

ANNUAL REPORT 2020/21



OUTA

ORGANISATION UNDOING TAX ABUSE



BAND OF HONOUR

Thank you to all our essential services personnel, who wake up every morning and dedicate themselves to serving others during this difficult time. Thank you to our HEROES!



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OUTA -
Organisation
Undoing Tax Abuse

THE OUTA CREDO

SOUTH AFRICA'S SOVEREIGNTY AND CONSTITUTIONAL
DEMOCRACY HAS BEEN HARD EARNED.

ITS BEAUTY AND ABUNDANCE OF NATURAL RESOURCES AND
DIVERSE CULTURAL HERITAGE IS PRECIOUS TO US.

Our potential for higher prosperity is immense, and limited only
by those in authority who consciously choose to abuse their
power, joined by those who stand by and choose not to take action.

Corruption and cronyism are the products of leadership
distracted by greed and matters of self-interest.

Silently and steadily, it carves away at our nation's soul.
It disempowers the poor of their rights and receipt of decent
education, employment, health, housing and security.

We, the people, society and business, have two choices:

We can look away and do nothing.

Or we can take action and halt the decay.

AT OUTA, WE CHOOSE TO TAKE ACTION.

We do so without fear, through a focused strategy and motivated
team that holds accountable those in authority who ignore their
responsibilities and run roughshod over our constitutional values.

OUTA

ORGANISATION UNDOING TAX ABUSE

Holding Government Accountable

www.outa.co.za

OUR VISION

A prosperous country with an organised, engaged
and empowered civil society that ensures responsible use
of tax revenues throughout all levels of government.

OUR MISSION

Using clear and effective methodologies and project management
processes, through multi-disciplinary high-performance teams,
OUTA is a trusted vehicle for advocacy and positive change by:

Challenging and taking action against maladministration and corruption and,
where possible, holding those personally responsible to account for their
conduct and actions.

Challenging decisions, legislation and the regulatory environment as and when
deemed as irrational, unfit or ineffective for their intended purpose.

Working with civil society and authorities in improving administration and
service delivery, within all spheres of government.

OUR VALUES

Integrity
Resilience
Courage
Tenacity
Humility
Inclusivity
Accountability

OUTA CHAIRPERSON'S REPORT



We cannot look back at 2020 without reflecting on the devastation and pain caused by the Covid-19 pandemic. It not only brought illness, fear and death but it also affected our very being and our way of life.

Businesses collapsed, unemployment surged, livelihoods were destroyed, millions of people faced hunger overnight. The pandemic also brought to the surface many of our country's problems that we know are there, but it hammered home the point that many of these problems such as health, poverty and education are systemic. In order to tackle these issues we need to change the way we work, we need to strengthen our voices to hold government accountable.

The pandemic brought out the worst in people – almost 50 cases of Covid-19 related corruption were being investigated, including on PPE tenders, social grants and the many dodgy tenders for medical supplies that went out during this period. There are no words to describe the greed in our society. Just as we hold government accountable for corruption, we must come down hard on business and the private sector for the role that they play to contribute to such actions.

OUTA's role has never been more important in our society. Many people seem to have lost hope

or given up building our country. Archbishop Emeritus Desmond Tutu is quoted as saying: "Hope is being able to see that there is light despite all of the darkness."

Many civil society organisations and selfless South Africans have done amazing things and we must not lose sight of that. The pandemic showed us that civil society organisations (small and large) can make a change and build the country. In the early months of the pandemic, many people on the ground formed food committees to get basic supplies to families to curb hunger. Other groups mapped out water-stressed communities and got government to send water tanks to far-flung areas. Health and frontline workers gave their time and fought tirelessly to save people's lives. There was a lot of good and South Africans came together.

OUTA continues to push forward and did not stop doing what we do best. We adjusted the way we work and moved to smaller offices. It was a year of consolidation and dealing with new, remote-working conditions, and focusing on productivity and



impact. We experienced a drop off of 6% in our supporter base largely due to affordability, with many people losing their jobs. This was well below our expectations, signifying that given a valid time or reason to stop contributing, our supporters stayed with us, recognising the good work being done. We appreciate our supporters' faith in us – we could not continue the fight against corruption without them.

There was no shortage of work as the number of cases of corruption and maladministration mounted.

During this past year, OUTA opened another 49 projects and also closed off 72 projects, having carried over 65 from the previous year, ending the year with 42 open projects, with a number of the larger projects receiving ample media attention such as

the ongoing e-toll issue, former South African Airways chair Dudu Myeni's delinquent director ruling, and the Administrative Adjudication of the Road Traffic Offences Act (AARTO) challenge.

As the Chairperson, I am pleased with the executive team's actions taken to adapt to the changing economic conditions to maintain a healthy cash-flow position, along with all governance protocols being applied throughout the year.

There are many uncertainties facing us this year such as the vaccine roll-out, local government elections, and our ability to overcome the after-effects of the pandemic. The one thing that is certain is that we will continue to speak truth to power and work hard for a better South Africa.

Ferrial Adam

“As an ordinary South African, not even as the Commissioner of SARS, one is infuriated by the level of corruption.”
Edward Kieswetter,
Commissioner of the South African Revenue Service (SARS)

OUTA CEO's REPORT



WAYNE DUVENAGE
OUTA CEO

What a year this was. The pandemic induced upheaval and the resultant economic fall-out which began in March 2020 – three weeks into the financial year – had the OUTA executive team revisiting strategy and planning for an envisaged drop off in supporter donations and possible challenges to our work. Thankfully it turned out to be quite the opposite, in that our supporter base remained steadfast, with only 6% of our supporters having to reluctantly cancel their contributions (an 8% reduction in the crowd-funded category of revenue), due to the economic turmoil.

Due to tougher conditions and job losses in the private sector, we had been concerned that our supporter drop off would be a lot higher at around 15% to 20%, but the retentions signalled that our supporters value OUTA's contribution to South Africa.

OUTA had to show agility across a number of fronts. We revisited communication (both internal and external), reduced costs, swiftly adapted to the remote working environment while maintaining our proven civil intervention model, and seized

new opportunities. The hard work under trying times paid off, with our 44-person team remaining focused and highly productive. In this regard, I give recognition to OUTA's executive management and the entire team who rose to the occasion. Reading this annual report in its totality gives one a sense of what has been achieved by this incredible team over the past year.

While our crowd-funded donor income of R38.9 million for the year was 8% down on the prior year, our overall income reduced by 12%, when including the R2.3 million donation from the Millennium Trust received in the prior year for our Local Government project. Fortunately, our ongoing cost reduction focus and our structure revision programme (prior to and during the coronavirus pandemic), enabled operating expenses to reduce by R7.2 million on the prior year, giving rise to an overall cash-flow improvement of R3.2 million over the prior year. Accordingly, we were able to improve our provisions for litigation and our organisational development (new focus areas) by R2 million and R700 000 respectively.

Accountability taking shape

Given the backdrop of the ongoing corruption in South Africa and the enormity of the oversight and accountability activities facing the National Prosecuting Authority (NPA), the Commission of Inquiry into State Capture, the Auditor-General's office, Parliament and other entities, the questions we are often asked are: Are we winning? Is our country moving in the right direction when it comes to tackling the morass of corruption and the abuse of authority by those we entrust with our taxes?

The short answer is yes, although it may not feel that way. However, we must ask ourselves what the state of the nation might have been, had the Jacob Zuma faction still been fully in charge of the country over the past two years. How much more damage may have transpired, had Advocate Shamila Batohi and her new Investigating Directorate under Hermione Cronje not been at the wheel of the NPA for those two years? How much more may have remained hidden, without the awareness that the State Capture Commission has created around state capture and the patronage mechanisms of the ruling party? How much self-correction is beginning to take place within the ruling party, albeit

possibly too late for its survival?

Without doubt, South Africa would have been far worse off and headlong into a failed-state situation, had the current administration not been ensconced, but the real question remains of whether the South African ship is really on a new course toward improved governance.

The clean-up and rebuilding of the important criminal justice entities after Zuma's departure has and will be a longer journey than anticipated. But the ship is turning in the right direction, albeit more slowly than we would like. A year ago, no one expected Ace Magashule to be formally charged for his role in corruption during his tenure as the Free State Premier. Magashule and a host of others now find themselves on the outside and this is extremely positive. In addition, politically connected cadres who have abused their positions are feeling the heat and we believe that 2021/22 will see a lot more of the same, following mountains of evidence at the State Capture Commission. While the jury is out as to the effectiveness and cost of the commission, we believe it has been extremely good for the country and the cost is minuscule in the greater scheme of the issues being addressed. Its work will feed into the fight against corruption and will play out for many years to come.

The fight against corruption is, however, far from over and will remain with us for years. The focus we see unfolding is the collaborative work between civil society organisations, business and even state institutions (those who see merit in the work we do), to build mechanisms, structures and processes that generate greater transparency and accountability

TOTAL PROJECTS	TOTAL	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Projects opened	209	2	34	66	21	37	49
Total closed projects	167	0	7	5	38	45	72
Projects in progress (@ close of period)	42	2	29	90	73	65	42

across government.

OUTA's impact extended

The value of OUTA's work is being recognised across more fronts, including the State Capture Commission and even within Parliament, where certain committees have acknowledged the need for improved governance, and reached out in proactive and constructive engagement with our teams.

OUTA continued to hone our processes of tackling maladministration and corruption, with 72 projects closed off during the year. In total, we have closed off 167 projects over the past five years.

2020/21 was another productive year for OUTA. The highlight of the year was our successful Pretoria High Court case declaring Dudu Myeni, ex-Chairperson of South African Airways, a delinquent director for life.

Governance, robust systems and the development of new innovative processes have defined the management focus at OUTA over the past few years, giving rise to an organisation that does "business unusual" in the NGO and civil activism space. Our enterprise resource planning (ERP) system, which manages our supporter debit orders and customer relationship management (CRM), and our upgraded financial and accounting systems, have driven greater efficiency and new opportunities to broaden our reach and impact.

We remain committed to seeing the end of the Gauteng e-toll debacle (which was OUTA's initial project) and believe that the state's procrastination on this decision is due to its inability to deal with policy failure and the change management required as a result of poor decision-making. Government has since July 2019 been promising a decision on the future of funding for the Gauteng Freeway Improvement Project – and thus the future of e-tolls – although this is still awaited. However, the widespread and ongoing resistance to urban e-tolling makes it clear that the scheme cannot be revived.

More to come

If the past year has shown us one thing at OUTA, it's that no matter the circumstances, there is sufficient passion, energy and drive within so many citizens to correct the course of a nation that needs fixing. Our potential as a nation is so much higher than our current output and, despite all that is still wrong, and too many errant politicians and officials who continue to abuse their power, civil society will continue to play an important role in developing the strategies and work that is needed to fight back and reduce the scourge of corruption.

To our thousands of supporters who make our work possible, thank you. Your contributions, no matter how small, are all appreciated.

Wayne Duvenage

OUTA BOARD AND EXCO MEMBERS

BOARD MEMBERS DURING 2020/21



EXECUTIVE COMMITTEE MEMBERS DURING 2020/21



Appointed in October 2020

Appointed in October 2020

	BOARD OF DIRECTORS	AUDIT & RISK COMMITTEE	REMUNERATION COMMITTEE
Ferrial Adam	Chairperson, Non-Executive Director		
Phumlani Majozi	Vice-Chair, Non-Executive Director		Chair
Paul Pauwen	Non-Executive Director	Member	Member
Adv Simi Pillay van Graan	Non-Executive Director	Chair	Member
Wyna Modisapodi	Non-Executive Director	Member	
Dr Heinrich Volmink	Non-Executive Director		
Wayne Duvenage	Director: Chief Executive Officer	Invitee	Invitee
Adv Stefanie Fick	Director: Accountability Division		

DIRECTORS' ATTENDANCE AT BOARD MEETINGS: FINANCIAL YEAR 2020/21

DIRECTOR NAME	Date Appointed	Director Status*	29 April 2020	27 May (AGM 2019/20)	24 June 2020	30 Sept 2020	Special Meeting 24 Nov 2020	27 Jan 2021	Strategic Review Meeting 26 Feb '21
Ferrial Adam (Chairperson)	Apr 2017	NED	P	P	P	P	P	P	A
Phumlani Majozi (Vice-Chair)	Mar 2017	NED	P	P	P	P	P	P	P
Paul Pauwen	Apr 2012	NED	P	P	P	P	P	P	P
Adv Simi Pillay van Graan	Apr 2018	NED	P	P	P	P	P	P	P
Wyna Modisapodi	Apr 2018	NED	P	P	P	P	P	P	P
Dr Heinrich Volmink	May 2018	NED	P	P	P	P	P	P	P
Wayne Duvenage	Apr 2012	ED	P	P	P	P	P	P	P
Adv Stefanie Fick	Apr 2018	ED	P	P	P	P	P	P	P

* NED = Non-Executive Director ED = Executive Director

COMMITTEE ATTENDANCE: FINANCIAL YEAR 2020/21

	REMUNERATION COMMITTEE (ANNUAL)	AUDIT & RISK COMMITTEE (QUARTERLY)		
	16 September 2020	8 April 2020	16 September 2020	20 January 2021
Phumlani Majozi (Vice-Chair)	P			
Paul Pauwen	P	P	P	P
Adv Simi Pillay van Graan	P	P	P	P
Wyna Modisapodi		P	A	P
Wayne Duvenage	P	P	P	P

OUTA **ACTIONS:** SUBMISSIONS, LEGAL ACTION, INTERVENTIONS, LOBBYING

MARCH 2020 – FEBRUARY 2021

This is how OUTA works against corruption for you

The embedded links may be accessed in the online version of this report at www.oua.co.za/annual-reports

2 March 2020: OUTA's Bridge Brigade, our team which uses the bridges over Gauteng's freeways to protest against corruption, is out on the bridges protesting against e-tolls. This is the first of 50 such protests during the year, with a four-month break for Covid-19 lockdowns and restrictions.

4 March 2020: OUTA Hour (OUTA's interactive live weekly broadcast on our Facebook page, discussing OUTA's work and corruption issues) discusses the Dudu Myeni delinquent director court case, the Aurora mine pollution case and the court order to dissolve Makana Local Municipality's council. OUTA Hour podcasts are [here](#).

6 March 2020: OUTA submission to the City of Johannesburg's Municipal Public Accounts Committee on the City's annual report for 2018/19. This submission noted that over 10 years, electricity losses cost the City R21.9 billion and water losses cost R9.4 billion. This submission is [here](#).

10 March 2020: Independent water tests arranged by OUTA find that the quality of the drinking water in Hammanskraal has improved. OUTA has monitored the drinking water quality in Hammanskraal for almost a year. Throughout the process it engaged with the City of Tshwane, the South African Human Rights Commission (SAHRC) and the Department of Water and Sanitation to protect the rights of the Hammanskraal community by ensuring that they have access to clean drinking water. More information is [here](#).

11 March 2020: OUTA submission to Parliament's Standing and

Select Committees on Finance on Budget 2020, on the Division of Revenue Bill. This submission is [here](#).

11 March 2020: OUTA Hour discusses how the nuclear deal was stopped in 2017 and why OUTA is opposing current attempts to build new nuclear power, and OUTA's upcoming submission to the National Energy Regulator (NERSA) opposing the municipal electricity price increase.

18 March 2020: OUTA Hour discusses the cancelled tender for a new e-toll operator and the effect of loadshedding on the battle against Covid-19.

26 March 2020: National lockdown for Covid-19 starts and OUTA staff start working remotely.

1 April 2020: OUTA Hour discusses the case against the Public Protector, and the Covid-19 lockdown.

3 April 2020: OUTA submits a request for information in terms of the Promotion of Access to Information Act (PAIA) to Eskom, asking to receive specified technical information automatically and on an ongoing basis, to provide the public with automated, real-time information on power station performance. The information sought is specifically with regard to operating and environmental performance. The list of records requested is [here](#). Five months later, in September 2020, Eskom made a certain amount of the information available; more information is [here](#).

8 April 2020: Independent water tests arranged by OUTA at the Potsdam Wastewater Treatment Works (WWTW) in the Dieprivier / Milnerton Lagoon system find 32 000 E coli per



100ml. OUTA has been testing the water to pressure the City of Cape Town to clean up the sewage spills. This is one of 19 such water tests which OUTA arranges through 2020/21 in this river; see [here](#).

8 April 2020: OUTA Hour discusses Transnet finances, the need for greater transparency in Eskom and OUTA's prepaid electricity research.

9 April 2020: OUTA submission to NERSA, opposing the proposal that municipalities increase their electricity prices by 6.24%. More information is [here](#) and the submission is [here](#).

15 April 2020: OUTA Hour discusses the Municipal Fiscal Powers and Functions Act, water pollution, the Services Sector Education and Training Authority (SETA) and business under lockdown.

17 April 2020: OUTA shares information with the National Prosecuting Authority (NPA) regarding the different layers of money launderers who received money from Transnet via Regiments.

21 April 2020: Independent water tests arranged by OUTA at the Potsdam WWT in the Dieprivier / Milnerton Lagoon system find 12 800 E coli per 100ml.

22 April 2020: OUTA Hour discusses the lockdown, emergency procurement for Covid-19, the re-opening of Parliament, and state-owned entities.

29 April 2020: OUTA Hour discusses illicit money flows, pollution of the Milnerton Lagoon, OUTA's engagement with Eskom executives, and the Covid-19 lockdown.

6 May 2020: OUTA Hour discusses activism with OUTA's chair Ferriar Adam.

11 May 2020: OUTA writes to the Speaker of Parliament and the President, calling for Parliament to be convened to amend the Disaster Management Act – used to enforce the Covid-19

lockdown and associated restrictions – to ensure greater public scrutiny and better protection of basic human rights during such crises. More information is [here](#).

13 May 2020: OUTA publishes the booklet "Combating Corruption and Maladministration in the South African Public Sector: Tips for Members of Parliament", which encourages MPs to provide ethical leadership and use their positions in Parliament to combat corruption and ensure good governance. The booklet is [here](#).

13 May 2020: OUTA Hour discusses the Tips for MPs handbook published today, petitioning for reductions in property rates due to the Covid-19 lockdown and South African Airways (SAA).

15 May 2020: OUTA shares information with the NPA on money flows involving Regiments and Trillian, two businesses linked to state capture.

