accessed 8 July 2022.

³² Fokazi, S. 2021. *3,297 SA schools still have pit toilets, risking lives of pupils – SAHRC*. TimesLIVE, 29 September. Available at <https://www.timeslive.co.za/news/south-africa/2021-09-29-3297-sa-schools-still-have-pit-toilets-risking-the-lives-of-pupils-sahrc/>. Accessed 7 July 2022.

standard service. This is corroborated by the AGSA's 2020/21 audit, which showed that outcomes for SOEs enterprises regressed and that the Department of Public Enterprises had accrued a budget deficit of R21,57 billion.³³

South Africa's flag-carrying airline South African Airways (SAA) was mismanaged to the point of bankruptcy in 2019. Subsequently, when the decision was taken to privatise SAA, many welcomed the initiative. However, it was soon reported that the government had sold a 51% share in SAA for US\$3 (about R51) to the Takatso Consortium according to an agreement in which a further US\$177 000 (about R3 billion) investment is pledged over the next two years. A rival consortium is now suing the government, claiming irregularities in the transaction.³⁴ The sale of the 51% share in SAA was also criticised by National Treasury, because it was revealed that the government will still carry certain costs after the sale³⁵ and that the transaction did not result in any much-needed proceeds for the taxpayer.³⁶

Transnet, a South African rail, port and pipeline company, was the subject of many scandals that related to state capture during the Zuma-era, according to findings by the Zondo Commission.³⁷ Despite coming under severe scrutiny for mismanagement and corruption, in 2020 to 2021 Transnet incurred irregular expenditure of R73,19 billion that was not speedily dealt with, as well as R31,10 billion in irregular expenditure and another R140 million in fruitless and wasteful expenditure.³⁸ Similarly, the state-owned military and aerospace conglomerate Denel is unable to steady its ship after having been tormented by corruption and mismanagement since the early 2000s. Denel was recently given a bailout that cost the taxpayer R3 billion.³⁹

South Africa's state-run electricity utility Eskom remains the greatest source of concern in public enterprises, despite promises by President Ramaphosa that achieving energy security is one of the country's "foremost priorities".⁴⁰ Eskom was one of the world's best energy providers until the early

³³ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, pp. 46, 146–150.

³⁴ Luckhoff, P. 2022. 'Little-known' company sues govt over R51 sale of SAA majority stake. *EWN*, 23 June. Available at <https://ewn.co.za/2022/06/23/little-known-company-sues-govt-over-r51-sale-of-saa-majority-stake>. Accessed on 5 July 2022.

³⁵ BusinessTech. 2022. *SAA chief executive on why it's different this time*. 21 June. Available at <https://businesstech.co.za/news/trending/598806/saa-chief-executive-on-why-its-different-this-time/>. Accessed on 18 July 2022.

³⁶ BusinessTech. 2022. *Government sued for selling SAA for R51*. 23 June. Available at <https://businesstech.co.za/news/government/599816/government-sued-for-selling-saa-for-r51/>. Accessed on 13 July 2022.

³⁷ Nicolson, G. 2022. State Capture Central: How Transnet became the hub of the Gupta looting frenzy. *Daily Maverick*, 2 February. Available at <https://www.dailymaverick.co.za/article/2022-02-02-state-capture-central-how-transnet-became-the-hub-of-the-gupta-looting-frenzy/>. Accessed on 20 September 2022.

³⁸ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, pp. 53, 65 & 67.

³⁹ Larkin, P. 2022. Denel ordered to pay R90m to Solidarity members or face asset seizure. *IOL*, 25 February. Available at <https://www.iol.co.za/business-report/economy/denel-ordered-to-pay-r90m-to-solidarity-members-or-face-asset-seizure-4c9aa765-21d5-4f5a-81b8-dae4d2c8a1bc>. Accessed on 9 July 2022.

⁴⁰ TechCentral. 2022. *Ramaphosa vows to bring an end to load shedding*. 25 April. Available at <https://techcentral.co.za/ramaphosa-vows-to-bring-an-end-to-load-shedding/210418/>. Accessed on 12 July 2022.

2000s – it won international awards and provided energy to many Southern African countries.⁴¹ Yet, under ANC management it has deteriorated over the last decades due to mismanagement, corruption and its racially discriminatory employment policies of black economic empowerment (BEE).⁴² It now finds itself R396 billion in debt and will soon have to borrow a further R45 billion, according to reports.⁴³

Given Eskom’s near collapse, load shedding has become the norm in South Africa since 2008 due to the government’s failure to deal with Eskom’s failures. Eskom’s electricity provision crisis further worsened from 2019 to 2022 and is rapidly becoming a national crisis. Between 1 January and 30 June 2022, Eskom had already implemented load shedding of 2,276 GWh (or 90% of the total load shedding for 2021) – this while 2021 had already been the worst year to date. The extent of load shedding in the first half of 2022 is also already higher than the total load shedding for 2020. In addition, South Africa’s electricity infrastructure remains in critical need of maintenance. Half of the units at 14 power stations break down within nine months of being repaired. Yet, Eskom’s pleas for government to procure additional generating capacity to perform maintenance on existing power stations have fallen on deaf ears.⁴⁴ A recent conservative estimate found that stage 6 load shedding costs the economy R4 billion per day. It also found that South Africa’s GDP could have been R360 billion to R450 billion larger without load shedding and that 1 million employment opportunities were lost because of government-enforced blackouts.⁴⁵

Health

The ailing public health sector in South Africa continues to place an immense strain on the taxpayer’s wallets due to mismanagement and corruption. It was revealed in the AGSA’s 2019/2020 audit that, out of the nine provincial health departments and the national Health Department, only the Western Cape’s provincial health department managed to obtain a clean audit.⁴⁶ The AGSA found that Gauteng’s provincial department of health was responsible for R15,87 billion in irregular expenditure not speedily dealt with; KwaZulu-Natal’s provincial department of health incurred R9,93 billion in irregular

⁴¹ EngineeringNews. 2002. *Eskom a powerhouse in world energy*. 22 February. Available at <https://www.engineeringnews.co.za/print-version/eskom-x2013-a-powerhouse-in-world-energy-2002-02-22>. Accessed on 15 July 2022.

