

STATEMENT BY DR ZWELI MKHIZE, KWAZULU-NATAL PREMIER TO THE KZN LEGISLATURE, PIETERMARITZBURG 22 APRIL 2010

UPDATE ON UMSUNDUZI MUNICIPALITY

The MEC of Finance Ms Ina Cronje and the MEC of Co-operative Governance and Traditional Affairs, Ms Nomsa Dube on Wednesday (April 21, 2010) presented to the Provincial Executive Council a status report on the intervention in terms of Section 139 of the Constitution at the Umsunduzi Municipality.

I have subsequently received further briefings from the Mayor Mr Mike Tarr and the Administrator Mr Johann Mettler about the state of affairs at the Municipality.

The background to the intervention by the Provincial Executive is that as a result of serious financial problems, and the fact that the Municipal executive committee and the Municipal officials had failed to exercise oversight and fulfill specific legislative obligations, services could no longer be rendered effectively.

Like many municipalities, we worked with this municipality over a few years, nursing a hope that things will improve. The municipality was dysfunctional and financially compromised. We had to intervene by assuming executive obligations of EXCO and the municipal council to the extent necessary to maintain established minimum standards for the rendering of a service.

The Provincial Cabinet authorized the MEC for Co-operative Governance and Traditional Affairs to approach the Chairperson of SALGA to release Mr Johann Mettler, a local government expert employed by SALGA for appointment as the Representative of the Provincial Executive Council at the Msunduze Municipality. Mr Tarr has since resigned from the Legislature to serve as Mayor.

The intervention has been in place over the past six weeks and various financial management challenges have been reported by the Administrator, including a serious cash crisis.

These include that:

- a) The Municipality has a serious cash flow challenge and is not able to meet regular monthly commitments.
- b) The municipality's collection rate between March and April 2010 reduced by approximately 50%.
- c) The projected deficit continues to increase on a monthly basis.

The leadership has failed.

There is non-incontrovertible evidence where the rules of public administration have been flouted and supply chain provisions undermined. It is now clear that we cannot expect the current executive directors/strategic management in the form of deputy municipality managers to guide the municipality out of this predicament. In fact, mounting evidence indicates that several of them are implicated in maladministration by act of omission or commission.

We will not accept or tolerate indolence, incompetence, corruption or any form of disloyalty to citizens. The most honourable thing for them is to resign. When the garrison falls, the general must fall on his sword. Their resignation, however, will not save them from arrest if implicated in criminal activity.

We call upon the administrator to act swiftly to suspend all those implicated in impropriety and move speedily to prefer charges and initiate disciplinary steps against those affected and not hesitate to fire those who deserve it. Provincial Government will stand ready to second senior officials to help rebuild systems, procedures and return the municipality to a state of good governance.

As the leadership of this province, we must express our apologies to the ratepayers, business community and citizens of Msunduzi for the manner that this municipality has been managed. We are disappointed, but we believe the resignation of elected public representatives is not enough. We will work tirelessly to bring back the dignity of this municipality.

We call on the trade unions and the staff to co-operate and support the administrator, the new Mayor and his team. We call on the ratepayers to work with the new leadership to turn the city around.

We will also arrange meetings with ratepayers to explain this situation.

CLOSURE OF DURBAN INTERNATIONAL AIRPORT

On a different note, may I take this opportunity to draw your attention to that the old Durban International Airport is expected to formally close operations for good. The new King Shaka International Airport will assume operations as the provincial new international airport from the 1st of May. The opening ceremony will be held on the 8th of May 2010. Members are invited to grace this occasion.

FAREWELL TO MR JAN SLABBERT, MPL

May I also take this opportunity to observe that today is the last day of service as a Parliamentarian for Mr Jan Slabbert. He will be missed for his dedicated service to our province and for the role he played to help many farmers to understand change, and also for helping farm workers. We will miss his humour.

It is on record that he once wondered if some Members of the Legislature have animal features of ojakalase.

We wish him well, and hope to use his skills and experience in different ways.

In Africa, leadership has no retirement!

I thank you.

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