20 May 2020: OUTA refers information on the Passenger Rail Agency of SA (PRASA) to the NPA in terms of section 27 of the NPA Act, which allows direct reporting to the NPA of serious crime (without going through the SAPS). This involved suspicion of theft, corruption and money laundering. More details are [here](#).

20 May 2020: Independent water tests arranged by OUTA at the Potsdam WWTW in the Dieprivier / Milnerton Lagoon system find 102 000 E coli per 100ml, the highest level found so far. OUTA has been testing the water to pressure the City of Cape Town to clean up the sewage spills. More information is [here](#).

20 May 2020: OUTA collects more than 50 000 signatures from residents of 207 municipalities calling on municipalities to provide temporary property rates relief due to financial constraints caused by Covid-19. OUTA wrote to each of the municipalities passing on this call. More details are [here](#).

20 May 2020: OUTA Hour discusses the differences between a national state of disaster and a state of emergency, and the impact of Covid-19 on lives and the economy.

21 May 2020: OUTA writes to Minister of Finance Tito Mboweni, expressing concern about the appointment of Jenitha John as CEO of the Independent Regulatory Board of Auditors (IRBA), despite her previous role as head of the Audit and Compliance Committee at Tongaat Hulett over the period that covered the group's well-publicised financial reporting irregularities, although IRBA should be investigating that matter. OUTA repeatedly called for her departure from this role; John eventually resigned in February 2021.

21 May 2020: OUTA shares information with the NPA on money flows through Hong Kong businesses related to state capture.

22 May 2020: OUTA and other civil society groups write to the President, calling for the protection of Covid-19 emergency funding from the corrupt, and a greater transparency in spending so civil society can keep watch. Other signatories are the Active Citizens Movement, the Ahmed Kathrada Foundation, Corruption Watch, Johannesburg Against Injustice, My Vote Counts, Open Secrets, Patriotic Alliance, Public Affairs Research Institute and #UniteBehind. The letter is [here](#).

22 May 2020: OUTA writes to Minister of Cooperative Governance and Traditional Affairs Nkosazana Dlamini-Zuma, calling for a moratorium on salary increases in local government, as many municipalities are bankrupt and many of their residents have lost their jobs or had pay cuts in the Covid-19 shutdown. The letter is [here](#).

27 May 2020: OUTA and the SAA Pilots' Association (SAAPA) win a high court order declaring former SAA board chair Dudu Myeni a delinquent director for life, after a lengthy legal battle which started when papers were filed in March 2017. The court also orders the judgment to be sent to the NPA,

for consideration of prosecution. In December 2020, OUTA-SAAPA win an interim enforcement order of the delinquency order, pending the end of the appeal process. Her appeal attempts fail. The judgment is [here](#) and more details are [here](#).

27 May 2020: OUTA Hour discusses the landmark court win against Dudu Myeni.

29 May 2020: OUTA makes a submission to Parliament's Standing and Select Committees on Appropriations on Budget 2020 and later a verbal presentation. OUTA emphasised the need for extreme care with spending, suggesting some areas to cut costs in redundant and oversized departments, while maintaining social expenditure to protect the vulnerable. The submission is [here](#).

3 June 2020: OUTA Hour discusses the Dudu Myeni delinquent director case, the constitutionality of lockdown rules, and OUTA's submission on the Appropriations Bill in Budget 2020.

4 June 2020: OUTA makes a further submission to the Standing and Select Committees on Appropriations on Budget 2020, on the Energy vote. This submission is [here](#).

8 June 2020: OUTA submits a request for access to information in terms of PAIA to the South African National Roads Agency Ltd (SANRAL) in pursuit of information on the toll road concessionaire Bakwena, to find out how much profit it makes each year and how much of the toll revenue is handed over to SANRAL. The list of documents requested is [here](#). SANRAL has failed to provide this.

10 June 2020: OUTA Hour discusses the Administrative Adjudication of Road Traffic Offences Act (AARTO), the City of Johannesburg's tariff increases and pollution in Milnerfontein Lagoon.

11 June 2020: The Constitutional Court declares sections of the Electoral Act unconstitutional as it prevents independent candidates standing in national and provincial elections. OUTA was part of this case as an amicus curiae (friend of the court), supporting calls for the Electoral Act to be amended to allow independent candidates to strengthen public accountability over MPs. More information is [here](#).

17 June 2020: OUTA Hour discusses the Concourt judgment on electoral reform, prepaid electricity and the City of Johannesburg's budget.

20 June 2020: OUTA refers information on former Minister Ben Martins to the NPA in terms of section 27 of the NPA Act. This detailed payments made to Martins while he was Minister of Public Enterprises by a company owned by Tony Gupta and Duduzane Zuma, and payments from then CEO of the Passenger Rail Agency of SA, Lucky Montana, months before Martins was appointed as Minister of Transport. More information is [here](#).

24 June 2020: OUTA makes a submission to the City of Johannesburg on the City's draft budget for 2020/21. OUTA's objections included that the budget showed the City planned to raise the salaries of the mayor, speaker, and chief whip above the legal limit, and objecting to the City's plans to introduce a new monthly charge for domestic and business prepaid electricity users. The submission is [here](#).

24 June 2020: OUTA Hour discusses the Supplementary Budget 2020, Dudu Myeni's appeal attempt in the delinquent director case and digital migration.

1 July 2020: OUTA Hour discusses the toll concessionaires, the state of municipalities and OUTA's whistleblowing platform.

2 July 2020: OUTA makes a submission to Parliament's Select and Standing Committees on Finance on the Supplementary Budget for 2020. This submission was made with support from the Public Affairs Research Institute. The submission

supports urgent measures to bring South Africa's spiraling debt under control to avert a debt crisis. A copy of the submission is [here](#).

2 July 2020: OUTA writes to IRBA to ask it to review the recent appointment of Jenitha John as IRBA CEO and to provide the documents on which the previous board based this decision.

3 July 2020: OUTA writes to Minister of Transport Fikile Mbalula, asking him to intervene in OUTA's attempts to get information from SANRAL on the toll concessionaires, to order SANRAL to provide the information. More information on this is [here](#).

8 July 2020: OUTA Hour discusses AARTO, SANRAL's tolls and state capture.

10 July 2020: OUTA submission to Parliament on Supplementary Budget 2020, on the budget vote for the Department of Mineral Resources and Energy, objects to the cutting of funds for electrification of homes in favour of retaining support for the department's nuclear programme. More information is [here](#) and the submission is [here](#).

13 July 2020: OUTA submission to the National Treasury on the Public Procurement Bill emphasises the importance of the successful implementation of a strong and strict procurement process. More information is [here](#) and the submission is [here](#).

15 July 2020: OUTA Hour discusses corruption in the Services SETA, the disciplinary hearing against ex-Eskom executive Anoj Singh, and our upcoming webinar on how to fix the municipalities with the Auditor-General and the Public Affairs Research Institute.

17 July 2020: OUTA submission on Supplementary Budget 2020, to the Standing and Select Committees on Appropriations. This submission is [here](#).

22 July 2020: OUTA public webinar with Auditor-General Kimi Makwetu and the Public Affairs Research Institute discusses the demise of local government and possible solutions. [See here](#).



22 July 2020: OUTA issues a PAIA court application in the Pretoria High Court to compel SANRAL to provide OUTA with the documents requested in its PAIA requests in July 2019 relating to the N3TC concessionaires. This matter is due in court in 2021/22. The application is here: [Part 1](#) and [Part 2](#).

22 July 2020: OUTA Hour discusses SAA, the National Lotteries Commission, the Auditor-General's report on municipalities 2018/19, and the Local Government: Municipal Systems Amendment Bill.

28 July 2020: OUTA lays two criminal complaints at the Brooklyn SAPS over National Lotteries Commission funding. Case numbers CAS 454/7/2020 and 455/7/2020. More details are [here](#).

29 July 2020: Submission to the Department of Cooperative Governance and Traditional Affairs on the Local Government: Municipal Demarcation Bill. The submission is [here](#).

29 July 2020: OUTA Hour discusses the South African Local Government Association, corruption at Wonderboom Airport and Covid-19.

3 August 2020: OUTA CEO Wayne Duvénage writes to Hualong Liu, the chairman of China's state-owned rail manufacturer CRRC Corporation Ltd, asking for CRRC to return the \$284 million (the equivalent now of more than R5 billion) in South African government funds looted from Transnet on behalf of the Guptas. See [here](#). CRRC has yet to return the funds.

5 August 2020: OUTA Hour discusses NERSA's court defeat against Eskom on electricity prices, the impact of corruption on women, and the SETAs.

8 August 2020: OUTA shares information with the NPA on Eric Wood, a businessman linked to state capture.

12 August 2020: OUTA Hour discusses Covid-19 procurement corruption, and the women of OUTA.

13 August 2020: OUTA submits a request for access to information in terms of PAIA to the Road Traffic Infringement Agency (RTIA), requesting information relating to the readiness of roleplayers for the national AARTO roll out. The list of information requested is [here](#). It has not yet been provided, so OUTA is considering further action.

14 August 2020: OUTA files an application in the Western Cape High Court to intervene as *amicus curia* in the case aimed at overturning the Oilgate deals; this application is granted. The main case was brought by the state-owned Central Energy Fund and its subsidiary the Strategic Fuel Fund Association against 10 respondents, including eight businesses that benefited from the cut-price sales in 2015/16 of South Africa's strategic fuel fund. In November 2020, the court overturned the deal, returning the oil to South Africa and ordering refunds.

14 August 2020: OUTA's submission to Parliament's Ad Hoc Committee on the Appointment of the Auditor-General identifies the three candidates whom OUTA believes to be the best on the shortlist, with deputy AG Tsakani Maluleke top of the list. OUTA's submission is [here](#). Maluleke is subsequently appointed.

14 August 2020: The South African Institute of Chartered Accountants (SAICA) strikes Anoj Singh from the roll of chartered accountants (CAs), so he may no longer work as a CA. Singh is the former CFO for Transnet and Eskom and was heavily implicated in state capture activities. The SAICA decision arises from the formal complaint OUTA made to SAICA about Singh in September 2017. More information on this is [here](#).



NUCLEAR BUILD: NOT AS SOON AS MINISTER WOULD LIKE TO THINK

Use the right version of government policy!

Minister says policy is to start nuclear build immediately, but the official policy is just to start the planning.

MINISTER'S REPLY TO PARLIAMENT

This is in the written reply to Parliament from Minister of Mineral Resources and Energy, Gwede Mantashe:

"Policy Position 8 of the IRP 2019 suggests that government should immediately commence with small-scale nuclear build programme to the extent of 2 500 Megawatt (MW) by 2030, at a pace, scale and cost affordable to the country." (Reply RCW610-2020-10-09, published 12 Oct 2020)

IRP2019 - WRONG ONE

The first version of the Integrated Resource Plan (IRP2019) gazetted was the wrong one, so it was replaced later the same day.

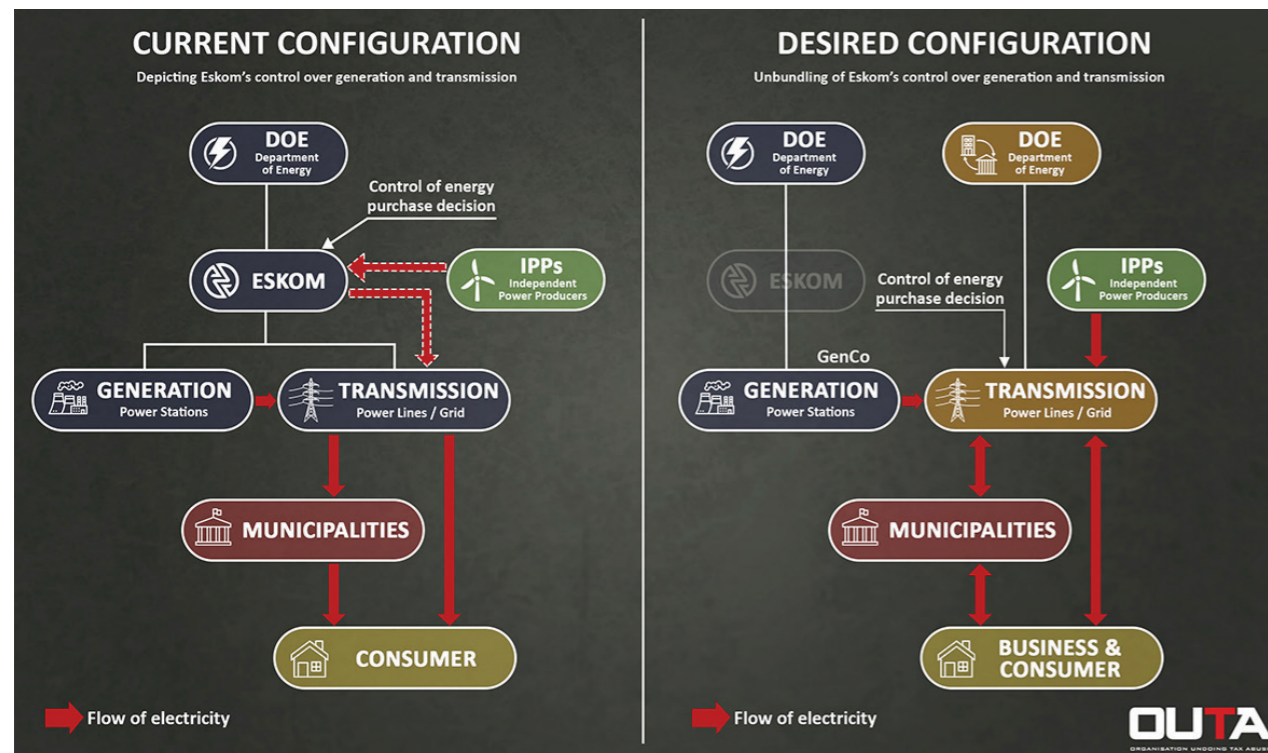
In the wrong version, Policy Position 8 says "immediately commence the nuclear build programme" of 2500MW. (Gazette no 42778 of 18 October 2019)

THE DOCUMENTS

The Minister's full reply is here:
<https://outa.co.za/web/content/142413>

The wrong version of IRP2019 is here:
http://www.gpwonline.co.za/Gazettes/Gazettes/42778_18-10_Energy.pdf

The final (correct) version of IRP2019 is here:
http://www.gpwonline.co.za/Gazettes/Gazettes/42784_18-10_Energy.pdf



19 August 2020: OUTA notes that the Covid-19 Expenditure Disclosure Report released by the Gauteng Provincial Treasury, for contracts from April to July 2020, shows that 55 of the suppliers listed (15%) were registered as government suppliers only after 1 March 2020, including one contractor registered on 29 April which was paid R116.950 million. More information is [here](#).

19 August 2020: OUTA Hour discusses the Oilgate case, the China state-owned rail manufacturer CRRC and state capture, and the Gauteng Premier's call for the end of e-tolls.

20 August 2020: OUTA refers information on Transnet's China Development Bank loan to the NPA in terms of section 27 of the NPA Act. This explained how Brian Molefe's last act as Transnet CEO was to sign off on a massive loan from the China Development Bank which gave the Guptas R142 million and a shadowy syndicate a \$17.7 million payoff. More information is [here](#). This submission has not been made public.

21 August 2020: OUTA shares information with the NPA on former Transnet and Eskom CFO Anoj Singh, who is linked to state capture.

24 August 2020: OUTA CEO Wayne Duvénage writes an open letter to President Cyril Ramaphosa, calling for real action on corruption, not lip service. The letter is [here](#).

25 August 2020: OUTA presentation to Parliament's Portfolio Committee on Higher Education, Science and Technology, on OUTA's investigation into maladministration and corruption in the Services SETA, with a focus on the R163 million SSETA contract with Grayson Reed. OUTA told the committee that the Skills Development Levy is not being used for its intended purpose. More information is [here](#) and the presentation is [here](#).

25 August 2020: OUTA submits a request for access to information in terms of PAIA to SANRAL in pursuit of information on the toll road concessionaire, TRAC, to find out how much profit it makes each year and how much of the toll revenue is handed over to SANRAL. The list of documents requested is [here](#). SANRAL failed to respond.

26 August 2020: OUTA again writes to the NPA asking for an explanation of the withdrawal of criminal charges on water pollution against the directors of Aurora Empowerment, the company which owned and stripped Grootvlei gold mine, resulting in acid mine drainage damage. The directors are Khulubuse Zuma, Zondwa Mandela, Thulani Ngubane and Raja Zainal Alam Shah. OUTA had lobbied for this prosecution since February 2017. Three of the directors appeared in court for the first time in May 2019 but the NPA dropped the charges in February 2020. OUTA is awaiting the NPA's explanation.

26 August 2020: OUTA makes a formal complaint to SAICA about Phillemon Letwaba, the COO of the National Lotteries Commission and a chartered accountant, after an OUTA investigation found irregularities in the commission's proactive funding model. This complaint is [here](#).

26 August 2020: OUTA Hour discusses corruption in Covid-19 procurement and in the Services SETA.

2 September 2020: OUTA Hour looks back on 2020 so far and discusses hopes for the rest of this year.

2 September 2020: OUTA writes to the Presiding Officers of Parliament, raising concern about public allegations that the shortlisting process for new board members for the National Youth Development Agency was jeopardised by political patronage in favour of the ANC National Youth Task Team preferences. OUTA called for a review of this process; see [here](#). Two days later, the Speaker and the National Assembly effectively rejected the shortlist so it could be redone.

9 September 2020: OUTA Hour discusses corruption, the Auditor-General's report on Covid-19 procurement, and the National Youth Development Agency appointments.

11 September 2020: OUTA makes a submission to Parliament's Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation and Human Settlements, on the Local Government: Municipal Systems Amendment Bill. This submission is [here](#).

14 September 2020: OUTA files an application against the government in the Pretoria High Court calling for the AARTO Act and the AARTO Amendment Act to be declared unconstitutional. The AARTO Amendment Act, when it comes into effect, brings in the driver demerit system. The OUTA court papers are [here](#).

16 September 2020: OUTA Hour discusses AARTO, the Oilgate case and the China state-owned railway stock manufacturer CRRC which benefited from the Transnet deals.