⁴² Janse van Rensburg, R. 2022. *6 reasons you are paying more for electricity due to BEE*. 24 July. Available at <https://solidariteit.co.za/en/6-reasons-you-are-paying-more-for-electricity-due-to-bee/>. Accessed on 25 July 2022.

⁴³ BusinessTech. 2022. *Eskom may need to borrow another R45 billion*. 15 July. Available at <https://businesstech.co.za/news/government/606936/eskom-may-need-to-borrow-another-r45-billion/>. Accessed 16 July 2022.

⁴⁴ MyBroadband. 2022. *Eskom’s problems even worse than they look*. 3 July. Available at <https://mybroadband.co.za/news/energy/451134-eskoms-problems-even-worse-than-they-look.html>. Accessed on 12 July 2022.

⁴⁵ BusinessTech. 2022. *Stage 6 load shedding costs South Africa over R4 billion per day: economist*. 1 July. Available at <https://businesstech.co.za/news/energy/602056/stage-6-load-shedding-costs-south-africa-over-r4-billion-a-day-economist/>. Accessed on 12 July 2022.

⁴⁶ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, p. 102.

expenditure not speedily dealt with, while North West's provincial department of health incurred R9,80 billion in irregular expenditure not speedily dealt with.⁴⁷ The Public Protector's investigation into more than a dozen public hospitals in Limpopo, Mpumalanga, Gauteng and KwaZulu-Natal found that public health facilities were violating South Africans' rights.⁴⁸ This was due to, among others, severe medical staff shortages, inadequate equipment and insufficient infrastructure to provide for the needs of patients. It was also reported that medical claims against the national Department of Health in the 2020/2021 and 2021/2022 financial years had amounted to an estimated R21 billion.⁴⁹ The revamp of the 1 Military Hospital in Pretoria has become a bottomless pit and by September 2021 has already cost the taxpayer R1 billion.⁵⁰

The failures in the public health sector were further exposed during the Covid-19 pandemic. The Special Investigating Unit (SIU) investigated around 10% of the R152,5 billion that was spent on the Covid Relief Fund during the early stages of the pandemic (from April 2020 to September 2021). It found finalised irregularities of R7,8 billion out of a total contract value of R13,4 billion that it had investigated. It also referred matters to the value of R2,1 billion to the special tribunal.⁵¹ In this same report Zweli Mkhize, the then Minister of Health, is implicated in the Digital Vibes scandal. In 2022, the SIU argued before the special tribunal that the R150 million Digital vibes contract was a money-laundering scheme to channel funds to Mkhize and his family.⁵² Mkhize was compelled to resign as a result.

The above crises contribute to the severe shortage of doctors and a doctor-to-patient ratio of 0,32 to 1 000. This troubling admission in 2022 by Joe Phaahla, current Minister of Health, came after South Africa has already had a poor doctor-to-patient ratio of 0,79 doctors per 1 000 patients in 2019. This ratio is lower than that of the UK (3,03 to 1 000), India (0,93 to 1 000), Brazil (2,32 to 1 000) and Mexico (2,44 to 1 000).⁵³ The ANC government's long-standing suspicious relationship with Cuba again surfaced during the Covid-19 pandemic: It was reported that 217 Cuban doctors had been deployed to South Africa at a

⁴⁷ *Id.*, p. 67.

⁴⁸ Evans, J. 2021. Public Protector investigation finds that hospitals violate South Africans' rights. *Daily Maverick*, 3 October. Available at <https://www.dailymaverick.co.za/article/2021-10-03-public-protector-investigation-finds-that-hospitals-violate-south-africans-rights/>. Accessed on 5 July 2022.

⁴⁹ Felix, J. 2022. *Billions in medical negligence claims rock state hospitals: How the provinces stack up*. News24, 28 June. Available at <https://www.news24.com/news24/southafrica/politics/billions-in-medical-negligence-claims-rock-state-hospitals-how-the-provinces-stack-up-20220628>. Accessed on 12 July 2022.

⁵⁰ BusinessTech. 2021. *R1 billion Tshwane Military Hospital revamp project described as 'milking cow'*. 3 September. Available at <https://businesstech.co.za/news/government/518358/r1-billion-tshwane-military-hospital-revamp-project-described-as-a-milking-cow/>. Accessed on 8 July 2022.

⁵¹ Special Investigating Unit (SIU). 2021. Final report to the President in terms of section 4(1)(f) of the Special Investigating Units and Special Tribunals Act No. 74 of 1996. Available at https://www.gov.za/sites/default/files/gcis_document/202201/final-consolidated-report.pdf. Accessed on 20 September 2022, pp. 4–7.

⁵² AmaShabalala, M. 2021. Dirco finance boss shown the door over R118m New York scandal. *TimesLIVE*, 4 October 2021. Available at <https://www.timeslive.co.za/politics/2021-10-04-dirco-finance-boss-shown-the-door-over-r118m-new-york-land-scandal/>. Accessed on 18 July 2022.

⁵³ BusinessTech. 2022. *Critical doctor shortage in South Africa*. 9 May. Available at <https://businesstech.co.za/news/lifestyle/584540/critical-doctor-shortage-in-south-africa-raises-concerns-for-governments-nhi-plans/>. Accessed on 9 May 2022.

reported cost of R439 million to help during the health crisis – when many South African doctors remained unemployed during this time.⁵⁴

Considering the failures of the national Department of Health and the ANC-led provincial health departments, AfriForum and other civil society organisations have consistently warned the government against the implementation of National Health Insurance (NHI). They warn that NHI is unaffordable due to the estimated R112 billion budget deficit that it would cause,⁵⁵ as well as that it would be susceptible to the same corruption and failures that are evident in not only other state-run enterprises but also in the public health sector, and that it will cause the mass emigration of healthcare professionals. A survey by the South African Medical Association in 2021 found that 38% of its members would emigrate if NHI were to be implemented. Another 17% indicated that they were still unsure if they would emigrate, while a further 6% were already planning to leave due to other reasons.⁵⁶ Despite these ominous signs and warnings, Phaahla remains determined to enact the legislation.

International relations and cooperation

The South African government acts as if it has a significant international presence, despite the country's national problems and declining global influence. With 125 foreign missions in 108 countries, South Africa is reputed to have the second-highest number of foreign missions after the United States.⁵⁷ The Department of International Relations and Cooperation (DIRCO) rents over 1 000 properties abroad in addition to 127 state-owned properties, while also spending R1,2 billion on renovations and upgrades over the medium term.

