

No collusion between DA, Naspers says Madonsela

Public Protector Thuli Madonsela has found no substance to ANC claims that Naspers and the DA colluded to inflate the price of land sold to the city of Cape Town.



Thuli Madonsela

in a report released on Wednesday (5 December), she did find evidence of maladministration regarding details of the sale agreement,

She recommended that the city manager consider disciplinary action against officials.

African National Congress Chief Whip Mathole Motshekga asked Madonsela in March to investigate claims that taxpayers were being disadvantaged.

The allegation was that a foreshore parking lot bought by the city council for R106m had been independently valued at R50m.

Motshekga claimed the deal raised "serious" allegations about the relationship between the Democratic Alliance, which controls the council, and the media company.

Releasing her report *Over a Barrel*, Madonsela said her investigation found no evidence of collusion, or that the sale price was double the actual market value.

"No evidence could be found to indicate collusion between the city and Naspers to short-change taxpayers. The transaction between the city and Naspers was above board and generally to the benefit of the public," she said.

Madonsela said her investigation included seeking an independent valuation of the property, which was bought as part of the expansion of the Cape Town International Convention Centre (CTICC), in which the city is a shareholder.

Although the allegation that the price was twice the market value proved unfounded, Madonsela noted that the sale price was R2m more than the initial evaluation and R1m more than the subsequent updated evaluation.

Madonsela found that city officials had concluded a height restriction agreement with Naspers on the land, without first getting permission from the city council.

"This breached a by-law and amounted to maladministration," Madonsela said.

She said city officials had failed to take charge of the negotiations with Naspers from the outset, leaving it to the convention centre until late in the day, and this too constituted maladministration.

Madonsela recommended that the height restriction condition attached to the sale be referred to the council for consideration.

Madonsela said the city manager should consider disciplinary action if officials were found to have neglected their duty.

She said the mayor should set up a task team to look into additional complaints regarding the expansion of the convention centre.

Motshekga welcomed and accepted Madonsela's findings.

He said the sale of the land for R1m more than the final evaluation was surely the fault of city officials for failing to take charge of the process.

"We believe that there is a direct link between this dereliction of duty, which saw CTICC and Naspers officials handling negotiations without involvement of the city, and the fact that taxpayers are now being expected to pay more than is necessary in this land deal," Motshekga said.

Source: *Sapa* via I-Net Bridge

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