23 September 2020: OUTA receives information from a whistleblower on corruption in the original e-toll collections contract, which was awarded to Electronic Toll Collections (ETC) and its Austrian majority shareholder Kapsch TrafficCom. The allegations were that ETC paid unknown South African company ProAsh R10 million over three years, starting three months after winning the e-toll contract, but with apparently no work done in return. OUTA believes this was a kickback related to the award of the contract. OUTA called on SANRAL to investigate this. See more [here](#).

23 September 2020: OUTA Hour discusses the court case on overturning the Oilgate deal and the State Capture Commission.

25 September 2020: OUTA writes to Advocate Thabo Mokoena, Director-General of the Department of Mineral Resources and Energy, pointing out that the board of the National Nuclear Regulator is legally required to have at least one person representing communities which may be affected by nuclear activities, and representatives for business and labour, but there are no such people on the current board. This letter is [here](#). In November, OUTA asked Minister of Mineral Resources and Energy for answers (this letter is [here](#)); the DG then responded that these appointments were "currently underway". No appointments were made by the end of February 2021. More information is [here](#).

30 September 2020: OUTA writes to Minister of Transport Fikile Mbalula, calling for the validity period of driver's licence cards to be extended from five years to 10 years, and compared this to international best practice. More information is [here](#).

30 September 2020: OUTA submission to the Speaker of the National Assembly on the COPE notice of intention to introduce a Private Member's Bill, the Draft Electoral Laws Amendment Bill, aimed at amending the electoral laws as ordered by the Concourt in June 2020 but which Parliament has since failed to implement. OUTA's input mainly raises concern about parallel processes and calls on Parliament to implement the Concourt judgment. This submission is [here](#).

30 September 2020: OUTA submission to Parliament's Portfolio Committee on Transport on the Economic Regulation of Transport Bill; the submission aims to ensure that issues like financial mismanagement, market domination, withholding of information, and poor governance will be addressed by the Bill. More information is [here](#) and the submission is [here](#). In February

2021, the committee raised concern that the Department of Transport had apparently still not addressed public submissions on the bill, including the "constructive criticism" provided by OUTA. See [here](#).

30 September 2020: OUTA Hour discusses state capture arrests, the campaign to double the validity period for driver's licence cards, and SAA.

5 October 2020: OUTA writes to the Speaker of Parliament, the Portfolio Committee on Human Settlements, Water and Sanitation and the Standing Committee on Public Accounts, asking for a progress report on the committees' joint inquiry into the Department of Water and Sanitation which was initiated in early 2018 but appears to have stalled. OUTA had made a submission to this inquiry in August 2018. More information is [here](#).

7 October 2020: OUTA Hour discusses the ANC's free ride on the SA Air Force jet to Zimbabwe, the Dudu Myeni case, corruption arrests, the Jacob Zuma subpoena and Orange Mask Fridays.



OUTA CEO Wayne Duvénage supports the Orange Mask campaign.



12 October 2020: OUTA writes to the Portfolio Committee on Human Settlements, Water and Sanitation, reiterating OUTA's ongoing call for the establishment of an independent water regulator, and asking to engage with the committee on this. The letter and more information are [here](#). By the end of the year there was still no response.

14 October 2020: OUTA public webinar on whistleblowing, with SAA whistleblower Cynthia Stimpel. See [here](#).

14 October 2020: OUTA Hour discusses the Orange Mask Campaign, Jacob Zuma and the State Capture Commission, and the case against the Public Protector.

21 October 2020: OUTA Hour discusses e-tolls under AARTO, and the calls for an amnesty on corruption.

24 October 2020: OUTA launches online sales of anti-corruption Orange Masks: "Lockdown corruption with Orange Overalls".

27 October 2020: OUTA presentation to Parliament's Portfolio Committee on Communications, on concerns with the broadcasting digital migration programme, set-top box rollout and the cost of dual illumination due to the delay in the analogue switch off. The presentation is [here](#).

28 October 2020: OUTA Hour discusses the R10.5 billion bailout for SAA in the Medium-Term Budget Policy Statement (MTBPS) 2020.

30 October 2020: OUTA calls for a boycott of SAA after the MTBPS 2020 includes yet another bailout for the failed airline, this one for R10.5 billion, after government fails to listen to public objections to bailouts of non-core, failing entities. More information is [here](#).

4 November 2020: OUTA submission to Parliament's Standing and Select Committees on Finance on the MTBPS 2020 raises concern about the lack of impact in the spending and concern over where the money goes, and calls for more funding for the NPA and SARS. The full submission is [here](#) and the presentation is [here](#).

4 November 2020: OUTA Hour discusses the bailout for SAA, Dudu Myeni's testimony at the State Capture Commission and water pollution in the Milnerton Lagoon.

6 November 2020: OUTA is part of a meeting in Parliament in which National Treasury responds to civil society's concerns about MTBPS 2020. Civil society – including OUTA – routinely make formal comments to Parliament on the budget documents, but OUTA believes that civil society gets largely lip service and empty promises. More information is [here](#).

11 November 2020: OUTA Hour discusses Orange Masks, OUTA's affidavit on the state capture of Parliament, and Special Investigating Unit proclamations.

11 November 2020: OUTA submits comments to the Road Traffic Infringement Agency and Department of Transport on the proposed new AARTO regulations, saying the regulations will not stand legal scrutiny and the administrative burden will make enforcement virtually impossible, making the Act's purpose of road safety unattainable. The submission is [here](#).

17 November 2020: OUTA publishes two substantial documents on how Parliament has failed South Africa by failing to hold government officials and ministers to account, and even offering appointments to implicated individuals. The first document is a lengthy affidavit outlining how a captured Parliament effectively condoned state capture by failing to address it as it happened; this was submitted to



the Commission of Inquiry into State Capture. The second document is the report “MPs asleep at the wheel: OUTA 2020 Report on Parliamentary Oversight in South Africa”, which assesses Parliament’s performance for the year (the second such annual assessment which OUTA has done) and which finds serious under-performance. More information and documents are [here](#).

18 November 2020: Independent water tests arranged by OUTA at the Potsdam WWTW in the Dieprivier / Milnerton Lagoon system show an E coli level of 8.4 million parts per 100ml, which is extremely high. More information is [here](#).

18 November 2020: OUTA Hour discusses the new AARTO regulations, TV licences, nuclear energy and electricity price increases.

20 November 2020: OUTA submission on MTBPS 2020 to Parliament’s Standing and Select Committees on Appropriations. This submission is [here](#).

20 November 2020: The Western Cape High Court overturns the Oilgate deal, the 2015/16 deal in which South Africa’s strategic stocks of oil were sold at bargain basement prices by the state-owned entity responsible for them. OUTA was part of this case as *amicus curiae*, to protect public interest, arguing in favour of overturning the deal but against unreasonable reimbursement of the buyers. More information is [here](#).

24 November 2020: OUTA submission to the Department of Communications and Digital Technologies on its Draft White Paper on Audio and Audiovisual Content Services Policy suggests that the TV licence model has failed, so the SABC’s business and revenue model should be reviewed. The submission is [here](#).

25 November 2020: OUTA Hour discusses the Dudu Myeni case, the Oilgate judgment and Jacob Zuma.

26 November 2020: OUTA exposes the fact that Kusa Kokutsha, a business bidding for SANRAL’s new e-toll collections contract, was only registered as a business weeks after the tender was advertised and that it is linked through its directors to outgoing contractor ETC. This was the cheapest bid, but would still cost almost double the current e-toll collection rate. More information is [here](#).

27 November 2020: Dudu Myeni pays legal costs of R118 292 to OUTA and SAAPA for her failed legal applications attempting to block the delinquent director order against her, a result of OUTA-SAAPA legal action. At least one of the two payments was

in cash, in R200 notes. More information is [here](#).

27 November 2020: OUTA written and verbal submissions to Parliament’s Standing and Select Committees on Appropriations on MTBPS 2020 (the second submission on MTBPS 2020), call for significant improvements in the effectiveness and efficiency of public spending. The full submission is [here](#) and the presentation is [here](#).

30 November 2020: OUTA submission to the National Treasury on the new Municipal Finance Management Act supply chain management regulations. OUTA said the regulations fail to safeguard against abuse of municipal funds by leaving a loophole which enables invoice splitting. The submission is [here](#).

2 December 2020: OUTA Hour discusses the highs and lows of 2020, in the last broadcast of the year.

4 December 2020: OUTA exposes how SANRAL quietly rewrote the e-tolls contract with ETC to extend it without going through a public procurement process. The original contract, after the maximum year extensions, expired on 3 December 2020; SANRAL extended it to December 2021. More information is [here](#).

22 December 2020: The Pretoria High Court dismisses Dudu Myeni’s application for leave to appeal against the delinquency order against her, in the ongoing case between OUTA and Myeni. The court also grants the OUTA-SAAPA request for an interim enforcement order of the delinquency order, pending the finalisation of all appeals. This judgment is [here](#). More on this case is [here](#).

30 December 2020: OUTA shares more information with the NPA on state-owned entity Transnet and Regiments company, which was linked to state capture. This was an analysis done on all transactions between Transnet and Regiments. The report included all relevant information and was backed up by evidence such as invoices, remittances and bank statements. The funds that were paid to first-layer launderers were also traced and included. This submission was not made public.

8 January 2021: OUTA shares information with the NPA on auction business Park Village and a transport and logistics business in Tanzania, Everest Freight. These businesses were used to launder money: Transnet paid the Gupta-linked Regiments, which then paid first-layer companies in the Salim Essa money laundering network, then these companies distributed funds further including to Park Village and Everest

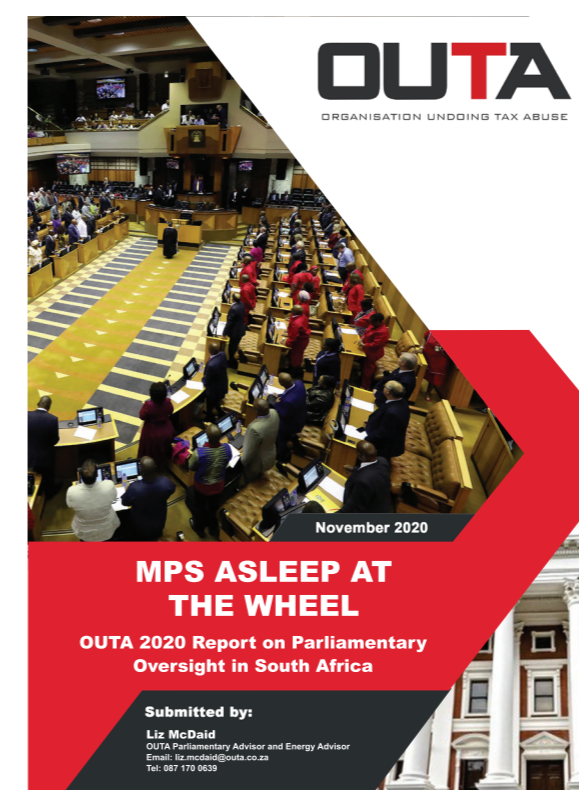
Freight. OUTA followed four specific payments, including finding documentation on the Regiments’ chain’s purchase of goods from an insolvent estate. This report was also shared with the US Federal Bureau of Investigation (FBI), as it involved international border crossings. This report was not made public.

13 January 2021: OUTA lodged a complaint with the Legal Practice Council against Sibusiso Gamede, a practising attorney and the former acting CEO of the Strategic Fuel Fund who was instrumental in setting up the 2015/16 Oilgate deal, over his conduct and involvement in the corrupt activities. See [here](#).

14 January 2021: OUTA re-enrols a case in the Pretoria High Court against the Public Protector (PP), arising from a PAIA application in July 2019 which the PP refused. OUTA had applied to the PP for the documents used in the PP’s report of May 2019 which exonerated David Mabuza of procurement irregularities in the purchase of four official vehicles for him – a BMW X5, an Audi A8, a Lexus and a Range Rover Vogue – when he was premier of Mpumalanga. Mabuza is now Deputy President. OUTA’s case challenging the PP’s refusal to provide the records was initially set down for court hearing in November 2020, but OUTA withdrew it when the PP supplied some of the documents and undertook to provide the rest. However, the PP failed to provide the rest so the case is now re-enrolled for hearing on 7 September 2022. The OUTA application is [here](#). See [here](#) and [here](#) for some of the correspondence.

20 January 2021: OUTA Hour discusses OUTA’s plans for 2021, an update on the State Capture Commission, loadshedding and Eskom.

27 January 2021: OUTA Hour discusses opposition to any new tax to fund the Covid-19 vaccine, the cases against the Public Protector and Dudu Myeni, and why we oppose the nuclear energy plan.



3 February 2021: OUTA submission to NERSA on the Department of Mineral Resources and Energy’s section 34 nuclear determination, the department’s plan to procure 2 500MW of new nuclear build. OUTA also made an input at the public hearing. OUTA opposes the nuclear build plan as unnecessary, inappropriate and unaffordable. The OUTA submission is [here](#), a summary is [here](#) and OUTA’s video outlining our opposition is [here](#).

3 February 2021: OUTA Hour discusses the pollution of the Milnerton Lagoon, the SAA bailout, and nuclear and renewable energy options.

5 February 2021: OUTA’s Parliamentary Engagement Manager Matt Johnston gives evidence to the State Capture Commission on how Parliament failed in its oversight duties, allowing state capture to go unchecked. This evidence was on the affidavit submitted to the Commission in November 2020.

8 February 2021: OUTA submits information on the Central Energy Fund and the 2015/16 Oilgate deal to the NPA in terms of section 27 of the NPA Act. This is information which arose out of the court case which overturned the deal, which OUTA had been involved in as *amicus curiae*.

10 February 2021: OUTA Hour discusses Dudu Myeni’s appeal, OUTA’s testimony at the State Capture Commission about the capture of Parliament, and hopes for the upcoming State of the Nation Address.

15 February 2021: OUTA writes to Minister of Public Enterprises Pravin Gordhan about SAA, which is under business rescue, calling for the payment of unpaid staff salaries and retrenchment packages, and for SAA to be closed down. The letter is [here](#).

16 February 2021: OUTA issues two PAIA court applications in the Pretoria High Court, Pretoria, to compel SANRAL to provide OUTA with the documents requested in its PAIA requests relating to Bakwena and TRAC toll concessionaires. The Bakwena application is [here](#) and the TRAC application is [here](#).

17 February 2021: OUTA Hour discusses the Dudu Myeni case, Covid-19 expenditure and local government elections.

23 February 2021: OUTA makes an input at the NERSA public hearing on government’s request for a determination enabling procurement of 2 500MW of new nuclear build; OUTA opposes this. A decision from NERSA on whether to approve the plan is still awaited.

24 February 2021: OUTA Hour discusses Budget 2021, delivered today, and gives feedback on OUTA’s investigation into toll road concessionaires.

26 February 2021: OUTA submission to the National School of Government on the draft National Implementation Framework towards the Professionalisation of the Public Service, supporting the professionalisation of the service, a shift towards customer service and away from entitlement. More information on this is [here](#) and the submission is [here](#).

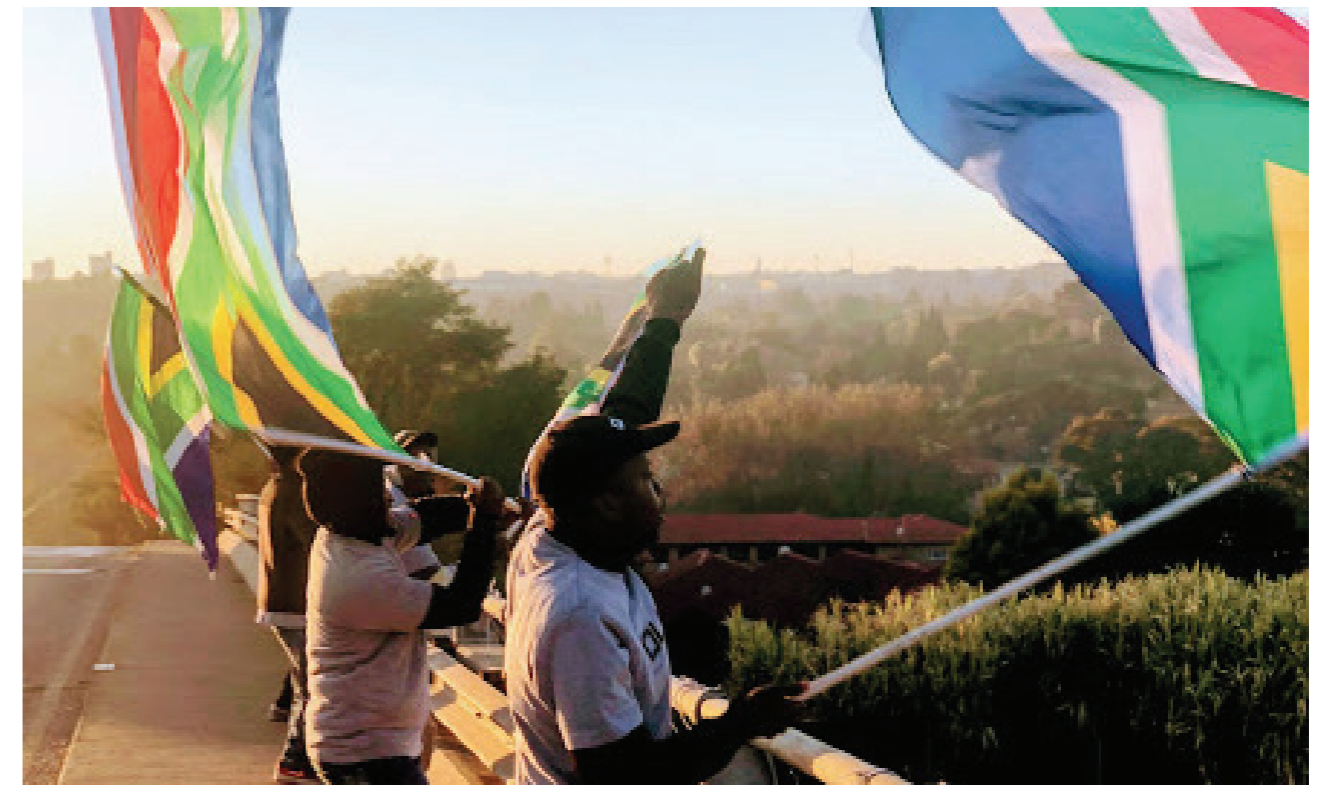
26 February 2021: OUTA submission on Budget 2021 (fiscal framework and revenue) to Parliament’s Standing and Select Committees on Finance. The submission is [here](#) and the subsequent presentation to the Committees’ hearing is [here](#).