Despite its large expenditure on maintaining South Africa's image on the world stage, DIRCO has in recent years come under the microscope for scandals that relate to the diplomatic service. Caiphus Ramashau, the Chief Financial Officer of DIRCO, was removed from his position in December 2021 after he had been found guilty of irregular expenditure for purchasing apparently non-existent land to the value of US\$9 million (R118 million) in New York. The land was supposed to be used to accommodate South Africa's permanent mission to the United Nations and the New York consulate.⁵⁸ It was confirmed

⁵⁴ Davis, R. 2020. Is the deployment of Cuban doctors to SA justified? *Daily Maverick*, 30 April. Available at <https://www.dailymaverick.co.za/article/2020-04-30-is-the-deployment-of-cuban-doctors-to-sa-justified/>. Accessed 7 July 2022.

⁵⁵ Du Buisson, T. 2021. *The true cost of NHI*. Available at <https://solidariteit.co.za/wp-content/uploads/2021/06/NHI-Report-2021.pdf>. Accessed on 20 September 2022, p. 17.

⁵⁶ BusinessTech. 2021. *Doctors threaten to leave South Africa because of the NHI*. 4 June. Available at <https://businesstech.co.za/news/government/496007/doctors-threaten-to-leave-south-africa-because-of-the-nhi/>. Accessed on 5 July 2022.

⁵⁷ Grzud, S. 2021. What value do we get from DIRCO? *NEWSI*, 30 June. Available at <https://www.news1.co.za/opinion/what-value-do-we-get-from-dirco>. Accessed 4 July 2022.

⁵⁸ AmaShabalala, M. 2021. Dirco finance boss shown the door over R118m New York scandal. *TimesLIVE*, 4 October 2021. Available at <https://www.timeslive.co.za/politics/2021-10-04-dirco-finance-boss-shown-the-door-over-r118m-new-york-land-scandal/>. Accessed on 18 July 2022.

by DIRCO in December 2020 that Thandile Sunduza, South Africa's Consul General in Los Angeles, had rejected more than 20 properties as being unsuitable. Apparently, Sunduza had her eyes set on the famous and expensive Rodeo Drive in Beverley Hills.⁵⁹

The Austrian TV show *Burgeranwalt* exposed David Kweli Nkosi, a South African diplomat, for causing damages of €42 000 (R715 000) to a luxury apartment rented for him by DIRCO in Vienna, Austria over a period of two years.⁶⁰ It was also revealed that Nkosi was previously responsible for damages to another rental property amounting to INR306 850 (R53 612) while posted in India. According to DIRCO's further response, the Department had lost over R9 million due to damages that had been caused to rented properties by diplomats in the previous five years.⁶¹ The AGSA, reports that DIRCO was responsible for R150 million in unauthorised expenditure in 2020/2021,⁶² and R250 million in unauthorised expenditure in 2019/2020.⁶³

In addition to these scandals, DIRCO has often been criticised for maintaining archaic Cold War-era relations with Cuba. This was again highlighted by government's announcement at the beginning of 2022 that it would be donating R50 million to Cuba through the African Renaissance and International Cooperation Fund Act 51 of 2000. AfriForum subsequently sent a lawyer's letter to DIRCO to demand a written explanation for the donation and to request an explanation as to where the funds for this donation would come from. DIRCO's explanation was that the donation was being made following a request from Cuba for humanitarian aid and that the funds were readily available. This explanation did not satisfy AfriForum, however, and the civil rights organisation took legal action and successfully obtained an interdict against the donation in the Pretoria High Court in March 2022. This prevented government from disbursing any funds until such time that the later review application is heard.⁶⁴

AfriForum requested access to the record of the decision-making for the donation as part of its review application. Upon studying the record, it became apparent that DIRCO has in fact paid more than

⁵⁹ Gerber, J. 2020. *Pandor clears the air over SA's Los Angeles consul general's 'demand for luxury home'*. *News 24*, 11 December 2020. Available at <https://www.news24.com/news24/SouthAfrica/News/pandor-clears-the-air-over-sas-los-angeles-consul-generals-demand-for-luxury-home-20201211>. Accessed 2 July 2022.

⁶⁰ Gerber, J. 2021. *SA diplomat who 'trashed' apartment in Vienna accused of causing damage worth R53k in India*. *News 24*, 24 May. Available at <https://www.news24.com/news24/southafrica/news/sa-diplomat-who-trashed-apartment-in-vienna-accused-of-causing-damage-worth-r53k-in-india-20210524>. Accessed on 20 September 2022.

⁶¹ Shange, N. 2022. *SA diplomat who left luxury apartment in Vienna in tatters should pay R700k bill, says DA*. *TimesLIVE*, 24 May. Available at <https://www.timeslive.co.za/politics/2021-05-24-sa-diplomat-who-left-luxury-apartment-in-vienna-in-tatters-should-pay-r700k-bill-says-da/>. Accessed on 12 July 2022.

⁶² Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, p. 45.

⁶³ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 92.

⁶⁴ AfriForum. 2022. *Success: Interdict granted against R50 million Cuba donation*. Media statement released on 22 March. Available at <https://afriforum.co.za/en/success-interdict-granted-against-r50-million-cuba-donation/>. Accessed on 12 July 2022.

R350 million in grants to Cuba since 2012 – in addition to the R50 million donation that was pledged in 2022.⁶⁵ Despite the public indignation that this revelation caused, the government seems more determined than ever to go ahead with the Cuba donation and is opposing AfriForum’s case. According to Naledi Pandor, Minister of DIRCO, she could not understand the “mystery” of the anti-Cuba sentiment.⁶⁶ The donation is even more unjustifiable considering that South Africa is ranked higher on the World Hunger Index than Cuba. This means that food insecurity and hunger are more severe in South Africa than in Cuba.⁶⁷

Police and defence

Since taking office as Minister of Police in 2018, Bheki Cele has failed to address the rampant crime plaguing the country. After the lockdown and other restrictions that had been implemented during the Covid-19 pandemic were finally lifted, crime statistics exploded. According to the SAPS, 12 942 murders and 22 133 rapes were recorded between October 2021- March 2022 alone.^{68, 69} This translates to 71 murders and 121 cases of rape per day. The degree of SAPS failure and the unsafety of the South African society is further highlighted by the fact that there are currently three times more private security officers (557 277)⁷⁰ than SAPS officers (182 126). There has also been an effective 8% decrease in SAPS staff since 2011/2012.⁷¹ These worrying figures show that the government continues to fail in its most basic task of keeping its citizens safe. In addition to the crime epidemic that is plaguing South Africa, legal claims against the Department of Police at the 2020/2021 year-end totalled R7,71 billion. These claims mostly relate to wrongful arrests, the unlawful or unnecessary use of firearms, collisions or

⁶⁵ AfriForum. 2022. *Court record shows government is actually planning to donate R350 million to Cuba*. Media statement released on 6 May. Available at <https://afriforum.co.za/en/court-record-shows-government-is-actually-planning-to-donate-r350-million-to-cuba/>. Accessed on 12 July 2022.

