Msunduzi Local Municipality has become one of the country’s municipal crisis areas with the province compelled to intervene and take over the running of the municipality.

BY KATHARINE MCKENZIE

The capable and experienced Johann Mettler, who has been heading up SALGA’s team in Parliament, has been sent in as an administrator to take charge of the running of KwaZulu-Natal’s second-biggest city. One of South Africa’s largest local municipalities, and most established, the municipality has a centuries-long history in the pre-democracy area, and is founded on a solid rates base and the historic city of Pietermaritzburg.

For several years it has been the provincial capital of KwaZulu-Natal, home to the provincial legislature, and it has recorded economic growth peaking at 30% in 2003. With well-developed agriculture and industry and a population with significant social and economic capital the city should be a model of good governance. So what went wrong?

1. Team work

Team Msunduzi has not been functioning optimally for some time with factionalism and infighting in the ruling ANC, and political and administrative leadership pulling in different directions.

In addition to a high turnover of leadership and management, relationships between the politicians and administrators reached an all-time low. As the city’s financial crisis deepened the key leadership pulled apart, rather than standing together.

2. Infighting & factionalism

Factionalism in the ANC has come at a high cost in Msunduzi, where, instead of presenting a formidable united front, the ruling party at local level has failed residents and stakeholders alike. Local commentators point to a hardening of attitudes since the 2006 local government elections and a rift between the mayor and speaker so deep that officials were forced to choose sides. Both incumbents, together with the entire executive committee, have now resigned on the instructions of Luthuli House.

3. Leadership

In addition to the failure of political and administrative leaders to take difficult decisions and confront the challenges that faced the city, arguably leadership failure in other sectors has also contributed to the crisis. Labour has certainly been a factor, with bungooning overtime payments contributing to a budget that won’t balance. An inopportune and badly timed strike by workers demonstrated a sector that was unwilling to engage with the larger crises.

Business has made its voice heard through the local Chamber of Commerce, but other important stakeholders, including the university, education sector and other organs of civil society need to actively engage with the local state and its plans for returning to stability and living up to the municipality’s aspirational slogan: City of Choice.

Given that the provincial government has its headquarters in Pietermaritzburg, and no longer at a remove in Ulundi, they could also shoulder some of the blame for allowing things to deteriorate so badly before getting involved.

4. Debt management

The major contributor to the crisis is undoubtedly financial. Like all municipalities, cash flow is critical and during a recession municipalize that have been prudent reap the benefits. Msunduzi was already on the back foot when debtors stopped paying up, with net available cash declining from R120 million in 2007/08 to only R1.9 million in 2008/09. As this financial year comes to a close the municipality is reported...
Moving with speed, the ANC has selected Mike Tarr – ironically the son of a former mayor of Pietermaritzburg – as the new mayor to replace Zanele Hlatshwayo. Acknowledging the challenges facing the beleaguered municipality, Tarr said things would have to change.

‘We are going to be absolutely transparent, no more closed meetings... everything will be absolutely according to the letter,’ he told the media.

The new executive team retains just two of the former members, to provide continuity – Tholakele Dlamini and Gerrit Meyer – with Jabu Nguba, a well-known ANC activist and educator, as deputy mayor and Babu Baijoo as speaker.

Baijoo also has strong business links as President of the South African Chamber of Commerce and Industry (SACCI).

Although he was chosen in absentia Baijoo told The Mercury that he was “humbled” by the trust placed in him and would now have to consult with the board of the SACCI to grant him leave from the chamber’s activities while he prioritised his activities.

Co-operative Governance and Traditional Affairs MEC Nomusa Dube warned that although a new team with diverse expertise was now in place, change would not be a ‘quick process’. She said the team had a fair amount of diversity and experience in many levels of governance, all factors that would be important in guiding the fortunes of the municipality.

‘This marks the beginning of a new chapter for the municipality. There is a breath of fresh air with this team and we are quite optimistic that they will ensure that the council returns to being the city of choice,’ said Dube.

5. Conflict of interest

Like in municipalities and government departments across the country, conflict of interest has become a major player in the current crisis.

Although councillors are not allowed to do business with the council, rumours persist that Msunduzi councillors have had an interest in the awarding of smart card and other tenders. Pietermaritzburg commentator Nalini Naidoo says it can be argued that the ‘rot set in a long time ago’ with the attitude of successive waves of administrators and politicians summed up in the comment of a senior official after the 2006 local election who said ‘it is now our turn to eat’.

At a national level a tightening of the rules should follow international best practice and make it illegal for public representatives to do any kind of business with the state.