OUTA ACTIONS: BRIDGE PROTESTS

MARCH 2020 – FEBRUARY 2021

OUTA's Bridge Brigade team uses the bridges over Gauteng's freeways to protest against corruption and misuse of funds. We took a break during the Covid-19 lockdowns but were back on the bridges in July 2020. This team started with e-toll protests and now includes calls for state capture prosecutions, opposition to new nuclear power, and in defence of democracy.

1. **2 March 2020:** OUTA's Bridge Brigade, our team which uses the bridges over Gauteng's freeways to protest against corruption, is out protesting against e-tolls.
2. **6 March 2020:** Jean Avenue bridge in Centurion, protesting against e-tolls.
3. **9 March 2020:** Pretoria, protesting corruption.
4. **13 March 2020:** Protesting corruption.
5. **10 July 2020:** "We will never pay e-tolls", N3/Cydonia Road, Bedfordview.
6. **13 July 2020:** E-tolls protest, Voortrekker Road, Benoni.
7. **17 July 2020:** E-tolls protest, N1/Main Road, Fourways.
8. **20 July 2020:** E-tolls protest, R21/Atlas Road, Kempton Park.
9. **24 July 2020:** E-tolls protest, N1/Kings Highway, Pretoria.
10. **27 July 2020:** "AARTO is the next e-tolls", N3/Modderfontein Road, Modderfontein.
11. **31 July 2020:** AARTO protest, Aerodrome, Aeroton.
12. **3 August 2020:** AARTO protest, Jean Avenue, Centurion.
13. **7 August 2020:** AARTO protest, Hans Schoeman Street/N1, Bromhof.
14. **11 August 2020:** "Make 2020 Year of Orange Overalls", Rooihuiskraal, Thatchfield.
15. **14 August 2020:** Orange Overalls, Linksfield Road/N3, Edenvale.
16. **17 August 2020:** "Prosecute State Capture culprits", Grey Avenue/N3, Alberton.
17. **21 August 2020:** Orange Overalls, Barbara Road/N12, Isando.
18. **23 August 2020:** Prosecute state capture, protest with Ahmed Kathrada Foundation, Union Buildings, Pretoria.
19. **24 August 2020:** Orange Overalls, Enoch Sontonga Avenue/M1, Johannesburg.
20. **28 August 2020:** Call for Aurora prosecutions, NPA headquarters, Silverton, Pretoria.
21. **31 August 2020:** State capture protest, Viking Road, Devland.
22. **4 September 2020:** Prosecute state capture, Bowling Road/N1, Rivonia.
23. **7 September 2020:** Prosecute state capture, Solomon Mahlangu Drive/N1, Pretoria.
24. **9 September 2020:** Prosecute state capture, State Capture Commission hearings, Braamfontein.
25. **11 September 2020:** "Save our economy, fix Eskom", Le Roux Avenue/N1, Midrand.
26. **14 September 2020:** Fix Eskom, Guthrie Road/N17, Wadeville.
27. **18 September 2020:** Orange Masks campaign launch, Concourt, Braamfontein.
28. **21 September 2020:** "We will never pay e-tolls", Old Potchefstroom Road/N1, Diepkloof.
29. **9 October 2020:** E-tolls, Cydonia Road/N3, Bedfordview.
30. **12 October 2020:** E-tolls, Atlas Road/R21, Kempton Park.
31. **15 October 2020:** E-tolls, Voortrekker Road/N12, Benoni.
32. **26 October 2020:** Orange Overalls, Main Road/N1, Fourways.
33. **30 October 2020:** Prosecute state capture, State Capture Commission hearings, Braamfontein.
34. **2 November 2020:** AARTO, Le Roux Avenue/N1, Midrand.
35. **6 November 2020:** AARTO, Guthrie Road/N17, Wadeville.
36. **9 November 2020:** AARTO, Cambridge Road/N1, Sunninghill.
37. **13 November 2020:** Prosecute state capture, Ace Magashule court appearance, Bloemfontein.
38. **16 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
39. **17 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
40. **19 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
41. **24 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
42. **27 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
43. **30 November 2020:** State capture, State Capture Commission hearings, Braamfontein.
44. **5 February 2021:** State capture, State Capture Commission hearings, Braamfontein.
45. **8 February 2021:** Fix Eskom, Linksfield Road/N3, Edenvale.
46. **11 February 2021:** Protest against renewal of Atul Gupta's visa, Home Affairs, Pretoria.
47. **12 February 2021:** Fix Eskom, Cydonia Road/N3, Bedfordview.
48. **15 February 2021:** E-tolls, Enoch Sontonga Avenue/M1, Johannesburg.
49. **23 February 2021:** "Get nuclear OUTA here", NERSA public hearing on nuclear determination.
50. **26 February 2021:** State capture, Barbara Road/N12, Isando.



OUTA ACCOUNTABILITY DIVISION



HIGHLIGHTS

- We won a court order declaring former SAA chair Dudu Myeni a delinquent director for life, which bars her from any director positions.
- The Constitutional Court ordered the Electoral Act reformed, in a case which OUTA was involved in as an *amicus curiae*, which is the outcome we wanted.
- Government has yet to announce a decision on the future of e-tolls, but SANRAL has effectively stopped pursuing debtors in court.
- Jenitha John resigned as CEO of the Independent Regulatory Board for Auditors (IRBA) after OUTA lobbying and public pressure against her appointment over 10 months.
- The South African Institute of Chartered Accountants (SAICA) struck Anoj Singh from the roll, so he may no longer work as a chartered accountant, as a result of OUTA's complaint against him.

What we do

The Accountability Division challenges and takes action against government maladministration, corruption and legislation that is irrational, unfit for purpose or ineffective. Where possible, this team holds individuals personally to account for their conduct and actions. In addition to case-building and project management, work in this area requires receiving, evaluating and processing information from whistleblowers and other sources.

This Division includes OUTA's Investigations Department and legal project managers.

Working for change in 2020/21

2020 was a difficult year but despite all the obstacles, including moving from an office environment to the remote working arrangement, the Accountability Division's resilient team was able to challenge corruption, maladministration and irrational laws. Our Division was restructured and now our Investigations Department fits right in with all our legal project managers. They are a formidable team that tackles the unlawful behaviour of government officials with new energy.

We said goodbye to Head of Investigations Erich Neethling and appointed Schalk Schutz to manage the investigators.

Blowing the whistle on corruption - 2020/21

- 257 reports received from whistleblowers
- 214 (83%) of these came through OUTA's secure Whispli whistleblower platform which enables anonymity
- Whispli reports included 31 reports on national & provincial govt corruption, 16 on SOEs, 15 on local govt and 12 on Covid-19 corruption
- 80 of all the reports fell within OUTA's mandate and had enough information to be referred to our investigators
- These resulted in 15 engagements & meetings between OUTA investigators and whistleblowers

Whistleblowers

Whistleblowers have provided crucial information to OUTA which has been used in many of our investigations. We are most grateful to these whistleblowers for their courage and ethics in standing up to corruption.

OUTA has been using the Whispli platform since September 2016. This is the secure online communication platform used for whistleblowers to contact us, as it ensures that those who wish to remain anonymous may do so. It enables secure communications between OUTA's investigators and the whistleblowers.

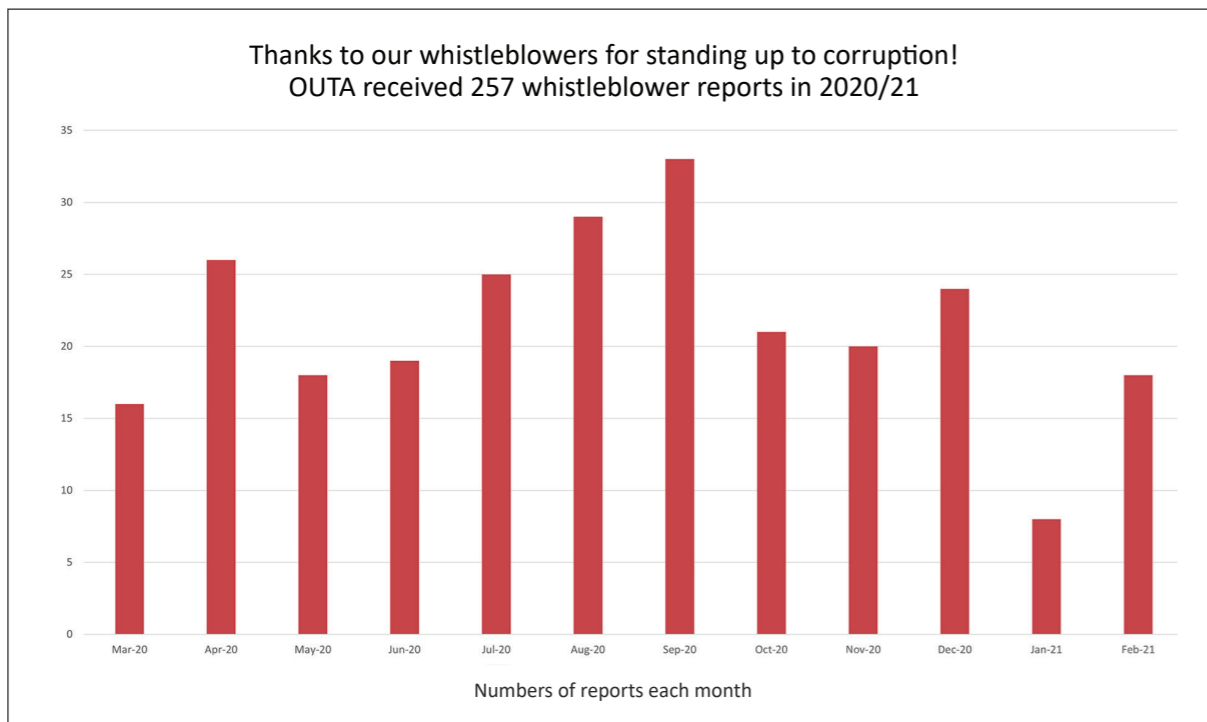
Whistleblowers can access Whispli on OUTA's website. During September and October 2020, OUTA upgraded Whispli to a later version, and obtained an additional licence that, from November 2020, allowed all our investigators to be licenced users on it. The Investigations Department dealt seamlessly

with the migration to the new Whispli version. This new version has enabled greater efficiency and effectiveness, as it has better platform functions and layout, a more user-friendly interface, and enables better communication with our whistleblowers.

Our investigators also use our Skynet data analytics platform as a tool to make connections and analyse data faster. The reports and documents from our whistleblowers are fed into this Skynet platform. Whistleblowers approach OUTA mainly through the Whispli platform, but we have also had walk-ins and similar approaches. From March 2020 to February 2021, OUTA received 214 whistleblower reports through Whispli (this is the number of reports not the number of whistleblowers as, due to anonymity, it is not possible to tell whether multiple reports are from the same whistleblower); with walk-ins and others, we received a total of 257 whistleblower reports for the year. Of these reports, 80 fell within OUTA's mandate and were assigned to investigators.



On Whispli alone, OUTA has received 656 whistleblower reports in the four years from March 2017 to February 2021. More reports were received in the last year (2020/21) than in any of the other three years.



Strategies of holding government to account

Over recent years, OUTA has tried various strategies to hold to account those implicated in blatant government corruption and maladministration. We have found that those in law-enforcement agencies and in independent oversight agencies – those whom the public rely on to take action against corruption – are themselves too often unwilling to hold wrongdoers to account. We take pride in our work, and our submissions to law-enforcement and oversight agencies include detailed reports to support criminal charges or oversight action. However, even with this quality of work, and an open-door approach offering further assistance if needed, we have found that investigations by the authorities do not progress.

Between September 2016 and July 2020, OUTA opened 20 criminal complaints at eight police stations. Most of these complaints relate directly to state capture allegations, while others relate to abuse of power, corruption or maladministration. Many of these matters were subsequently referred by the South African Police Service (SAPS) to its Directorate for Priority Crime Investigation (DPCI, known as the Hawks). As far as OUTA is aware, almost none of these complaints have been investigated with any degree of enthusiasm or professionalism; we are aware of only isolated cases which received attention. The SAPS has failed to provide adequate feedback on almost all of these cases; we have received some feedback

on a minority of cases. As far as we are aware, not a single one of these cases has been investigated by the SAPS to the point where the National Prosecuting Authority (NPA) would be able to prosecute. OUTA believes that this failure by the SAPS to investigate and provide the NPA with a basis for prosecution, and the associated NPA failure to prosecute, has allowed the criminal activities associated with state capture to flourish. We regard this as a pattern of failed investigation and prosecution, pointing to an endemic incompetence in the SAPS and/or Hawks, with a suggestion of high-level manipulation and collusion in criminal investigations.

While we were previously concerned that the NPA had also resisted prosecuting cases linked to state capture, we have had more confidence in the NPA since Shamila Batochi took office in February 2019 as National Director of Public Prosecutions, the subsequent appointment of further key senior personnel and the establishment of the NPA's Investigative Directorate headed by Hermione Cronje. Due to the failure of the SAPS/Hawks to investigate complaints and the new-found confidence in the NPA, OUTA has since mid-2019 made eight formal referrals directly to the NPA in terms of section 27 of the National Prosecuting Authority Act, which allows direct reporting to the NPA of serious crime (without going through the SAPS). These include four S27 referrals made during 2020/21 (see below).

OUTA has also informally provided the NPA with substantial information on 26 occasions from July 2019 to February 2021; this includes seven occasions in 2020/21 (see below).

We understand that the NPA is actively working on some of these matters.

While private prosecutions are possible, when the state declines to prosecute, in matters in which individuals are victims, there is no clear access to private prosecutions when the victims are the broader society as is often the case in state capture and corruption. The public is left with no recourse. This situation has effectively allowed the SAPS to protect public figures from prosecution. We believe this is a crucial aspect of state capture.

OUTA has also made complaints to various oversight bodies, most of which have failed to achieve the desired result – or even any result. An exception here was the South African Institute of Chartered Accountants (SAICA), which finally struck Anoj Singh off the roll this year as a result of OUTA's complaint; it took three years from the complaint to finality.

OUTA has resorted to direct legal action on occasion and, while this is expensive and time consuming, these matters have been fruitful. A key example here is our case against former SAA chair Dudu Myeni in the Pretoria High Court, which resulted in her being declared a delinquent director; this case took three years from filing the papers to the delinquency ruling in the high court. An appeal is underway but OUTA is confident that the delinquency order will not be overturned.

OUTA also uses applications for information in terms of the Promotion of Access to Information Act (PAIA). However, these meet with limited success. We have found that PAIA applications are used as a form of

arbitrary abuse by state-owned entities (SOEs), which refuse the information or ignore the requests. In most of these we are obliged to resort to court action.

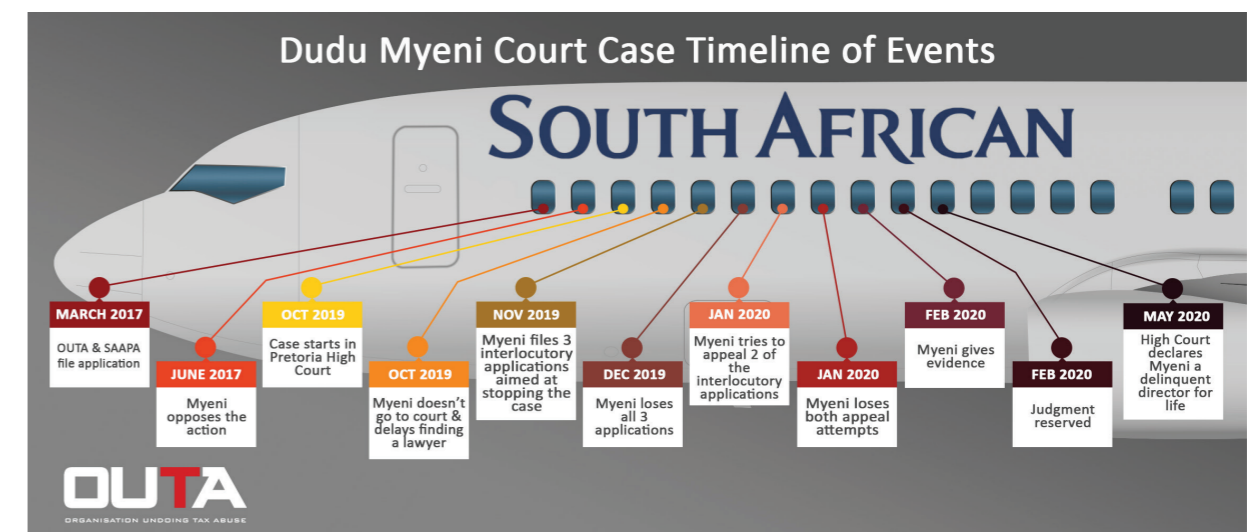
Where information is requested that involves third parties, the entities frequently pass the buck. This is dodging the responsibilities in terms of PAIA as our requests are usually directed at the SOE that must decide on granting access. An example of this is our PAIA application to the South African National Roads Agency Ltd (SANRAL) in connection with the Bakwena toll road concessionaire. We applied for the documents in June 2020. We are in court only on 2 November 2021. In this matter, SANRAL ignored us outright, and within the last period of having requested the documents (after we solicited a response), it simply attached a letter from Bakwena dated 2016, which related to a different PAIA application completely. SANRAL did not interrogate the current request on the merits. Bakwena simply said no to the request based on what it told us in 2016. Other than that, SANRAL responded out of time – giving us a basis to go to court. These refusals are usually like a blanket – no to everything, based on the so-called “confidentiality and trade secret” clauses in terms of PAIA.

OUTA believes that the abuse of the PAIA process helps to cover up illegal activity and adds to the culture of impunity.

**Legal action:
Declaring Dudu Myeni a delinquent director**
OUTA's success in this matter was the highlight of our year.

We believe this judgment opens the way for more delinquency actions against disgraced directors and former directors of SOEs, opening the way for civil society to take action to defend state assets.