⁶⁶ Zama, Z. 2022. ‘There is mystery of a very determined anti-Cuba sentiment,’ Pandor on donations. EWN, 18 May. Available at <https://ewn.co.za/2022/05/18/there-is-mystery-of-a-very-determined-anti-cuba-sentiment-pandor-on-donations>. Accessed on 18 July 2022.

⁶⁷ Von Grebmer, K., Bernstein, J., Wiemers, M., Schiffer, T., Hanano, A., Towey, O., Chéilleachair, R.N., Foley, C., Gitter, S., Ekstrom K. & Fritschel, H. 2021. *2021 Global Hunger Index: Hunger and food systems in conflict settings*. Available at <https://www.globalhungerindex.org/pdf/en/2021.pdf>. Accessed on 20 September 2022, p. 13.

⁶⁸ South African Police Service. 2021. *Police recorded crime statistics*. Available at https://www.saps.gov.za/services/downloads/third_quarter_presentation_2021_2022.pdf. Accessed on 6 July 2022.

⁶⁹ *Idem*.

⁷⁰ BusinessTech. 2022. *Big shift for private security in South Africa*. 25 April. Available at [https://businesstech.co.za/news/business/580502/big-shift-for-private-security-in-south-africa/#:-:text=The%20total%20number%20of%20registered,the%20Western%20Cape%20\(12%25\)](https://businesstech.co.za/news/business/580502/big-shift-for-private-security-in-south-africa/#:-:text=The%20total%20number%20of%20registered,the%20Western%20Cape%20(12%25)). Accessed 6 July 2022

⁷¹ BusinessTech. 2022. *Here’s how many police officers there are in South Africa and what they earn*. 24 April. Available at <https://businesstech.co.za/news/government/579116/heres-how-many-police-officers-there-are-in-south-africa-and-what-they-earn/#:-:text=By%20comparison%2C%20its%20most%20up,an%20effective%20decrease%20of%208.8%25>. Accessed 24 April 2022.

damages to vehicles or property, and assaults during arrest or interrogation.⁷² The Department also recorded a budget deficit of R3,54 billion in 2019/2020.⁷³

The Department of Defence also came under scrutiny for several high-profile failures in recent years. In January 2022, the South African National Defence Force (SANDF) was forced to return irregularly procured Covid-19 drugs worth R228 million to Cuba. The reason for this was because the drug Heberon Alfa R 2b had not been approved by the South African Health Products Regulatory Authority when the SANDF imported it into South Africa.⁷⁴ In 2019/2020, the Department recorded a financial loss of R2,57 million after awarding a contract in July 2020 by using evaluation criteria that differed from criteria that had been stipulated in the original request. The Department also recorded a financial loss of R108,3 million for lease payments made between 2015 and 2020 for unoccupied buildings. It further awarded a contract irregularly, which resulted in increased project costs and a subsequent financial loss of R250,6 million.⁷⁵ Most worryingly, the Department incurred irregular expenditure of R2,84 billion in 2019/2020 that related to non-compliance with legislation to restrict overspending on the budget for employee compensation.⁷⁶ The Department again incurred irregular expenditure of R2,44 billion and irregular expenditure not speedily dealt with of R7,97 billion in 2020/2021.⁷⁷ Lastly, legal claims against the Department of Defence amounted to R5,51 billion in 2020/2021.⁷⁸

A recent AfriForum documentary exposed how the Department of Defence and the Department of Police struggle to protect the country's porous borders and prevent the smuggling of large quantities of contraband.⁷⁹ The SANDF also failed to quell the severe riots that gripped South Africa between 9 and 18 July 2021. These riots were caused by public reaction to the arrest of former President Jacob Zuma, as well as unemployment and economic crises because of the government's mismanagement of its Covid-19 pandemic response efforts.⁸⁰

⁷² Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, p. 47.

⁷³ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 60.

⁷⁴ Gibson, E. 2022. Back to Cuba: SANDF returns irregularly procured Covid drug worth R228m. DailyMaverick <https://www.dailymaverick.co.za/article/2022-01-26-back-to-cuba-sandf-returns-irregularly-procured-covid-drug-worth-r228m/>

⁷⁵ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, pp. 36 & 43.

⁷⁶ *Id.*, p. 90.

⁷⁷ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>. Accessed on 20 September 2022, pp. 65 & 67.

⁷⁸ *Id.*, p. 47.

⁷⁹ AfriForum. 2022. *Open borders: South Africa/ Zimbabwe | Documentary* [YouTube Video]. 15 March, at 00:21- 24:00. Available at <https://www.youtube.com/watch?v=bAC15FoZmOo&t=362s>. Accessed on 6 July 2022.

⁸⁰ Kenny, A. 2021. The real reasons for South Africa's riots. *Spectator*, 31 July. Available at <https://www.spectator.co.uk/article/the-real-reasons-for-south-africas-riots>. Accessed on 13 July 2022.