OUTA worked with the South African Airways Pilots'



Association (SAAPA) in this matter and filed the application in the Pretoria High Court in March 2017. It took three years but we won a high court order declaring Myeni to be a delinquent director for life. The action was taken against Myeni due to her actions when she chaired the SAA board; she was still the chair when this action was launched. The court hearing started in October 2019 and judgment was delivered in May 2020.

Myeni, who opposed the action, tried various tactics to avoid accountability. She went through several legal teams, failed to turn up in court and claimed this was due to financial difficulties, and missed legal deadlines. Myeni repeatedly lost her legal battles in this case: she filed an interlocutory application challenging OUTA's status to bring the case but lost both this and an attempt to appeal that ruling; she filed an interlocutory application asking to change her original pleadings but lost both this and an attempt to appeal that ruling; she filed an interlocutory application asking to join 28 other people to the case to share the blame, but lost this; she lost the main application when the Pretoria High Court ruled her a delinquent director for life; she lost her application to the High Court for leave to appeal the delinquency judgment; she lost OUTA-SAAPA's application for an interim enforcement order against her; and she lost an attempt to appeal that interim enforcement order.

At the end of February 2021, Myeni was attempting to appeal the main judgment in the Supreme Court of Appeal but we believe she has no prospect of success.



Dudu Myeni appeared in court on 20 February 2020.

Legal action: Winning the right for independent candidates to stand in elections

In June 2020, the Constitutional Court overturned sections of the Electoral Act as unconstitutional, paving the way for independent candidates to stand in national and provincial elections. The declaration of invalidity was suspended for two years, to give Parliament time to rewrite this law. OUTA was involved in this case as an amicus curiae and supported the call to change the law to allow independent candidates. OUTA is not associated with and holds no brief for the original applicants or any political party, but regarded this case as a matter worthy of intervention due to the public importance of electoral reform aimed at holding politicians to account.

The e-tolls: Effectively abandoned, yet Cabinet seems unable to make this official

By the end of February 2021, we had been waiting 19 months for Cabinet's promised decision on the future of funding for the Gauteng Freeway Improvement Project and thus the future of e-tolls. While government has yet to announce a decision

on the future of e-tolls, SANRAL has effectively stopped pursuing debtors in court. OUTA's legal case against SANRAL over its claims against motorists for unpaid e-toll debt has been on hold since SANRAL's ambiguous announcement in March 2019 that it is no longer pursuing e-toll debt. While e-tolls still exist, SANRAL's announcement was a significant win.

In July 2019, Cabinet announced that President Cyril Ramaphosa had mandated Transport Minister Fikile Mbalula, Finance Minister Tito Mboweni and Gauteng Premier David Makhura "to find a solution to the e-tolling on Gauteng freeways", that



consultations would be held within government and "workable outcomes" would be presented to Cabinet by the end of August 2019. Cabinet has since then missed various deadlines and the final decision on the future of e-tolls is still awaited.

Despite the failure of e-tolls, in December 2020 SANRAL again extended the e-toll collection contract with Electronic Toll Collections (ETC) for another year. OUTA exposed how SANRAL was able to extend this because it had previously quietly rewritten the ETC contract to extend it without going through a public procurement process.

OUTA's e-toll case against SANRAL	
Number of e-toll matters defended by OUTA's lawyers as at 28 February 2021	
High Court cases	99
Magistrate's Courts cases	1 929
Total number of cases	2 028
Rand value	
High Court cases	R152 784 132.37
Magistrate's Courts cases	R112 275 503.78
Total value of cases	R265 059 636.15

OUTA also received information alleging significant corruption in the e-toll collection contract.

In September 2020, OUTA received information from a whistleblower on corruption in the original e-toll collections contract, which was awarded to ETC and its Austrian majority shareholder Kapsch TrafficCom. The allegations were that ETC paid unknown South African company ProAsh R10million over three years, starting three months after winning the e-toll contract, but with apparently no work done in return. OUTA believes this was a kickback related to the award of the contract. OUTA informed SANRAL and ETC about these allegations; by the end of the year there was no indication of any action by SANRAL on this and OUTA was planning on going public with the information.

Intervention: Jenitha John resigns

Jenitha John resigned as CEO of the Independent Regulatory Board for Auditors (IRBA) after OUTA lobbying and public pressure against her appointment over 10 months. John was on the Tongaat Hulett board and the chairperson of the company's audit and compliance committee – and thus responsible for oversight – during the time of the company's well-publicised financial reporting irregularities. OUTA

believes it was inappropriate for her to head up the body that should in fact investigate a matter in which she was directly implicated. Our oversight bodies need to be careful when they appoint executive members and ensure that they have the highest ethical standards.

Formal complaint: Anoj Singh is no longer a registered chartered accountant

In September 2017, OUTA laid a complaint with SAICA against Anoj Singh, the disgraced former CFO of both Transnet and Eskom, calling for him to be struck from the roll. SAICA started hearing the matter only two years later, and finally struck Singh from the roll in August 2020 so he may no longer work as a chartered accountant.

Accessing information: Toll road concessionaires

OUTA is working on obtaining information on SANRAL's contracts with the concessionaires for the national toll roads, N3TC, TRAC and Bakwena. We believe the concessionaires may be earning more from the contracts than is reasonable: we want to know how much they collect and how much of this they hand over to SANRAL. We have requested contract and financial information from SANRAL through PAIA requests but were refused access in all three cases. We have filed legal action in two of the cases and action in the third is expected to be pursued in 2021/22.

Accessing information: Services SETA

OUTA has been investigating corruption in the Services Sector Education and Training Authority (the Services SETA) since 2018, when we exposed the Services SETA's R163 million contract with Grayson Reed, a company which used a false name and charged the SETA exorbitant amounts for dubious services. In September 2019, the Services SETA finally ended that contract six months early, but failed to reclaim any of the money spent on it.

Our work on this continued during 2020/21. Our battle to obtain documents requested through PAIA in 2019 continued; our legal challenge over this refusal is now awaiting a court date.

OUTA made a presentation on the Services SETA project to Parliament's Portfolio Committee on Higher Education, Science and Technology in August 2020, which was well received by the committee members. This presentation included details of the Grayson Reed contract. OUTA also told the committee that the Skills Development Levy is not being used for its intended purpose.

Intervention: Digital migration

This project was initiated after OUTA received information from whistleblowers.

The Universal Service and Access Agency of South Africa (USAASA) is an SOE set up to promote universal access to electronic communications and broadcasting services; it falls under the Department of Communications and Digital Technologies. USAASA was meant to arrange the installation of television set-top box units in indigent households (the box units convert digital broadcast signal so it can be viewed on analogue television sets), to prepare for the switch from analogue broadcasting to digital transmission. The digital migration started with the “switch-on” of digital broadcasting, and will end with the “switch-off” of analogue transmission. In the meantime, there would be simultaneous analogue and digital broadcasting. The digital migration is now 10 years behind schedule and missed the international deadline of June 2015 six years ago.

OUTA raised concerns about the costs of dual illumination, which has lasted years longer than it should have, and the lack of proper oversight over USAASA’s work. Although USAASA hasn’t delivered, it has overspent its budget, due to expenses related to storage and distribution of the set-top boxes. The cost of storing set-top boxes in warehouses, due to the failure to distribute and install boxes, is about R72 million a year, while the boxes become obsolete and thousands of households wait for installation. The endless dual illumination has resulted in wasted costs.

In October 2020, OUTA’s team made a presentation to the Portfolio Committee on Communications to raise our concerns about this matter. OUTA raised concerns about a national tender being awarded to a local manufacturer, Leratadima Marketing Solutions, which then went into liquidation, but also about the lack of accountability for such problems. “In the absence of oversight and consequence management, you are not leading, you are creating chaos,” OUTA told the Committee.

“What consequence management was followed by the Department of Communication or USAASA with regards to wasteful storage cost, poor stock control resulting in financial losses as well as five years of wasteful expenditure with regards to dual illumination?” OUTA asked the committee.

OUTA called for the public release of the National Treasury’s investigation report in 2015/16 into this programme. OUTA also said it was critical that consumers are made aware of the migration process, the effect of this on them in terms of new equipment requirements, and the timelines for migration.

Legal action: Challenging AARTO

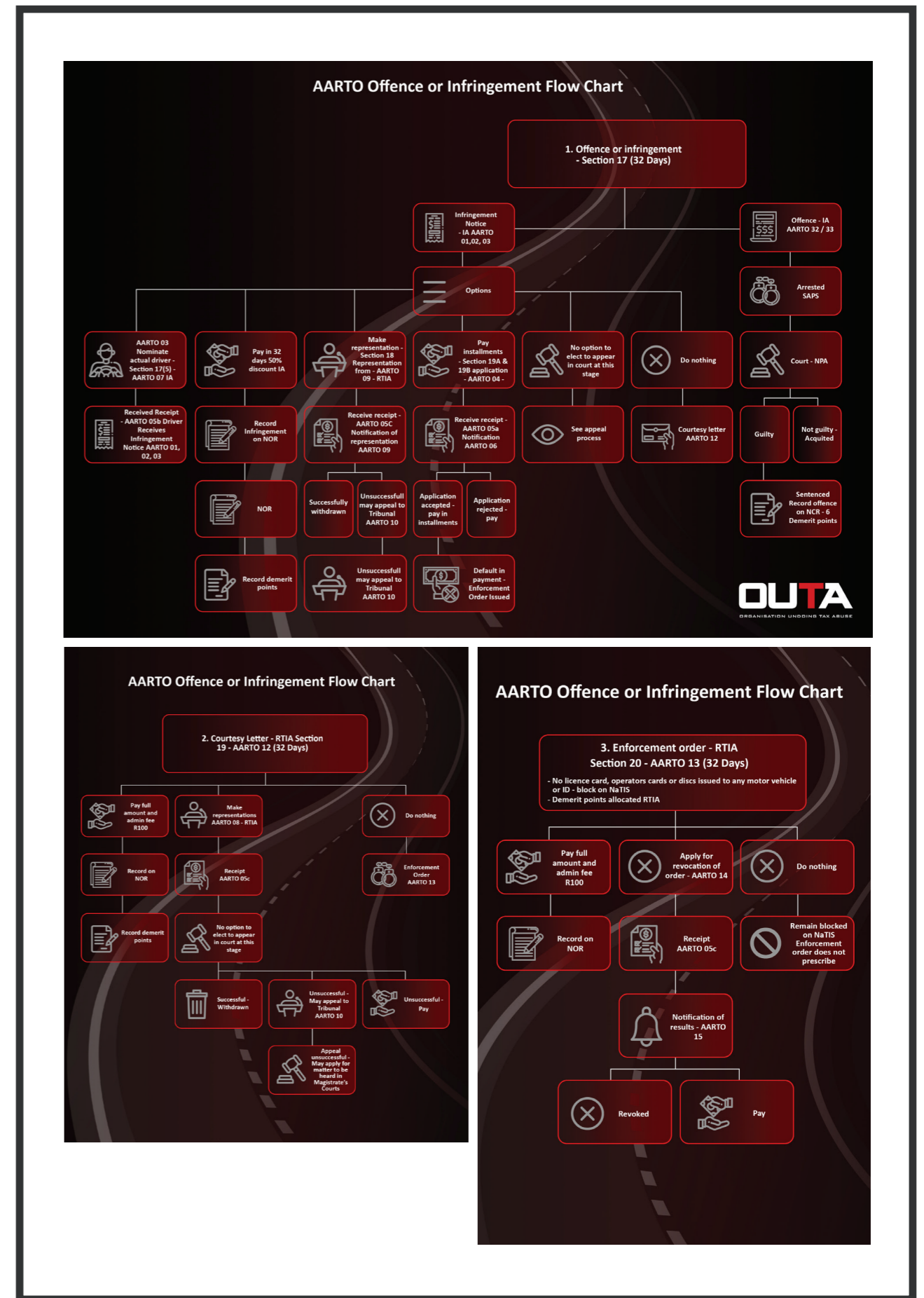
The controversial Administrative Adjudication of Road Traffic Offences (AARTO) Amendment Act was signed by the President in August 2019 but an implementation date has yet to be officially announced. OUTA made critical comments on this piece of legislation while it was a Bill, but these concerns were not taken into account in the final Act. While OUTA believes that measures to improve road safety and reduce fatalities are urgently needed, we believe that the AARTO Amendment Act will not achieve this. AARTO was rolled out in Gauteng 10 years ago and failed spectacularly. Statistics do not support the claim that it will lead to a reduction in fatalities on roads.



In July 2020, OUTA filed a court application calling for the AARTO Act and the AARTO Amendment Act to be declared unconstitutional. The application calls for the court to declare both the main act and the amendment unconstitutional. This is because this legislation unlawfully intrudes upon the exclusive executive and legislative competence of the local and provincial governments envisaged in the Constitution. If the court finds that the law is not inconsistent with the Constitution, then OUTA further opposes Section 17 of the Amendment Act. This removes the requirement that service of notices and related documents must be done personally or by registered mail, instead allowing the use of email, SMS or voice message.

The application was issued in the Pretoria High Court and is against the Minister of Transport, the Minister of Cooperative Governance and Traditional Affairs, the Road Traffic Infringement Agency (RTIA) and the RTIA's Appeals Tribunal. This application is being opposed. We are awaiting a court date.

In August 2020, OUTA submitted a request for access to information in terms of PAIA to the RTIA, requesting information relating to the readiness of roleplayers for the national AARTO roll out. This information has not yet been provided, so OUTA is considering further action.



Action against the National Lotteries Commission

OUTA has since 2018 investigated irregularities in the National Lotteries Commission (NLC) use of funding, particularly its proactive funding.



Proactive funding is founded on the Lotteries Amendment Act which allows the NLC to identify worthy causes that may be funded without a formal grant application. Proactive funding is at face value a noble cause, aimed to uplift and empower vulnerable members of society by providing much-needed funding to non-profit organisations to assist communities and related projects. Unfortunately, these funds do not all reach the vulnerable but are diverted once the funds reach the charities (which are either hijacked or disguise the beneficial ownership). The NLC not only enjoys unfettered discretion when deciding to fund a specific charity, but the absence of strict procurement principles and procedures diminishes transparency, which opens it up to abuse.

OUTA has been investigating the use of the funds which the NLC distributed to two organisations in particular, Zibsifusion and I Am Made For God's Glory (IAMFGG). Zibsifusion was paid R10 million to build toilets in schools but in 2019 OUTA found that the work had not been done. The grant to IAMFGG was supposed to fund the construction of a sports complex but appears to have been used instead to buy a restaurant franchise for IAMFGG's director.

These grants were signed off by the NLC's COO Phillemon Letwaba.

In July 2020, OUTA laid two criminal complaints with the SAPS over this funding. In August 2020, OUTA made a formal complaint to SAICA about Letwaba, who is a chartered accountant. As COO, Letwaba has presided over the apparent laundering of millions of rand through supposed charitable entities, funds which did not reach the supposed beneficiaries.

In November 2020, the process of appointing a new chairperson for the NLC started. The Minister of Trade, Industry and Competition is responsible for this appointment, following nominations by Parliament's Portfolio Committee. By February 2021, the Committee had announced a shortlist; interviews

are due in 2021/22. OUTA is watching this process to ensure a suitable candidate is appointed.

Lobbying: Aurora prosecution over mine pollution

In February 2017, OUTA started lobbying the NPA to prosecute the directors of Aurora Empowerment Systems on environmental charges relating to the pollution from Grootvlei gold mine in Gauteng of the nearby water systems. The Aurora directors were Khulubuse Zuma, Zondwa Mandela, Thulani Ngubane and Raja Zainal Alam Shah. Aurora was in charge of Grootvlei from October 2009 to May 2011 and, during this time, the mine was looted – apparently by Aurora – resulting in uncontrolled pollution of water sources by acid mine drainage. In November 2018, the NPA confirmed to OUTA that it had decided to prosecute in terms of the National Water Act and in April 2019 three of the four directors appeared in the Springs Magistrate's Court for the first time. However, by February 2020 the case had been removed from the roll as the NPA was not ready to prosecute and investigations are continuing nearly 10 years after the fact. OUTA would like to see this case reinstated. We are awaiting the NPA explanation on progress on this case and we are contemplating other avenues for pursuing this matter.

Intervention: Taking on the Public Protector

In June 2019, OUTA petitioned Parliament to set up an inquiry into the fitness of Advocate Busisiwe Mkhwebane to hold office as the Public Protector. OUTA backed this up with a detailed submission, which included copies of various court judgments which have criticised Mkhwebane. There have been widespread calls for Mkhwebane's removal. During 2020/21, Parliament decided on rules for how to deal with the removal of the head of a Chapter 9 institution (such as the Public Protector) and the Speaker appointed an independent panel which, in February 2021, recommended that a parliamentary committee investigate the Public Protector's fitness for office. The National Assembly is due to vote on whether to proceed with the process of impeaching the Public Protector early in 2021/22. OUTA is watching this process.



In February 2020, OUTA filed a court application for the disclosure of records relating to the Public Protector's report entitled "A Report on an Investigation into Allegations of Irregular Procurement of Official Vehicles for the former Premier of Mpumalanga Province, Honourable David Mabuza, by the Mpumalanga Office of the Premier". The report exonerated Mabuza of procurement irregularities in the purchase of four official vehicles for him – a BMW X5, an Audi A8, a Lexus and a Range Rover Vogue – when he was premier. Mabuza is now Deputy President. OUTA submitted a PAIA request to the Public Protector for the documents which she used to absolve Mabuza from wrongdoing in this matter.

The Public Protector failed to provide the records requested. OUTA filed legal action in the Pretoria High Court calling on the court to order the office to comply with the PAIA request; this was set down for hearing in November 2020 then removed from the roll after the Public Protector's office supplied some of the documents and agreed to provide the remaining records. However, the remaining records were not forthcoming. In January 2021, OUTA re-enrolled the case. The case is now set down for hearing on 7 September 2022.

Intervention: Cleaning up Milnerton Lagoon

During 2020/21, OUTA campaigned against the ongoing sewage pollution of the Milnerton Lagoon and Dieprivier waterway in the Western Cape, calling on the City of Cape Town to find solutions to the sewage spills. We believe that the City should improve the sanitation infrastructure in Joe Slovo Park and repair the Potsdam Wastewater Treatment Works (WWTW). Resolving these problems will also help address the pollution in the lagoon.

OUTA tasked independent consultants to take water samples as part of our investigation and a series of 19 tests were conducted through the year, pointing to the Potsdam WWTW as the source of the problem. We believe the root cause of the pollution is the lack of adequate sanitation infrastructure in Joe Slovo Park (and other surrounding informal settlements) and the collapse of the Potsdam WWTW. The management of



the wastewater, including the responsibility to prevent hazardous waste from contaminating water resources, is the responsibility of the City of Cape Town. To date no concrete solutions have been tabled by the City and it seems (as is apparent from the water test results above) that the problem has now become an environmental and health issue, which is not receiving the urgent attention it deserves.

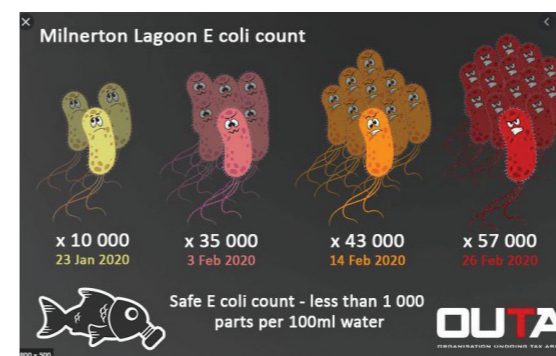
In September 2020, the Western Cape Government's Directorate: Environmental Law Enforcement (Green Scorpions) issued the City with a directive, ordering it to remedy the state of the Dieprivier and Milnerton Lagoon. The City appealed against the terms and timelines stipulated. In January 2021, Western Cape MEC Anton Bredell modified some of the measures and timeframes in the directive, but the main directive remained. OUTA welcomes this directive as, if the City does not comply, it could be held criminally liable. Although the appeal decision is a step in the right direction, there is still a long way to go to restore the environment. OUTA will continue to monitor the water quality and will continue to apply pressure on authorities to hold the City to account.

Tracking corruption: Covid-19 procurement

The humanitarian and economic crisis arising from the Covid-19 pandemic was unfortunately seen by many as an opportunity to loot funds, particularly due to emergency procurement procedures which sped up procurement.

OUTA received 12 whistleblower reports on Covid-19 related corruption. OUTA has been sharing information on this with the Special Investigating Unit and the Auditor-General.

By February 2021 we were completing our investigations report, which looked at service providers who received personal protective equipment (PPE) tenders while they were not registered with the South African Health Products Regulatory Authority (SAHPRA) to supply those PPE. Failure to register with SAHPRA while supplying a particular type of PPE is a criminal offence in some instances. We met with SAHPRA and were provided with a list of the service providers who were registered with them and those who were not.



OUTA ACCOUNTABILITY DIVISION: OPPOSING STATE CAPTURE

Opposing state capture: Referrals and information sharing with the NPA

As mentioned above (see [Strategies of holding government to account](#)), OUTA has since mid-2019 approached the NPA directly with information, due to the failure of the SAPS and Hawks over a number of years to address our criminal complaints about individuals linked to state capture and corruption.

We have used two methods in our engagement with the NPA: formal referrals in terms of section 27 of the NPA Act and informal information sharing. Section 27 allows direct reporting to the NPA of serious crime. In 2020/21, OUTA made four S27 referrals and shared information on seven occasions. We understand that the NPA is actively working on some of these matters.

S27 referral on PRASA

The Passenger Rail Agency (PRASA) referral was made in May 2020. OUTA made available to the NPA's Investigating Directorate all the evidence that was filed in the 2017 civil matter. During 2017, the outgoing PRASA board applied for a mandamus against the Hawks and NPA to force them to investigate and prosecute the matters arising from the Swifambo and Siyangena deals and OUTA joined as *amicus curiae*. The matter is not being pursued by PRASA anymore. We believe it is due to political interference.

S27 referral on Ben Martins

In June 2020, OUTA referred this matter to the NPA. OUTA had not previously reported this matter to the SAPS but instead referred it directly to the NPA due to loss of confidence in the SAPS. Former Minister of Transport Ben Martins appeared at the Commission of Inquiry into State Capture to testify on certain PRASA- and Gupta-related matters. OUTA investigated Martins' conduct pertaining to money received



RUDIE HEYNEKE
PORTFOLIO MANAGER: STATE CAPTURE

directly from Mabangela, a company owned by Tony Gupta and Duduzane Zuma. It was further found that Martins received money from Lucky Montana, the former PRASA CEO, on several occasions, but did not declare this money to Parliament; it appears he received gratification to protect certain individuals while he was a deputy minister and later when he was appointed as a minister.

S27 referral on the Transnet CDB loan

This referral was made in August 2020. This explained how Brian Molefe's last act as Transnet CEO was to sign off on a massive loan from the China Development Bank (CDB) which gave the Guptas R142 million and a shadowy syndicate a \$17.7 million payoff. OUTA did more research into several other events, such as the state visit of former President Zuma to China and how a commission for a certain cartel could not be decreased, the flow of money from Transnet to Regiments, and how some of the funds eventually ended up in a convicted Chinese fraudster's account.



S27 referral on the Central Energy Fund

This referral was made in February 2021, arising from the civil case in the Western Cape High Court which resulted in November 2020 in the Oilgate deal being overturned, and also due to the inability of the SAPS to successfully investigate the criminal offences laid by the state-owned Central Energy Fund (CEF). The deal, in 2015/16, saw the CEF's subsidiary the Strategic Fuel Fund selling South Africa's strategic oil reserves at bargain-basement prices. OUTA was *amicus curiae* in this matter. This referral was made to probe criminal culpability of *inter alia* the minister and the then acting CEO of the SFF, Sibusiso Gamede.

Information sharing with the NPA

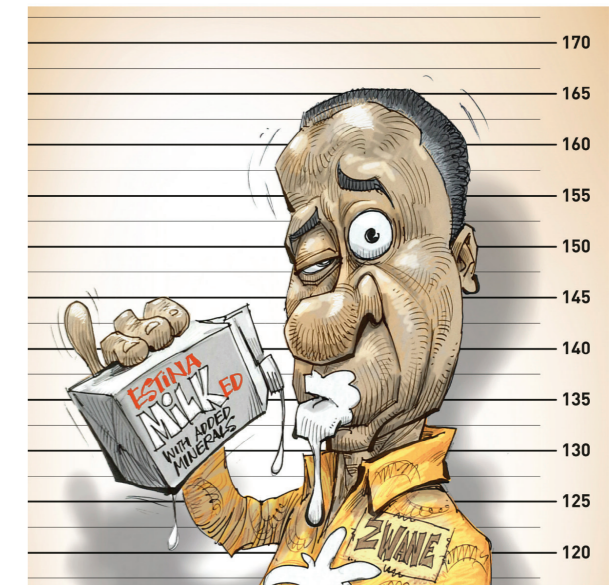
Much of the information shared informally with the NPA was based on OUTA's work sifting through documents and databases provided by whistleblowers, matching this with public records – including evidence coming out daily at the State Capture Commission – and compiling reports to assist prosecutions. Much of the work involved tracing money transfers, following the trail of money laundered out of South Africa's SOEs and into corrupt hands. OUTA has also shared information with international law-enforcement teams.

This information sharing included:

- In April 2020, OUTA shared information regarding the different layers of money launderers who received money from Transnet via Regiments.
- In May 2020, OUTA shared information on money flows involving Regiments and Trillian, two businesses linked to state capture.
- In May 2020, OUTA shared information on money flows through Hong Kong businesses related to state capture.
- In August 2020, OUTA shared information on Eric Wood, a businessman linked to state capture.
- In August 2020, OUTA shared information on former Transnet and Eskom CFO Anoj Singh, who is linked to state capture. This included spreadsheets of money flows.
- In December 2020, OUTA shared more information on Transnet and Regiments. This was an analysis

“It is the duty of courts to ensure that organs of state operate within the limits of the law... It is the only way to curb the scourge of corruption.” Eastern Cape High Court Judge Bantubonke Tokota, November 2020, in a judgment in a case dealing with procurement.

OUTA SAYS: IF THE SUIT FITS...



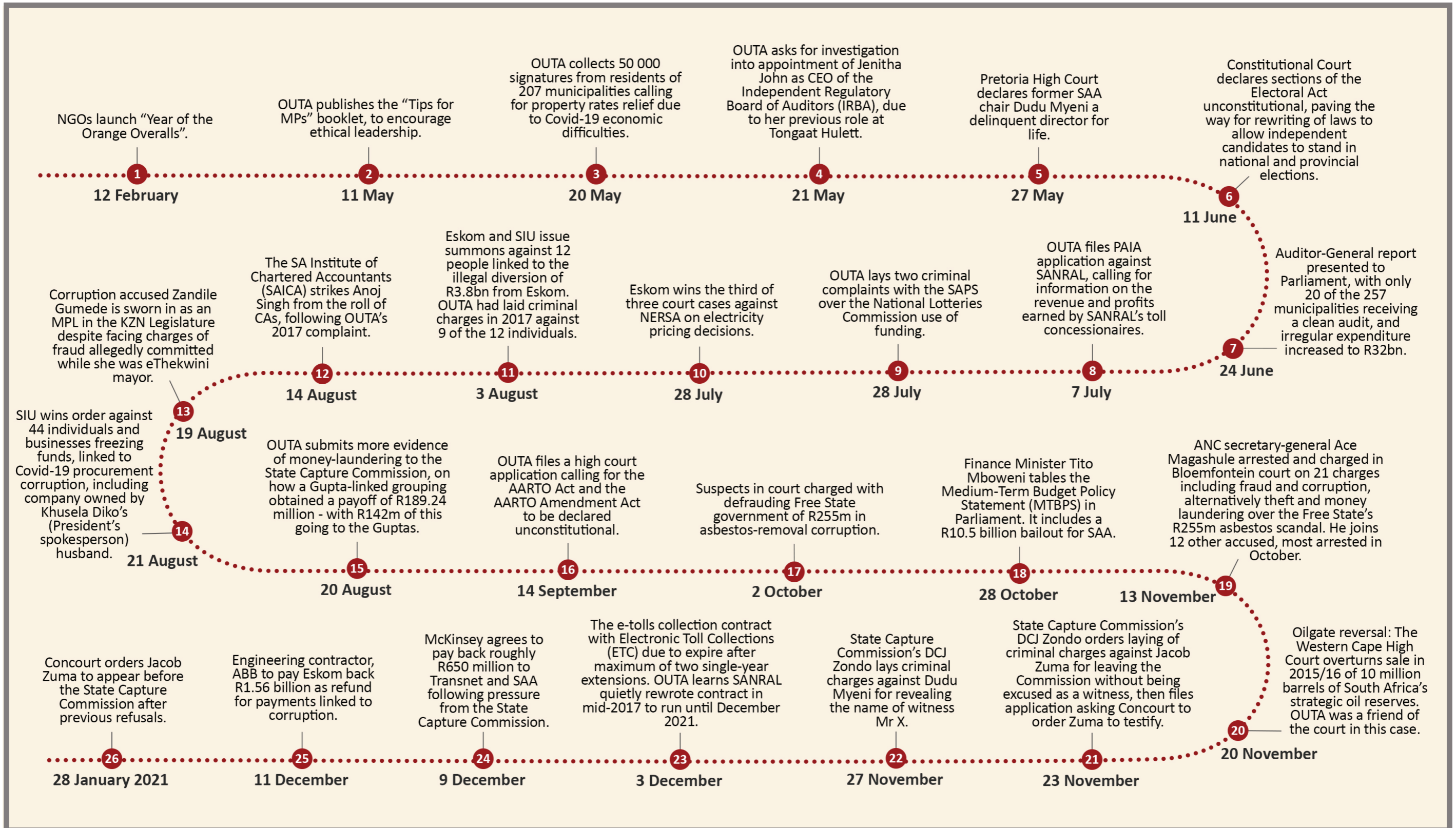
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done on all transactions between Transnet and Regiments. The report included all relevant information and was backed up by evidence such as invoices, remittances and bank statements. The funds that were paid to first-layer launderers were also traced and included.

- In January 2021, OUTA shared information on auction business Park Village and a transport and logistics business in Tanzania, Everest Freight. These businesses were used to launder money: Transnet paid the Gupta-linked Regiments, which then paid first-layer companies in the Salim Essa money laundering network, then these companies distributed funds further including to Park Village and Everest Freight. OUTA followed four specific payments, including finding documentation on the Regiments' chain's purchase of goods from an insolvent estate. This report was also shared with the US Federal Bureau of Investigation (FBI), as it involved international border crossings.

CIVIL SOCIETY CALENDAR OF EVENTS IN 2020/21



OUTA PUBLIC GOVERNANCE DIVISION



JULIUS KLEYNHANS
EXECUTIVE MANAGER: PUBLIC GOVERNANCE DIVISION

HIGHLIGHTS

- Exposing the failure of Parliament to use its oversight powers to block state capture, in a detailed report submitted to the Commission of Inquiry into State Capture.
- Nine substantial submissions to Parliament on various aspects of the national Budget.

What we do

The Public Governance Division challenges government policy and the regulatory environment where appropriate, to encourage improved governance. Much of this team's work involves research and the submission of proposals and comments through formal public participation processes. This team includes OUTA's Parliamentary Engagement Office.

Working for change in 2020/21

The Public Governance Division made a big impact in its engagement and strategic advocacy on public sector governance over the 20/21 financial year. Though Covid-19 caused some disruption, this division adjusted effectively to a digital work environment. We said goodbye to the former director of this division, Dr Heinrich Volmink, a qualified medical doctor, who left OUTA to join the fight against Covid-19. He has since served on the South African Defence Force medical teams and Anglo American's public health

team. Fortunately, Volmink remained on OUTA's Board as a non-executive director. Julius Kleynhans succeeded Dr Volmink and is now leading this division.

OUTA has built a strong foundation as a civil society voice in Parliament and has commented and engaged on various matters throughout the year. One of the key focus areas was the country's Budget cycle through Parliament's calls for comment and public hearings.

The role of Parliament

Tax abuse is due not only to collusion, malfeasance and poor administration in the public service, it is also a result of deeper systemic shortcomings and inefficient policies and regulations. This has had a huge, negative impact on our economy, businesses and household livelihoods, perpetuating inequality and poverty.

Parliament should be a strong defender of the people of South Africa against state capture, but this institution has failed miserably. Our exposé on Parliament's lack

of oversight and the part it played in state capture, detailed in our submission and evidence in February 2021 to the Commission of Inquiry into State Capture, underlined the lack of integrity of Members of Parliament who had taken an oath to protect the Constitution and ensure good governance. This is significant and we believe that it will encourage improved accountability. MPs must serve the public; they cannot abandon their duties to toe party lines, particularly when this involves covering up activities which at times are blatantly unlawful. A lot still has to be done but we sense a change in Parliament's approach to civil society since this engagement and look forward to building on these positive developments. For more on this, see the section below on our Parliamentary Engagement Office.

Comments on the Budget

OUTA made nine submissions to Parliament on the national Budget during 2020/21. Each of these was a substantial submission, and some of these were followed up with verbal inputs to the parliamentary committees processing the Budget. A common theme across the submissions was calls for the need to bring government's spiralling debt under control, opposition to bailouts for failed and non-core state-owned entities (SOEs) like South African Airways, the need to control the wage bill while getting value for money from the public service, the need to cut waste and looting while protecting social spending, and the urgent need for the implementation of zero-based budgeting. These submissions were:

- Three submissions on Budget 2020, which was tabled in February 2020 (during OUTA's previous financial year) and subsequently processed through Parliament.
- Three submissions on Supplementary Budget 2020, the special adjustments budget which was tabled in June 2020 to deal with the economic and fiscal fallout from Covid-19.
- Two submissions on the Medium-Term Budget

"If the NDP's interim targets had been achieved, each South African could, on average, have earned a cumulative R119 000 more by the end of 2019, the South African Revenue Service could have collected R1.7 trillion more in taxes (giving government substantially more resources to invest in development and much more fiscal space to deal with system shocks) and at least three million more South Africans would have been in employment. The fact that we were not able to do so means that South Africa is being forced to confront the most significant global crisis of our age – the Covid-19 pandemic – from a severely weakened position." The National Planning Commission, "Economic progress towards the National Development Plan's vision 2030".

Parliament's reliance on statements from accused individuals is problematic. The accused often have a better understanding of the sector specific dynamics than Parliamentary members, resulting in the accused side-stepping questions with abstract statements without any consequence.

Lack of consequence and promotion of political leaders who undermine accountability promotes a culture of non-compliance and dishonesty within the public sector. Instead, Parliamentary positions are used as placeholders for politicians to "hide-out" while still enjoying financial and political benefits.

WEAK ACCOUNTABILITY

Policy Statement 2020, the usual annual adjustment budget, tabled in October 2020.

- In February 2021, when Budget 2021 was tabled in Parliament, OUTA made the first of its submissions on this budget. The submissions on this budget will continue during 2021/22.
- At the municipal level, OUTA made a submission on the City of Johannesburg's Budget 2020/21 as part of that public comment process.

OUTA's work on the Budget and investigations into the chaos in SOEs led to our submission on the Public Procurement Bill in July 2020. This is a crucial bill for tightening controls in the area most frequently targeted by criminal elements. Our submission

emphasised the importance of the successful implementation of strict procurement controls, and the need for greater transparency. Similarly, OUTA made a submission on the proposed Municipal Finance Management Act supply chain management regulations, warning that these left a loophole for abuse by enabling invoice splitting.

Watching those state-owned entities

OUTA maintains a strong position against the waste of tax revenue, so the flagrant waste in expensive, unnecessary and incompetent SOEs is an important part of our work. Our submissions on the national Budget and on electricity pricing frequently refer to these problems. We have called for the closure of some of these SOEs, such as the embattled SAA which is endlessly bailed out to the huge detriment of stronger priorities although this is not a core business for government.

We believe that taxes should be used to enable business and civil society to lay the foundation for economic growth and that government should be the enabler instead of controller of business in the country.

OUTA is also of the view that South Africans are overtaxed and that significant reduction of waste is needed to stabilise government expenditure and bring relief to the taxpayer.