It is estimated that the looting and rioting caused R50 billion in damages. It also resulted in the deaths of 354 people.⁸¹ An official investigating into the riots found that government's response was not timeous, appropriate or sufficient, and that it failed to do the necessary to protect "life, limb and property".⁸² The ineptitude of investigations is demonstrated by the fact that a year after the July riots, it is also still completely unknown to the government who masterminded the chaos.⁸³

Transport

Minister of Transport Fikile Mbalula was appointed to this key cabinet portfolio despite the Public Protector having found that he had violated the executive ethics code while he was Minister of Sports from 2010 to 2017. This finding relates to an overseas trip of R680 000, of which R300 000 was paid by a company that did business with the South African Sports Confederation and Olympic Committee, thus creating a conflict of interest.⁸⁴ In the beginning of 2021, the Public Protector again accused Minister Fikile Mbalula of irregularly employing three employees as advisors in the Department at salaries of R1,45 million, R1,52 million and R1,71 million per year. The minister himself admitted wrongdoing by stating that he "has undertaken to recover the money."⁸⁵

In addition to its role in maintaining the road and aviation infrastructure, the Department of Transport is also responsible for overseeing several semi-independent and state-owned enterprises. The Passenger Rail Agency of South Africa (PRASA), which is overseen by the Department of Transport, was responsible for R40 million in fruitless and wasteful expenditure, and for R28,59 billion in irregular expenditure that was not speedily dealt with in 2020/2021.⁸⁶ It came to light at the beginning of 2022 that PRASA reportedly had 3 000 ghost employees who were paid full salaries. The total financial loss of these ghost employees is yet unknown, Minister Fikile Mbalula confirmed in July 2022 that the exact sum was still being calculated.⁸⁷ In

⁸¹ Daniel, L. 2022. SA retailers still reeling a year after July unrest- as hundreds of stores remain closed, Business Insider, 9 July. Available at <https://www.businessinsider.co.za/july-unrest-recovery-by-south-african-retailers-a-year-later-2022-7#:~:text=The%20July%20unrest%20of%202021,duet%20to%20reopen%20in%202023>. Accessed on 12 August 2022.

⁸² The Presidency of the Republic of South Africa. 2021. Report of the Expert Panel into the July 2021 civil unrest. Available at <https://www.thepresidency.gov.za/content/report-expert-panel-july-2021-civil-unrest>, p. 140.

⁸³ Karrim, A. 2022. July unrest one year on, SA still doesn't know who masterminded the chaos. News24, 8 July. Available at <https://www.news24.com/news24/southafrica/investigations/july-unrest-one-year-later-sa-still-doesnt-know-who-masterminded-the-chaos-20220707-2>. Accessed on 10 July 2022.

⁸⁴ News24. 2018. UPDATE: Mbalula found wanting over Dubai trip, but he escapes sanction. 19 December. Available at <https://www.news24.com/News24/mbalula-violated-constitution-by-taking-dubai-trip-but-escapes-sanction-20181219>. Accessed on 17 July 2022.

⁸⁵ Letshwiti-Jones, 2021. Public Protector report claims Fikile Mbalula overpaid three of his advisors. News24, 30 June. Available at <https://www.news24.com/news24/southafrica/news/public-protectors-report-claims-fikile-mbalula-overpaid-three-of-his-advisors-20210630>. Accessed on 9 July 2022.

⁸⁶ Auditor-General of South Africa. 2021. Consolidated general report on national and provincial audit outcomes. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>, pp. 53 & 67.

⁸⁷ Nombembe, P. 2022. Prasa still calculating amount paid to 3 000 ghost workers, says Mbalula. SowetanLIVE, 11 June. Available at <https://www.sowetanlive.co.za/news/south-africa/2022-06-11-prasa-still-calculating-amount-paid-to-3000-ghost-workers-says-mbalula/>. Accessed on 20 July 2022.

March 2022 it was admitted by Mbalula that PRASA was unable to protect its infrastructure and that criminal syndicates were working together with employees to strip the infrastructure of copper and other metal.⁸⁸

Provincial transport departments have been found to be some of the most poorly managed government departments in the country, according to reports by the Auditor-General. Gauteng's provincial department of roads and transport incurred irregular expenditure of R2,17 billion due to non-compliance with procurement requirements, while KwaZulu-Natal's provincial department of transport incurred irregular expenditure of R5,47 billion in 2019/2020 due to non-compliance with legislation and procurement process requirements.⁸⁹ KwaZulu-Natal's provincial department of transport was again responsible for R17,84 billion in irregular expenditure from 2020/2021 that was not speedily dealt with, and R6,41 billion in irregular expenditure in the same period.⁹⁰ In the 2020/2021 financial year the Eastern Cape's provincial department of transport incurred R2,43 billion, Gauteng's provincial department of roads and transport R2,01 billion and the Northern Cape's provincial department of roads and public works R3,21 billion in irregular expenditure – almost R8 billion between these three provincial departments.⁹¹

Due to the systemic failures of the national Department of Transport, it has become increasingly difficult to renew driving license cards. It was confirmed by the Department that there was a country-wide backlog of more than 2,1 million driver's licenses that expired on 31 March 2022.⁹² Moreover, South Africa's railway network⁹³ and roads have deteriorated to such an extent that 80% of these have reached the end of their design life.⁹⁴ Despite the poor performance of his department and allegations of corruption and mismanagement against its minister, no steps have yet been taken to remove him from his post. The mismanaged national Department of Transport and ANC-led provincial transport departments are greatly contributing to government failure in South Africa.

⁸⁸ Felix, J. *Transport Minister Fikile Mbalula paints grim picture of Prasa's affairs*. News24, 22 March. Available at <https://www.news24.com/news24/SouthAfrica/News/transport-minister-fikile-mbalula-paints-grim-picture-of-prasas-affairs-20220322>. Accessed on 18 July 2022.

⁸⁹ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 90.

⁹⁰ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>, pp. 65 & 67.

⁹¹ *Id.*, p. 65.

⁹² BusinessTech. 2022. *Big driving licence problem for South Africa*. 24 March 2022. Available at <https://businesstech.co.za/news/motoring/571146/big-driving-licence-problem-for-south-africa/>. Accessed on 16 July 2022.

⁹³ Williams, D. *What broke South African rail and can it be fixed?* *Daily Maverick*, 20 April. Available at <https://www.dailymaverick.co.za/article/2021-04-20-what-broke-south-african-rail-and-can-it-be-fixed/>. Accessed on 23 July 2022.

⁹⁴ BusinessTech. 2022. *80% of South Africa's roads have reached the end of their design life: minister*. 24 February. Available at <https://businesstech.co.za/news/motoring/562306/80-of-south-africas-roads-have-reached-the-end-of-their-design-life-minister/>. Accessed on 22 July 2022.

Water and sanitation

As President Ramaphosa correctly stated recently, South Africa is a water-scarce country.⁹⁵ However, from 2019 to 2022, South Africa's water and sanitation infrastructure has reached further critical levels of failure. Despite restructuring the cabinet in 2021 in such a way that the portfolio for Water and Sanitation became a separate ministry, the problems that are facing this area of government have not abated.