Encouraging innovative policy

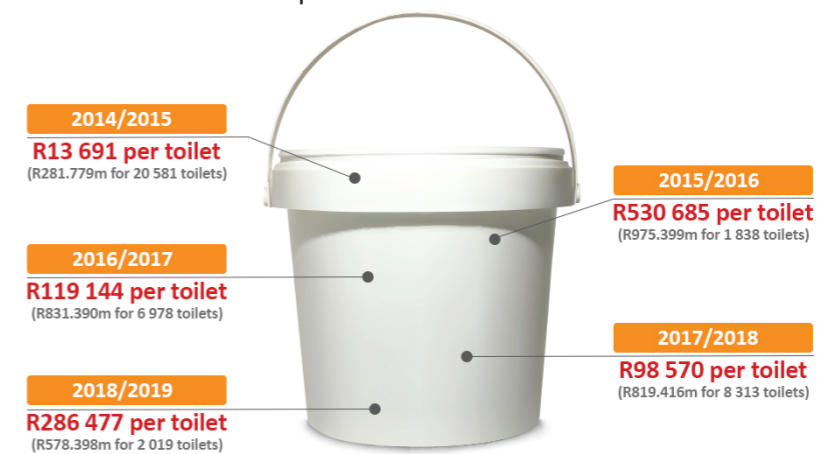
OUTA aims to offer proposals contributing to the development of innovative policy to overcome intractable problems.

- Independent Water Regulator:** Since 2019, OUTA has been collaborating with Water Shortage South Africa to garner support for the establishment of an Independent Water Regulator. We believe this is crucial to address the critical failures by government – in some instances outright abandonment of responsibility – in safeguarding our nation’s water sources and regulating the sector. The national water crisis, characterised by failing municipal infrastructure, a lack of long-term planning and implementation, the growing failure of sewage treatment plants and the lack of accountability for failures, constitutes a powerful case for establishing an Independent Water Regulator.

Our organisations have confirmed there is wide support for such a regulator, which would watch over the national Department of Water and Sanitation. However, we have been unable to get Parliament to take this matter seriously and respond to our attempts to engage. In October 2020, OUTA wrote to Parliament’s Portfolio Committee on Human Settlements, Water and Sanitation, asking for a meeting with the portfolio committee, so our organisations may present our

The astonishing cost of replacing a bucket toilet

This is what the Department of Water and Sanitation spends to replace bucket toilets



The bulk infrastructure for the toilets is a separate budget

Source: DWS annual reports

#whenwillthelootingSTOP



findings and suggestions on the establishment of an Independent Water Regulator. OUTA and Water Shortage SA are willing to help Parliament draft the policy for a regulator. Though OUTA is still awaiting a formal response from Parliament, it seems that an Independent Water Regulator is on the cards and we might just see some new developments in the near future. This matter is being taken further in 2021/22.

- Driver’s licences:** During 2020/21, OUTA started lobbying for the doubling of the period of validity for driver’s licence cards, from the current five years to 10 years.



This is motivated by the government’s inability to provide an efficient renewal service, particularly in Gauteng, which leaves motorists unable to comply with these regulations. The problem was magnified after the Covid-19 lockdown, when there was a deluge of motorists with deadlines to renew their cards; an extension helped partially

but was insufficient to address the root of the problem: entrenched incompetent administration. It has been virtually impossible to renew expired licences and obtain learner’s licences in Gauteng as the online booking system does not work and, even if a booking is obtained, there are still long queues to navigate. In September 2020, OUTA wrote to Transport Minister Fikile Mbalula, calling for the validity of driver’s licences to be extended from five years to 10 years, to reduce costs for motorists and improve the administration of the system; in November 2020, OUTA ran a petition in support of this call. Government has failed to respond to our attempts to engage on this matter. This matter is being taken further in 2021/22.

- Professionalisation of the public service:** OUTA made a submission in support of the Draft National Implementation Framework towards the Professionalisation of the Public Service, supporting the professionalisation of the service, a shift towards customer service and away from entitlement.

- SABC TV licences:** In November 2020, OUTA called for the scrapping of the TV licence system as a funding mechanism for SABC and for the development of a new funding strategy. This was contained in our submission on the Department of Communications and Digital Technologies’ Draft White Paper on Audio and Audiovisual Content Services Policy. We believe that taxes or levies – such as the TV licence – which have failed administrations or are unenforceable should be reviewed and replaced. SABC collects licences from only 2.9 million of the 9.4 million TV licence holders on its database, a

State-Owned Entities

OUTA ORGANISATION UNDOING TAX ABUSE

- 2016 Phase out irrelevant SOEs **FAILED**
- 2017 Review funding to prevent bailouts **FAILED**
- 2018 Sell bankrupt SOEs **FAILED**
- 2019 Repurpose SOEs **FAILED**
- 2020 Make bankrupt SOEs profitable **FAILED**



strong indication of a failed system. OUTA strongly opposed the proposal that licences be extended to other devices such as smartphones, tablets and computers.

Holding local government to account

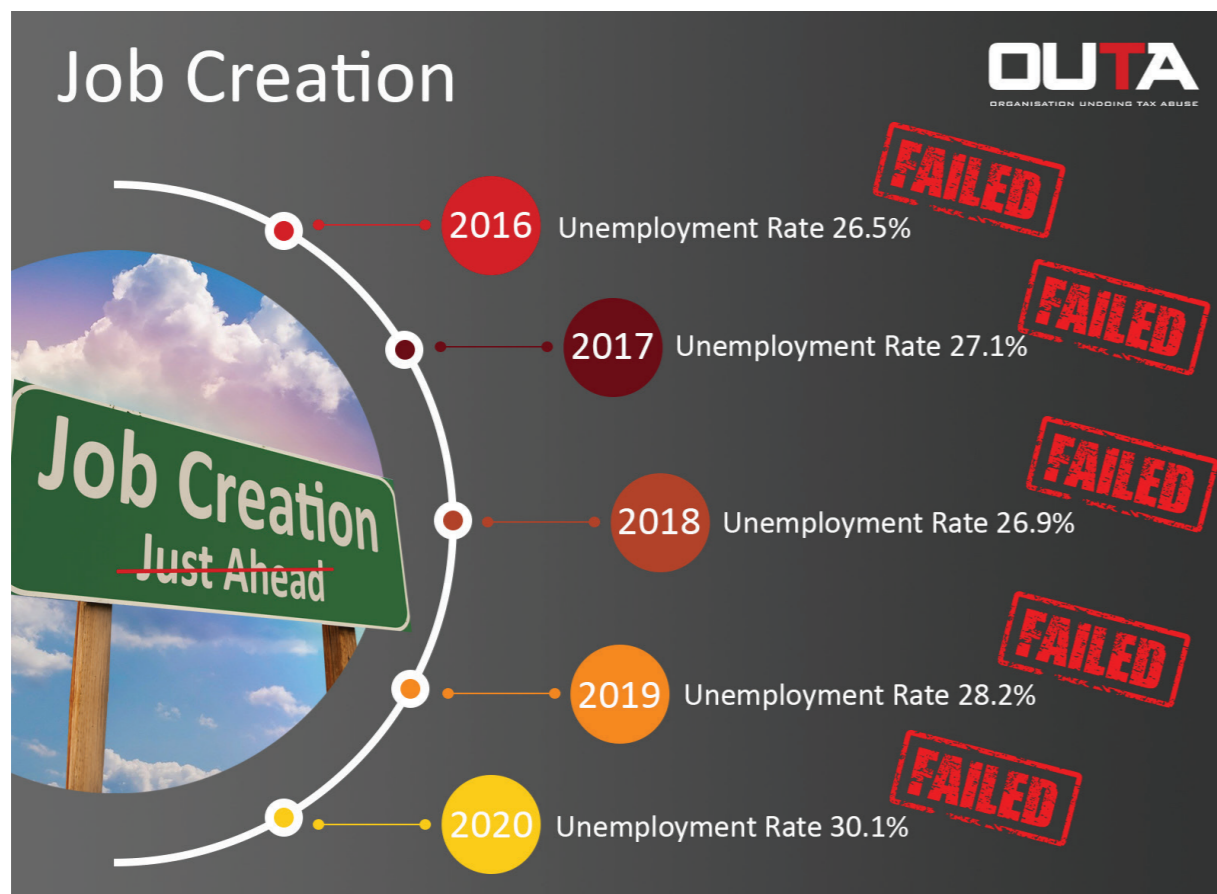
Service delivery continues to deteriorate throughout the whole country. Unfortunately, the lockdown didn't do the economy any favours. Many people lost their jobs and businesses had to shut down, some permanently, yet we saw municipal rates and tariffs increasing and salary increases for municipal workers and public servants. OUTA challenged property rates increases throughout the country, which saw many people obtaining temporary relief as some municipalities reacted positively to this call. However, the fact that tariffs still went up and salary increases commenced exposes the deep ethical issues we find in government.

We will certainly work on more local government-related projects going forward as significant reform is needed to address the affordability of municipal rates and taxes as well as the quality of services provided. Local government elections are due later in 2021, and OUTA encourages citizens to use this opportunity to inform themselves and hold their councillors to account.

Anti-corruption networking

OUTA now serves as a member of the National Anti-Corruption Strategy Reference Group, which is responsible for refining South Africa's strategic plans to eradicate criminal mispending of taxpayers' money. We also sit on the Health Sector Anti-Corruption Forum – established at the Presidential Health Summit 2018 and involving law enforcement agencies, government officials, health sector professional bodies, civil society and business – which has seen many arrests being made regarding corruption in personal protective equipment (PPE) procurement related to Covid-19 needs. We are hopeful that this forum will help to ensure a successful and ethical Covid-19 vaccine rollout strategy.

OUTA was also approached to serve on the recently formed Local Government Anti-Corruption Forum – also involving law enforcement agencies, government officials, the private sector and civil society – which we will explore in the new financial year.



Appropriation Bill

OUTA's Position: Public Entities

South African Airways

- Astounding losses:
 - 2018/19 - provisional R4.9bn
 - 2017/18 - R5.4bn
- Bailouts to date:
 - 2017/18 - R10bn
 - 2018/19 - R5bn
 - 2019/20 - R5.5bn allocated for repayment of debt and working capital
 - 2020/21 - R3.8bn
 - 2021/22 - R4.3bn and an additional R164m for SAA Express Airways
 - 2022/23 - R1.8bn
- SAA should be shut down or partially privatized to ensure that further losses and liabilities are not detrimental to taxpayers.

Transnet

- Locomotives were paid for in advance, none were delivered on time.
- Evidence shows Salim Essa's company Tequesta received approx 20% kickback for every payment made to China South Rail.
- OUTA has submitted a comprehensive report with evidence to the Commission of Inquiry into State Capture and the Hawks.
- Consequences should follow the breach of fiduciary duties in major SOEs like Transnet before approving additional and ordinary appropriations through the Department of Transport.

Sector Education and Training Authorities

- Governance and financial performance in SETAs is poor, yet R13.8 billion is allocated to technical and vocational education and training.
- Procurement procedures have not been adhered to, instead hollow service agreements have been entered into with almost no benefit for students in some of these entities.
- Committee should flag appropriations to the Department of Higher Education, and demand feedback on remedial actions.

Water Boards and the Water Trading Entity

- The Water Infrastructure Development programme is the largest spending area in the budget. Transfers and subsidies increase at an average annual rate of 4.8%, from R8.9 billion in 2018/19 to R10.3 billion in 2021/22.
- Requires better regulation and oversight than seen thus far, as a parliamentary inquiry into fraud and corruption in the department has been left incomplete.
- OUTA recommends the establishment of an Independent Water Regulator to perform financial oversight in cooperation with Parliament.

Additional bailouts to be allocated over the medium-term budget

- R33bn for Eskom in 2020/21
- R576m for Denel in 2020/2
- However, these entities continue to make losses.
- Call for legislative changes in Companies Act, state owned companies' laws, and fast tracking of the Public Procurement Bill.
- Some entities should be shut down or amalgamated into others or be replaced by similar organs of state.
- Essential entities should sell off non-core assets or pursue alternative cash injections to government guarantees and bailouts.
- All board appointments must be transparent and preceded by a rigorous due diligence process including probity checks.

OUTA PUBLIC GOVERNANCE DIVISION: ENERGY PORTFOLIO



LIZ McDAID

OUTA PARLIAMENTARY ADVISOR AND ENERGY ADVISOR



HIGHLIGHTS

- Arranging public access to crucial information from Eskom on power station performance.
- Highlighting the shifting of government funds away from electrification for the poor to nuclear entities.
- Tracking and opposing the Department of Mineral Resources and Energy's plans to procure 2 500MW of new nuclear power.

Energy sector reform

Energy is one of the most profound economic stimulators, but South Africa's energy supply has been in crisis for more than a decade.

Much of the work on this crucial sector has revolved around the economic and social cost of energy: the prices for customers, the secrecy around Eskom's power station failures, the unrealistic unaffordability and inappropriateness of the plans for a new nuclear power plant at the expense of renewables and even other government programmes, the unreasonableness of prioritising the nuclear sector over providing basic electricity services to communities, and the exclusion of civil society from nuclear safety oversight.

In April 2020, OUTA submitted a request to Eskom in terms of the Promotion of Access to Information Act (PAIA) for specified technical information on power station performance, to be provided on an ongoing basis for the public. It took five months, but OUTA was eventually able to obtain a certain amount of this information; discussions with Eskom on this are ongoing.

Electricity prices continued to increase, despite the dire economic situation many found themselves in due to the pandemic and lockdown. Eskom has needed ongoing and enormous bailouts from the state (which takes funds from other priorities), municipal debt to Eskom has continued to grow, electricity sales drop and customers face worsening bills. OUTA opposed the municipal price increase in a submission to the National Energy Regulator (NERSA), and made various references to the municipal debt problem and Eskom bailout problem in submissions to Parliament on the Budget.

In one submission on the Budget, OUTA pointed out that the Department of Mineral Resources and Energy (DMRE) had prioritised securing budget for the failing Nuclear Energy Corporation (NECSA) – which has repeatedly failed to account properly to Parliament for its funding – by slashing the budget for electrifying households that are still without electricity. This flies in the face of claims of a developmental state: nuclear energy which will deliver nothing in the short term, if ever, effectively took R1.5 billion away from service delivery for poor households.

In September 2020, OUTA challenged the DMRE over the Minister's failure to appoint the legally required civil society representatives to the National Nuclear Regulator (NNR) board. Five months later the DMRE had still failed to sort out this crucial matter, which is an ominous sign for a regulator with such crucial safety oversight.

A key project for OUTA in 2020/21 was opposition to the Minister of Mineral Resources and Energy's plan to build a new nuclear power station. The Minister proceeded with his decision to give the go ahead, through a determination in terms of section 34 of the Electricity Regulation Act, to procure 2 500 MW of new nuclear power; NERSA is required to concur with this for the determination to take effect. NERSA has to conduct public hearings and apply its mind before deciding if it agrees with the Minister or not. OUTA had earlier raised concerns about the secrecy around these plans and, when NERSA announced it had received the Minister's request and called for public comment, OUTA called on NERSA to refuse to

concur, given that such a project would lock future generations into unaffordable public debt. OUTA's arguments against a new nuclear build include: it's not in the Integrated Resource Plan (the government's energy plan); nuclear energy is the most expensive form of energy and would be funded by the state; we believe it would not be affordable and it takes no account of the current significant fiscal crisis in South Africa; government has a history of massive overspend and under-delivery on mega projects (for example, Kusile and Medupi power stations); there haven't been any feasibility studies; renewable energy is more affordable, faster to build and more appropriate for South Africa; we have concerns that oversight will be inadequate, particularly in the light of government's secrecy over previous nuclear power deals and this new plan; and South Africa has far more urgent priorities for spending. In a country where the government has failed to deliver water or even toilets in schools, building a nuclear power station is recklessly inappropriate. This campaign is expected to continue, as NERSA's decision on this is still awaited.

How much would a new nuclear power plant cost?

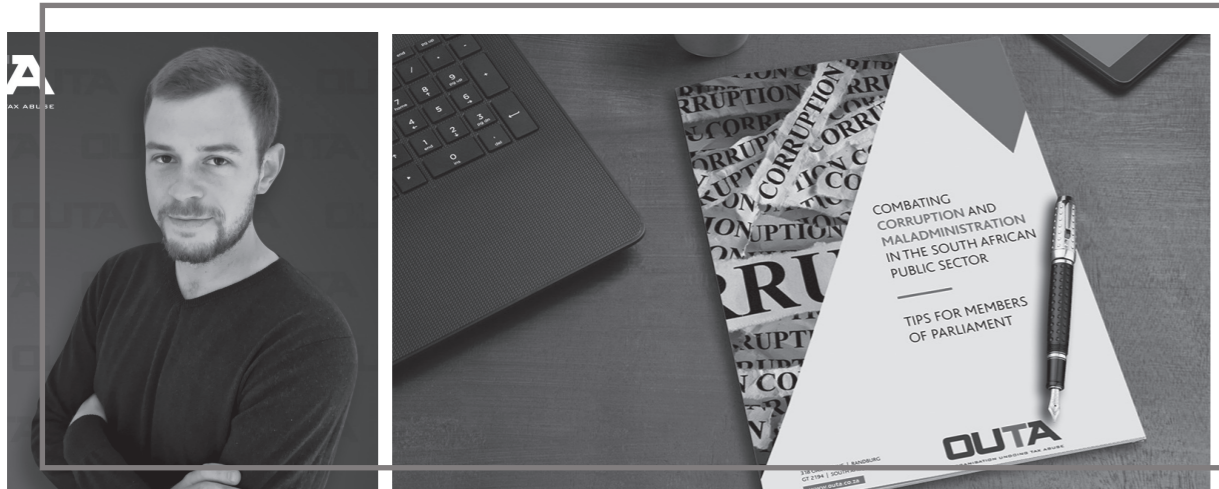
Building 2 500 MW could cost R380 billion – at 2015 estimates

	Cabinet's 2015 low-cost estimate	Cabinet's 2015 high-cost estimate	OUTA estimate, using Cabinet's high-cost estimate
Cost used by Cabinet to build \$/kW	\$2 500/kW	\$7 500/kW	\$7 500/kW
Exchange rate used	\$1:R10	\$1:R10	\$1:R15
Cost to build 2 500 MW	R62.5 bn	R187.5 bn	R281.25 bn
Finance costs (25%)	Not included	Not included	R70.313 bn
Owners' development costs (ODC) (10%)	Not included	Not included	R28.125 bn
Cost to build 2 500 MW	R62.5 bn	R187.5 bn	R379.688 bn

Source: Cabinet's costs are in a memo presented to Cabinet in December 2015, which was handed to the Zondo Commission. Cabinet used an exchange rate of \$1 to R10, although that was two years out of date.



OUTA PARLIAMENTARY ENGAGEMENT OFFICE



MATT JOHNSTON
PARLIAMENTARY ENGAGEMENT MANAGER

HIGHLIGHTS

- OUTA served as a “friend of the court” in the Constitutional Court case that precipitated a ruling that says electoral laws must change to accommodate independent candidates as MPs.
- We were one of the only civil society organisations to be invited to testify on parliamentary oversight and its role in state capture at the Commission of Inquiry into State Capture – and exposed the institution’s failures.
- Parliamentary Engagement Office staff have built informal relationships that are strong enough to be invited to get involved in internal and confidential parliamentary operational reforms.
- OUTA’s policy advocacy has become a widespread feature of formal reports tabled and adopted in the National Assembly, signifying a major increase in our lobbying stature.
- We have begun opening up the conversation about public participation in Parliament and how that can enhance the quality and outcome of parliamentary oversight of executive conduct.
- We’re tackling MP constituencies after several high-level, internal parliamentary reports suggested that there is zero accountability for how taxpayer money is spent by political parties.

Lockdown

The past year in Parliament saw tectonic shifts. Covid-19 happened and civil society demanded that Parliament overcome the limitations by moving its activities online. This forced the institution to start practicing what it preaches in terms of the so-called Fourth Industrial Revolution, and the results have been bittersweet. It has been bitter in that, firstly, some senior MPs are unable or unwilling to embrace the digital transition, secondly, rubber-stamping has become easier than ever despite rigorous public dissent, and, thirdly, political party directives are hard to counter electronically. It has been sweet in that,

firstly, MPs cannot physically evade uncomfortable confrontations, secondly, problems with the interface between parliamentary committees and the public have been laid bare for all, and, thirdly, crippling economic impacts of lockdown have reinforced the imperative to cut the fat and reform.

Parliamentary oversight review

OUTA had to come to terms with the frustrating knowledge that parliamentarians simply have not been doing their jobs as far as oversight is concerned. At the Commission of Inquiry into State Capture, we presented the parliamentary shortcomings that

abetted state capture. To work towards some semblance of a publicly imbued approach to holding to account Ministers and executives and their departments or state-owned entities (SOEs), we compiled a critical report that challenges the way MPs conduct oversight. We looked at the frequency of meetings and other numbers, but the qualitative issue of how performance is measured in this regard came up. What does oversight mean? Tough question, but many MPs would fundamentally differ in answering it. We believe that the answer, and how it is carried out in practice, should resonate with the intended beneficiaries of parliamentary operations: the public. You and I pay Members of Parliament their salaries – and so they must be accountable to us, not their political parties. OUTA is pushing the envelope on this front, and we can see that the message is landing (albeit softer than we would like). MPs are getting used to OUTA’s presence, and we intend to make our influence permanent.

Modernising constituency engagement

Sometimes problems are so glaringly obvious that we miss them, but OUTA has not missed this one. The fact that this needs to be explained is part of the problem, but constituency offices are places funded by taxpayers (from SARS to National Treasury to Parliament to political parties) that are supposed to facilitate MP-public interactions. Almost every MP, in theory, represents the interests of his/her specific constituency in Parliament. There may be a serious problem, say with water provision, which falls under the purview of a national department or SOE, which you as an active constituent can raise with your local MP to get it resolved. However, this does not generally happen in South Africa. The Joint Standing Committee on the Financial Management of Parliament has released a series of reports basically saying there is no reliable measurement of constituency office performance in place. That means political parties are getting money from taxpayers through Parliament to do work, but we as the public have no way of knowing whether they do it effectively (or at all). Zero accountability. We intend to challenge Parliament’s budget, and make this unacceptable impunity known.

Economic reform

Several individual policymaking processes that will improve the use of tax revenue are underway now, but these are not glamorous or sensational, so it goes unnoticed. Some examples include the Economic Regulation of Transport Bill (which will privatise the rail sector to some extent and centralise the fragmented regulatory function of the Department of Transport and its entities), the Funding of Political Parties Act (which has already been enacted, but implementation is slow and scant even though ethical and financial dilemmas

are rocking our most prominent political parties), the Public Procurement Bill (which will constructively reform the way government procures goods and services, but we have noted some shortfalls in its prospective provision for transparency), and the repetitive Money Bills related to the Budget (rates and amounts of taxation, Division of Revenue, and Appropriations, all of which legislate for the collection and distribution of tax revenue that take a lot from and give little back to our pockets). OUTA has been participating in these processes, but we challenge rubber-stamping exercises aimed at appeasing international credit ratings agencies and taxpayers without genuine changes in the way government uses our taxes. Business still faces so much red tape that state monopolies in the rail, transport, water, and energy sectors are obvious. So, people and the environment draw short straws, but OUTA is lobbying for sectoral transformations that will force government to tighten its huge belt.

Governance reform

The past year has again illustrated in embarrassing detail just how dysfunctional our public governance is. The Constitutional Court ruled that independent individuals must be able to stand for national and provincial election to the provincial and national Legislatures. Whilst the main reason for this is not a lack of accountability, OUTA has consistently argued that it is in fact a big imperative: MPs must account to constituencies, not political parties. Several stunning exposés have shown us how many public servants should not be in their taxpayer-funded positions – many are incompetent, still more seem to be unfit for office by any ethical standard, and some are just downright white-collar criminals whose only interest is feeding off the public purse as efficiently as possible. Now, there is a state-driven drive to “professionalise” the public service. A few shallow tweaks to a deeply broken system will not radically change the game: that is what is needed now.

Final remarks

All in all, the Parliamentary Engagement Office has been making strides, getting closer to the heart of the policy constraints holding South Africans back from their true potential. OUTA is determined to distance politicians who act with apathy and condone impunity from the levers of power, especially insofar as public finances are concerned. This power should rightly sit in the hands of ordinary South Africans, almost all of us being direct or indirect taxpayers, and the ultimate beneficiaries of all government departments and SOEs. Therefore, we must be the ones who inform and direct the way public finances are collected and spent: this demands civil oversight and infinitely deeper public involvement in the decision-making process.

OUTA STRATEGY & NEW BUSINESS



JULIUS KLEYNHANS
EXECUTIVE MANAGER: PUBLIC GOVERNANCE DIVISION

OUTA is working on digital strategies to support community involvement in local government. We hope these projects will go live during 2021/22.

LINK, powered by OUTA

OUTA is developing a mobile application, compatible with both iOS and Android devices, that encourages users to become active citizens and report and log municipal-related service delivery issues such as potholes, faulty traffic lights or burst pipes at the touch of a button, countrywide.

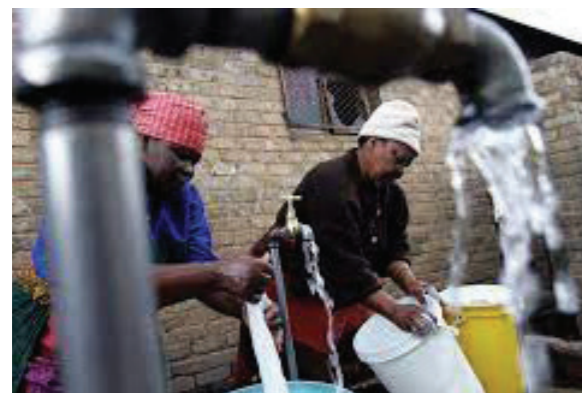
This progressive application is being developed to help citizens better communicate with their municipalities and, similarly, to help local authorities be more responsive and accessible to the public.

The LINK application is expected to be launched in the 2021/22 financial year.

CAN, powered by OUTA

The Community Action Network (CAN) platform is a web-based service, accessible on both mobile and desktop, currently being developed by OUTA. The main purpose of the platform is to enable community organisations to become more organised, empowered, and sustainable. The platform will provide local community organisations with a comprehensive membership platform and a wide range of digital tools and resources to make them more effective in their engagements and actions in their municipalities. It also offers access to a network of like-minded community activists, resulting in shared expertise and resources, and collaboration on cross-cutting issues.

CAN is expected to be rolled out in a phased approach beginning in the second and third quarter of the 2021/22 financial year.



STAKEHOLDER ENGAGEMENT



HOW OUTA IS FUNDED

OUTA's funding journey from inception in March 2012 to February 2021

Over the nine-year period from OUTA's inception in March 2012 to February 2021, OUTA has generated an income of almost R214 million. From the table below, it is clear that the bulk of our support (95%) comes from individuals and small or

medium businesses (SMMEs), where OUTA's relevance lies; that is, fighting to defend the waste of taxpayers' funds appears to mean more to individuals and small businesses than to big business.

OUTA INCOME BREAKDOWN: 2012/13 to 2020/21 (9 years)			
PERIOD	9 years of operation	Average per year	% of total
TOTAL INCOME	R213.84m	R23.76m	100%
Individuals	R146.76m	R16.31m	68.6%
SMMEs	R56.39m	R6.27m	26.4%
Big business	R4.68m	R0.52m	2.2%
Other *	R6.01m	R0.67m	2.8%

* Donor funder for specific project funding

Four years from March 2012/13 to February 2015/16: The e-toll litigation period

During this initial four-year phase of OUTA's existence, when it was named the Opposition to Urban Tolling Alliance, the organisation's work was focused purely on halting or reversing government's decision on the introduction of Gauteng's e-toll scheme.

During the first year of intensive litigation (March 2012 to February 2013), OUTA was largely funded by big business members of the South African Vehicle Renting and Leasing Association (SAVRALA), and a number of other NGO and industry associations – the Retail Motor Industry Organisation (RMI), the South African Tourism Services Association (SATSA), the QuadPara Association of South Africa (QASA), and the South African National Consumer Union (SANCU). These five entities gave rise to OUTA's formation and agreed to drive and fund the litigation cases that unfolded between 2012 and 2013. Of the R5.6 million raised in the first year ending February 2013, 80% was funded by big business and 20% by individuals. By December 2012, various players within the state had placed sufficient pressure on OUTA's big business funders (largely the car rental holding companies) to cease their financial and moral support of the organisation, which left OUTA in a very precarious situation with R3 million in outstanding legal bills and other debt. OUTA put out a public appeal for donations to enable an appeal in the Supreme Court of Appeal (SCA) against the high court judgment and costs order against it, and society raised R2.5 million (including R1 million from the Democratic Alliance).

Period 2: Five years from March 2016/17 to February 2020/21: Broader mandate covers state corruption and e-tolls

The second period from March 2016 to February 2021 reflects the organisation's work under its new name as the Organisation Undoing Tax Abuse, which retains the OUTA acronym. This followed a decision in 2016 by the organisation's management – in response to calls made by many of its supporters – that OUTA take on a broader mandate to tackle other areas of government maladministration and corruption, while continuing to challenge the e-toll decision. During this period, big business was not inclined to support a civil action movement that was challenging irrational government policy as well as corruption. This required OUTA to become more relevant to the ordinary citizen and smaller businesses who believe strongly in its work, and who were less prone to government threats and bullying.

This fundamental shift – triggered also by OUTA's decision to defend citizens who were summonsed by the South African National Roads Agency Ltd (SANRAL) for non-payment of e-tolls – produced a dramatic increase in OUTA's supporter income. During this latter five-year period, while the state had not officially pulled the plug on the e-toll scheme, in March 2019 SANRAL announced it would discontinue the issuing of summonses to motorists who had outstanding e-toll bills. Despite the reduced threat of litigation against motorists for failure to pay e-tolls, OUTA's supporters continued to contribute to the organisation's expanded cause and its work in tackling state capture, maladministration and corruption.

During this latter period (2018/19 and 2019/20), OUTA also received a donation of R5 million from the Millennium Trust, which supported the development of OUTA's local government accountability strategy.

**KEEP
CALM
AND
BECOME
AN
ACTIVE
CITIZEN**

FINANCIAL INFORMATION

MARCH 2020 – FEBRUARY 2021

The financial year ending February 2021 was subjected to the impact of the economic turmoil and working conditions triggered by the Covid-19 pandemic, which surprisingly resulted in a reduction of only 8% in crowd-funded supporter revenue, well below the 15% to 20% drop we had expected.

Fortunately, OUTA's team was well down the road in preparation for a more online working environment, so adapted to a remote working policy using MS Teams within a week of the announcement of the pandemic lockdown in mid-March 2020. The organisation was already underway with a restructured organogram that enabled a reduction of our headcount. In addition, the opportunity arose to terminate our office lease agreement, which gave us the opportunity to move to a smaller office with lower rental rates, reduced data and other costs, whilst introducing our partial remote working operational requirements. This triggered substantial savings in expenses and an improvement in our cashflow and provisions.

Comparing our income and expenses year-on-year, the 6% supporter reduction gave rise to an 8% drop in crowd-funded income. In the prior year, OUTA's income comprised 95% from crowd-funded donations and 5% (R2.3 million) from a donor foundation source (Millennium Trust), for project specific purposes. When including the donor foundation funding into the total income mix, OUTA's R38.8 million in 2020/21 (100% from crowd funding) was 12% down on the prior year.

OUTA invests its provisions (largely for litigation cases) in medium-term interest-bearing accounts. The interest rates on these investment accounts have reduced significantly over the past year, leading to a 26% reduction in interest returns.

The intricacy of OUTA's work requires significant experience and specialised skills in the form of legal, investigations, project management and communications expertise. OUTA pays market-related salaries and, as our work is driven by our people, the employee costs are by far the biggest component of our expenses, as is usually the case within the NGO and civil activism space.

The reduction in headcount due to restructuring resulted in a 14% reduction in employee costs, which make up 67% of its total expenses.

OUTA's strategy of employing its own legal team continues to be a success, enabling our litigation expenses to remain low, at 9% of our revenue, which included an additional R2 million provision for future litigation.

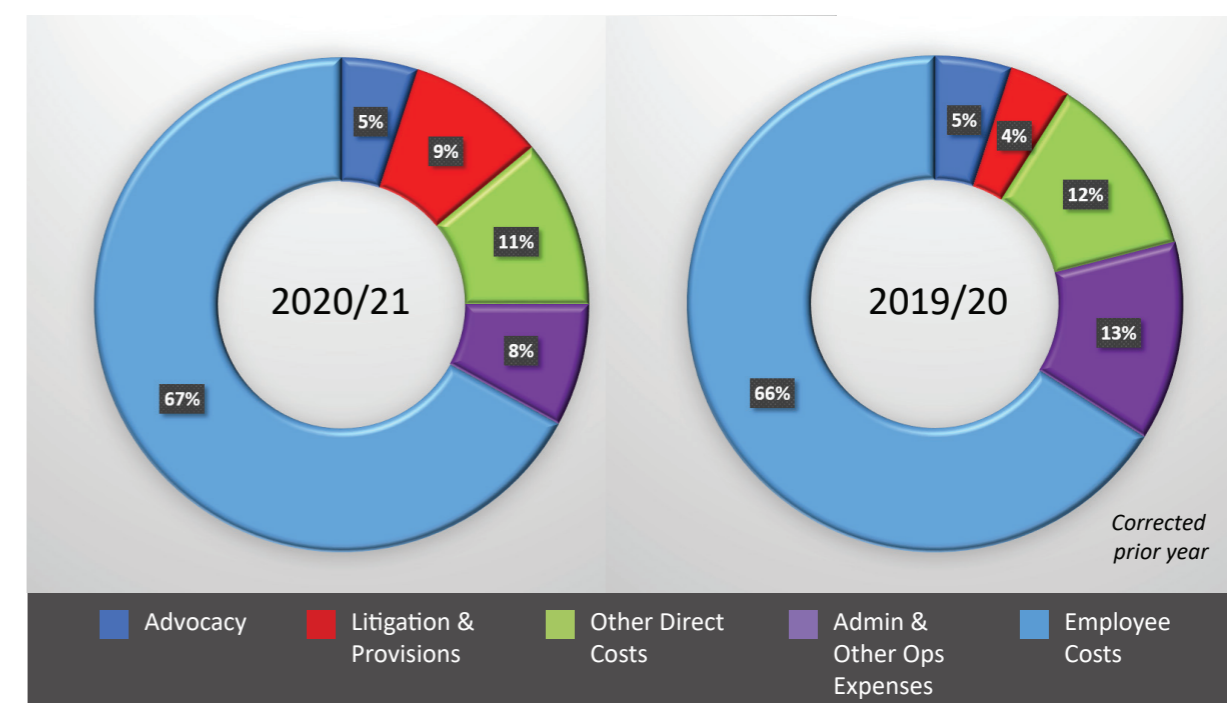
Administration and other operational costs were 8% of expenses, which was 48% less in rand terms than the previous year. OUTA's new enterprise resource planning (ERP) system, which is partially live with our supporter collections database, significantly reduced our costs.

Other direct costs are consistent against last year at 11% of total expenses.

The Executive Committee is once again pleased to announce that OUTA received an unqualified audit opinion for the year. This provides comfort to our supporters and Board of Directors, knowing that our financials present fairly and appropriately without any exceptions, and are compliant with the laws and regulations.

2020/21 FINANCIAL YEAR 2019/20

R38.9m	DONOR INCOME*	R44.4m
R10.2m	DIRECT COSTS (incl provisions for litigation)	R9.7m
R26.6m	EMPLOYEE COSTS	R31.0m
R3.2m	OTHER OPERATIONS COSTS	R6.0m
R1.4m	OTHER INCOME (incl legal cost recoveries)	R2.8m



*In 2020/21: 100% from individuals and SMMEs. In 2019/20: 95% from individuals and SMMEs, 5% from Donor Foundation.

19%
reduction in
employee and
operating expenses

6%
reduction in
number of supporters
due to economic
pressure

44	HEADCOUNT - Average throughout the year	47
49	NO. OF NEW PROJECTS - Actual projects opened during the year	37
72	NO. OF CLOSED PROJECTS - Actual closed during the year	45
42	NO. OF OPEN PROJECTS - At the close of the year	65



RECOVER with integrity

You can put a stop to corruption by reporting incidences of corruption to the authorities. By coming forward, you not only stand against the corrupt, you also stand up for your community.

**UNITED
AGAINST
CORRUPTION**



www.ouata.co.za

OUTA
ORGANISATION UNDOING TAX ABUSE