The Water Trading Entity, which is overseen by the Department of Water and Sanitation, incurred fruitless and wasteful expenditure of R570 million in 2019/2020.⁹⁶ In 2020/2021 the Water Trading Entity again incurred R7,73 billion in irregular expenditure that was not speedily dealt with. In the same period, the Department of Water and Sanitation incurred a further R400 million in fruitless and wasteful expenditure and R9,63 billion in irregular expenditure that was not speedily dealt with.⁹⁷

The irregular, fruitless and wasteful expenditure is evident in the collapsing service delivery and infrastructure around the country. According to a recent Bizcommunity article, a shocking 50% of wastewater treatment plants in South Africa failed to treat sewage properly and that 39% are in a critical state.⁹⁸ This is evident of a looming environmental catastrophe: Not only is sewage not being treated properly before being released back into the environment – but much of the sewage is spilling directly into the environment before even being treated by treatment plants.⁹⁹

It was also reported that urban centres are losing around 50% or more of their existing water supply due to leaks.¹⁰⁰ This contributes to the shrinking water supply in South Africa. Concerns about water shortages are shared by Amnesty International SA, who warned that South Africa will face a water supply deficit of 17% by 2030 if the government fails to invest in water infrastructure and technology.¹⁰¹ However, many towns have already reached critical levels of failure regarding water and sanitation. It was reported in June 2022 that

⁹⁵ Bega, S. 2022. SONA 2022: 'Water is South Africa's most precious natural resource' – Ramaphosa. *Mail & Guardian*, 10 February. Available at <https://mg.co.za/news/2022-02-10-sona-2022-water-is-south-africas-most-precious-natural-resource-ramaphosa/>. Accessed on 22 July 2022.

⁹⁶ Auditor-General of South Africa. 2020. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/201920/PFMA%202019-20%20Report%20-%20signed.pdf>. Accessed on 20 September 2022, p. 93.

⁹⁷ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>, pp. 53, 67.

⁹⁸ Bizcommunity. 2022. *7 solutions to improve SA's wastewater infrastructure performance, revenue*. 6 July. Available at <https://www.bizcommunity.com/Article/196/604/229402.html>. Accessed on 15 July 2022.

⁹⁹ Kretzmann, S. 2022. 'A tsunami of human waste' – Half of SA's sewage treatment works are failing, says report. 21 June. *Daily Maverick*, 21 June. Available at <https://www.dailymaverick.co.za/article/2022-06-21-a-tsunami-of-human-waste-half-of-sas-sewage-treatment-works-are-failing-says-study/>. Accessed on 12 July 2022.

¹⁰⁰ Carnie, T. 2022. Enormous amounts of water are wasted daily- now municipalities are being told to 'stop the leaks'. *Daily Maverick*, 17 March. Available at <https://www.dailymaverick.co.za/article/2022-03-17-enormous-amounts-of-water-are-wasted-daily-now-municipalities-are-being-told-to-stop-the-leaks/>. Accessed on 22 June 2022.

¹⁰¹ *TimesLIVE*. 2022. Investment in water security needed now, says Amnesty on looming crisis in SA. 7 July. Available at <https://www.sowetanlive.co.za/news/south-africa/2022-07-07-investment-in-water-security-needed-now-says-amnesty-on-looming-crisis-in-sa/>. Accessed on 20 September 2022.

the town of Hebron in North West had been without water since October 2021 – at least eight months, therefore.¹⁰² Large cities are similarly susceptible to failing water and sanitation infrastructure and services. In 2018 the City of Cape Town (with a population of nearly 4 million) ran a serious risk of running out of water. Recently the City of Gqeberha (with a population of nearly 1 million) also found itself facing a serious water shortage. This is due not only to a historic drought in the region, but also because the city loses a third of its water due to leaks.¹⁰³ Considering the above, it is evident that water and sanitation are fast becoming a crisis in South Africa. This is yet another area in which government is squandering large amounts of tax money for extremely poor results and in which the Ramaphosa II cabinet and ANC-led provincial governments have failed to address since its inception in 2019.

Conclusion

Key findings

First and foremost, this report paints a very troubling picture of the failures of the Ramaphosa II cabinet and some ANC-led provincial government departments in key governance areas. Nothing encapsulates the degree of government failure more than the fact that the departments and public entities with clean audit statuses only represented 19% of the expenditure budget of R1,9 trillion that is managed by local and provincial government. This same audit found that the national government was responsible for fruitless and wasteful expenditure amounting to R1,09 billion.¹⁰⁴ This leads to a further two related findings. First, the ANC government's failures that are exposed by this report are both practical and ideological in nature. Accordingly, the ANC does not only fail in practical terms to provide essential services and alleviate corruption in the public sector, but it also fails ideologically to provide the basis for growth and prosperity in South Africa by resolutely following a policy of centralisation and increased government involvement in all spheres of society. This means that the centralised nature of the South African political system engenders the failures that are illustrated in this report because it gives the government too much power. Second, using these findings as a point of departure, it follows that people simply cannot rely on the government as their rescuer and should look towards other alternatives if they wish to create a safe, prosperous and free society in South Africa.

¹⁰² BusinessTech. 2022. *This South African town has been without water for 8 months*. 28 June. Available at <https://businesstech.co.za/news/government/601124/this-south-african-town-has-been-without-water-for-8-months/>. Accessed on 12 July 2022.

¹⁰³ Brown, R.L. 'Day Zero' water crisis looms on South Africa's eastern cape. *The Washington Post*, June 19. Available at <https://www.washingtonpost.com/world/2022/06/19/south-africa-water-day-zero/>. Accessed on 20 July 2022.

¹⁰⁴ Auditor-General of South Africa. 2021. *Consolidated general report on national and provincial audit outcomes*. Available at <https://www.agsa.co.za/Portals/0/Reports/PFMA/202021/Consolidated%20PFMA%20General%20Report%202020-21%20-%20FINAL%208%20December.pdf?ver=2021-12-08-114517-993>, pp. 3 & 53.

Recommendations

Government

The deep-rooted and systemic failure of key areas of government in South Africa that are illustrated in this report point toward the inescapable reality that there is no longer any panacea for the government's failures. To escape from the hole that it has dug itself into, the government must implement radically different policies and governance structures. First, this necessitates government holding accountable those who are responsible for corruption and mismanagement. Government must also discontinue the discriminatory and destructive policies of BEE and cadre deployment. Over and above the discriminatory nature of these policies, it did not ensure empowerment and prosperity for ordinary South Africans. Instead, it benefitted a small elite group of people and played a significant role in the decay of the public administration sector. Yet, the Ramaphosa II cabinet continues to allow corruption and mismanagement to flourish in the public sector with an air of impunity and has not taken steps to reverse discriminatory policies.

Second, in line with Rossouw and Joubert's research from 2021,¹⁰⁵ AfriForum recommends that government must drastically restructure the budget to move the country away from the fiscal cliff. Traditionally, government's role is to create an environment in which the private sector can function at an optimum level to create wealth and prosperity. However, in South Africa the government is attempting to usurp this role of the private sector by paying social grants to nearly 50% of the population. Since the servicing of state debt, civil service salaries and social payments are on the verge of surpassing the country's total income, the government must take drastic steps to reduce these costs. According to Rossouw and Joubert, this requires a reconsideration of the government's ideological view of the economy, as well as the implementation of non-populist steps to prevent a permanent fiscal cliff – or a failed state. An important step would be reducing the size of cabinet to conform to international standards. Remuneration packages for high-ranking government officials should further be decreased to be aligned with countries with a similar per capita GDP as South Africa, for example Botswana and Thailand. However, by announcing retroactive salary raises for senior government officials in 2022 (including the cabinet) and not taking far-reaching steps to reduce state debt and social welfare payments, the country is continuing its road towards a permanent fiscal cliff.

Third, AfriForum recommends a policy of decentralisation towards a federal dispensation. Decentralisation would give provinces and municipalities more direct control over the way in which their tax money is spent. If more funds reach grassroots level, communities can hold their political representatives responsible for

¹⁰⁵ Joubert, F. & Rossouw J. 2021. Wat kom ná Suid-Afrika se fiskale afgrond? *Journal of Humanities* 61(2): pp. 471–489 (pp. 486–487).

the standard of governance in their areas. To achieve this, centralised powers must be ceded to local government structures, a policy that the ANC government wholly opposes.

The privatisation of failing SOEs that place immense strain on the taxpayer is also of cardinal importance if the country is to escape the predicament that it finds itself in. Privatising Eskom and incentivising people to generate private energy would play the greatest role to free the country from the economic trouble that it finds itself in. Yet, the government has also shown itself to be unwilling to relinquish power over SOEs despite the near failure of most of these enterprises, which places immense strain on the taxpayer. On the contrary: The government is determined to implement policies that would give it even greater control over the economy such as a basic income grant, NHI and expropriation without compensation. The government's ever-increasing interference in the economy will lead to even greater problems than those that are already illuminated in this report. Regrettably, our policy recommendations to eliminate corruption, mismanagement and discriminatory laws, together with budget reform and federal decentralisation, are precisely the kind of policies that the government is unable or unwilling to implement.

The solution of federalism

The content of this report, together with the fact that the government does not favour change, should inspire communities to recognise the urgency with which they must counteract government's failure by working towards a federal dispensation. The idea of federalism – or that power should be divided between the national and local government – is ingrained in many political systems around the world. Switzerland is perhaps the best modern example of how federalism allows linguistically and culturally diverse people to prosper together in a single confederation. Within a federal political system, problematic governance issues can be solved more efficiently. This is because communities can hold their local political representatives accountable for corruption and mismanagement. Leaders are also more likely to feel a connection to their environment and communities within federal and localised government structures.

It is evident from this report that problems with water provision and healthcare are not the result of a lack of funding, but by the centralised government's mismanagement of these key service delivery areas. The government's centralised control over these services brought them to the brink of collapse; thus, the solution to these problems is decentralisation. It therefore follows that these issues should be addressed at a local level, where communities can manage the services themselves on a smaller scale, thereby addressing centralised government corruption and mismanagement.

The decay of Eskom is perhaps the most damning indictment of the failing centralised government system in South Africa. It is illustrated in a recent report by the Solidarity Research Institute that

decentralisation is one of the most important steps that must be taken to solve the energy crisis in South Africa. Simply put, civil society and communities must pressure the government into making it easy to obtain permits to sell electricity back into the grid. Communities must further build solar generation capacity on schools, malls, homes and parking lots to take the strain of the failing infrastructure. Unnecessary regulations and limitations regarding independent power providers must also be scrapped or lifted to create extra generation capacity as soon as possible. It is abundantly clear that the government cannot address the electricity crisis without allowing for the decentralisation of this sector.¹⁰⁶ Eskom's challenges can, therefore, also be seen as an excellent opportunity for communities to organise and break the government's control over energy provision.

Despite the grave governance problems that are highlighted in this report, AfriForum and the Solidarity Movement to which it belongs (who together comprise more than 500 000 members) have shown that it is possible to create a hopeful, community-based alternative by becoming state-resistant and embracing a philosophy of doing it yourself. In response to the failing educational system where Afrikaans as language of instruction is under threat,¹⁰⁷ the Solidarity Movement built a world-class Afrikaans vocational college, Sol-Tech, to teach essential skills to promote employability.¹⁰⁸ It also built up an Afrikaans university, Akademia, which makes it possible for students to study in Afrikaans either online or in person.¹⁰⁹ The Solidarity Movement established the Wolkskool¹¹⁰ to teach primary and high school subjects online in Afrikaans, as well as S-leer to provide development courses for professionals.¹¹¹ These highly successful initiatives point to the fact that communities can develop excellent educational institutions that are catered to their needs outside of the influence of the failing centralised education system. In response to the failure of the SAPS illustrated in this report, AfriForum established more than 159 successful neighbourhood and farm watches that patrol South Africa's streets and keep communities safe. These community watches show how people (mostly volunteers) can be united behind a common cause if localised structures are put in place, and how this can support the SAPS in performing its duties.¹¹²

Further contributing toward a federal dispensation, AfriForum's more than 150 countrywide branches provide an array of essential services that the government fails to provide. These services include

¹⁰⁶ Mulder, C. 2022. Fixing South Africa's Energy Crisis. *Solidarity Research Institute*, Available at https://solidariteit.co.za/wp-content/uploads/2022/07/Fixing-South-Africas-Electricity-Crisis.pdf?fbclid=IwAR35X70-Vk_WycABDB1vFLJOaU3cp6tjMRdq_4Mmfvnv28t8grebrf2RnQAw, pp. 14–15.

¹⁰⁷ Head, T. 2022. Afrikaans in danger? Language under threat from NEW school proposals. *The South African*, 16 June. Available at <https://www.thesouthafrican.com/news/breaking-afrikaans-threat-bela-bill-new-school-rules-problem/>. Accessed on 20 August 2022.

¹⁰⁸ Sol-Tech. S.d. Meer oor Sol-Tech. Available at <https://sol-tech.co.za/meer-oor-sol-tech/agtergrond/>. Accessed on 20 August 2022.

¹⁰⁹ Akademia. Meer oor Akademia. Available at <https://akademia.ac.za/oorsig/>. Accessed on 20 August 2022.

¹¹⁰ Die Wolkskool. Meer oor ons. Available at <https://wolkskool.co.za/meer>. Accessed on 20 August 2022.

¹¹¹ S-leer. Wie is ons. Available at <https://s-leer.co.za/wie-is-ons/>. Accessed on 20 August 2022.

¹¹² AfriForum. AfriForum neighbourhood watches hold national mass patrol. 11 July. Available at <https://afriforum.co.za/en/afriforum-neighbourhood-watches-hold-national-mass-patrol/>. Accessed on 15 August 2022.

emergency support to clean up neighbourhoods, road infrastructure repairs and the launch of agriculture projects. AfriForum also established its own publishing house (AfriForum Uitgewers), theatre (AfriForum Teater) and film production and online streaming platform (AfriForumTV).¹¹³ The Solidarity Movement built up a community-based charity organisation (Solidarity Helping Hands) to support needy members of society, among others by building sustainable community charity shops and providing study loans.¹¹⁴ With these projects, AfriForum and the Solidarity Movement hope to inspire citizens and communities to take their futures into their own hands. All these institutions make AfriForum less reliant on the government and serve as an example to other communities who would like to state-proof themselves.

AfriForum also strongly supports the promotion of federalism in the Western Cape. The need to increase federalism in the Western Cape is illustrated by the fact that the ANC could only obtain around 20% of the votes in the previous local government election. Despite this, the national government still maintains control over the SAPS, transport, energy and fisheries, the justice system and other services in the Western Cape.¹¹⁵ AfriForum therefore helped to establish Cape Forum to cooperate with communities, politicians and civil society role-players of the Western Cape in advocating for stronger federalism, so that the Western Cape can take its future into its own hands.

To actualise a federal future, AfriForum united its 307 000 members behind a common cause of promoting countrywide anchor communities. Communities must protect and develop their cultural and other infrastructure through an approach of equal participation to make these communities strong and independent in several areas. These communities will then serve as anchor communities during tumultuous times in South Africa and civil society has a large role to play in actualising a federal South Africa.

Building upon these anchor communities, AfriForum endorses the idea of groups of communities that organically create community forums, which together form regional forums that in turn form federations (much like the canton system of Switzerland). This will allow communities to create and expand their infrastructure on an even larger scale, including schools, retirement homes, cultural centres, and safety and other services. Although many people have left South Africa, AfriForum endeavours to involve these expats in the federal future that the organisation is working towards. Modern technology creates the possibility for communities to develop virtual institutions that bring people together and serve to protect the diverse, unique heritage of the variety of communities in South Africa.

¹¹³ Van Zyl, E. 2022. *A time to dig trenches*. IM-1776, 12 September. Available at <https://im1776.com/2022/09/09/a-time-to-dig-trenches/>. Accessed on 15 September 2022.

¹¹⁴ Solidariteit Helpende Hand. *Meer oor ons*. Available at <https://helpendehand.co.za/meer-oor-ons/>. Accessed on 20 August 2022.

¹¹⁵ Independent Electoral Commission. 2022. *Election result summary – Western Cape*. Available at <https://results.elections.org.za/home/LGEPublicReports/1091/Detailed%20Results/WP.pdf>. Accessed on 19 September.

Thus, AfriForum and the Solidarity Movement’s active membership bases create “renewal based on proven values,” in the words of Flip Buys, its chairperson.¹¹⁶ In this way, a society of autonomous and pragmatic communities can be built on values such as individual and political liberty, the rule of law, human dignity and fiscal responsibility. Thus, the success of AfriForum and the Solidarity Movement truly proves Alexis de Tocqueville’s famous quote correct, namely that “local institutions are to liberty what schools are to science.”¹¹⁷

Against this background, AfriForum and the Solidarity Movement’s success should inspire communities around the country to look forward to a brighter future if they embrace a community-based federal approach. The academic head of Akademia, Danie Goosen, stresses that such a community-based federal approach allows for politics of scale, since communities that have a sense of their place in the world know that they live together with and rely on other communities.¹¹⁸ The goal of AfriForum and the Solidarity Movement’s approach to federalism is therefore not to isolate and divide communities, but to create an environment for diversity in which communities can cooperate – according to their own choices – on the issues that are of mutual importance to these communities. As such, AfriForum not only promotes the conservation and reinvigoration of the Afrikaans community, but also of other cultural communities in South Africa. The organisation recently signed a cooperation agreement with the AmaBhele community¹¹⁹ and is working together with other cultural communities in South Africa. If communities and civil society come together to realise this federal dream, there is no reason why South Africans should not look forward to a free, safe and prosperous future here on the southern tip of Africa.

¹¹⁶ Van Zyl, E. 2022. *A time to dig trenches*. IM-1776, 12 September. Available at <https://im1776.com/2022/09/09/a-time-to-dig-trenches/>. Accessed on 15 September 2022.

¹¹⁷ De Tocqueville, A. 1969. *Democracy in America*. New York: Doubleday & Co., p. 63.

¹¹⁸ Goosen, D. *Oor Gemeenskap en Plek: Anderkant die onbehae*. Pretoria: Praag Publishers, pp. 415–416.

¹¹⁹ AfriForum. 2022. *AfriForum and Amabhele Kajamangile sign historic agreement*. 2 March. Available at <https://afriforum.co.za/en/afriforum-and-amabhele-kajamangile-sign-historic-agreement/>. Accessed on 20 August 2022.