

# Don't forget the poor

Although the city has been saved from bankruptcy there are still serious issues to be dealt with

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**W**HILE acknowledging that the administrator and Provincial Intervention Team (PIT) have succeeded in the short term in turning the city around from bankruptcy, it has not been without cost.

We have the following issues of concern in relation to the implementation of the Msunduzi Turn-Around Strategy (TAS).

## ACCESS TO BASIC SERVICES

In 2006, Msunduzi Municipality was heralded as having one of the more progressive rates and service charges policies in the country. There were administrative problems in implementing it, resulting in massive write-offs of unrecoverable debt in the following three years. A member of the PIT was quoted in *The Witness* as saying that "the indigent policy of this city stinks". It is our submission that officials under the previous administration corrupted the policy through poor implementation.

The PIT scrapped the policy without any notice or consultation. The new Lifeline tariff policy that replaced it is confusing and regressive in its application. The free basic electricity policy was amended only three weeks ago, in the middle of the financial year, after the mayor was reportedly told of the hardship it was causing. The city now generously provides up to four times the national free basic electricity guideline, subject to consumption controls.

This is in stark contrast to the provision of free basic water. In the Msunduzi context, we have arguably the highest rate of HIV in the country, and this, combined with a

predominance of waterborne sewerage in low-income housing projects, severely strains the ability of households to manage on the minimum guideline of six kilolitres of free water per month. This ultimately compromises household health. The former policy provided for an incremental tariff, such that indigent households could apply for an additional six kilolitres at a reduced rate. The new policy provides for a simple six kilolitres of free water per month, and for a household to be billed for its entire consumption if it exceeds the free allocation by just one litre.

Given that many areas have never been billed for services, and consumers do not know how to read their meters, this policy is punitive. Households are collecting water in buckets to ensure they have a back-up supply when their taps run dry. They do not know that a restriction washer has been placed on their meter to prevent them from exceeding their daily limit.

## DEVELOPMENT AND SERVICE DELIVERY

The city is faced with a chronic backlog in housing delivery and access to basic services. The Built Environment Support Group (BESG) has supported communities who were evicted 14 years ago to a fast-track transit area and still await development, and another where 1 200 households have to share two standpipes while their eviction is on hold, because no land can be found for them.

Service delivery has hardly touched the PIT's radar, except the collapse in refuse collection. Its primary mandate has been to turn around the city's finances, by max-

imising income and reducing expenditure to the minimum. There is no short-term prospect of a turnaround in service delivery.

The entire allocation of Municipal Infrastructure Grant (MIG) funding in the current year will be given to revenue-enhancement measures. This means Msunduzi will continue to have no housing subsidy programme and no interim services relief for households living in informal settlements.

The TAS identified corruption and management problems within the Housing Delivery Unit. We hear that a restructuring and placement process has either been completed or is under way, but no information exists in the public domain. Of great concern is the fact that there is a reported shortage of technical skills, but the payroll as a percentage of the city's operating budget is already twice the national treasury guideline.

## MUNICIPAL GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

The tenure of the PIT has been characterised by extreme action to deal with an extreme situation. It is understandable that pain will be felt along the way. However, there is a perception that the most vulnerable people have been affected disproportionately.

The largest single problem in keeping ratepayers and the public on board with the TAS has been a lack of communication — the Integrated Development Plan/budget process was reduced to a single, poorly publicised consultation meeting at the city hall on June 27. Many actions have been initiated high-handedly and without warn-

ing, and the attitude of the interim administration too often has been to shoot first and deal with any repercussions after the event.

No action has been taken against officials suspended for their part in the downfall of the former administration. In an interview with *The Witness* (August 25), the city administrator stated that the PIT "was poised to suspend another 34 employees". Nothing more was heard of them, nor of officials who had been signing off fraudulent overtime claims routinely, contributing to an overrun on the overtime budget of 300%. Stakeholders need confidence that the chairs are not simply being shuffled around the deck of the Titanic.

BESG has offered to host a stakeholder forum so that organised groups and the public can hear for themselves what has been delivered to the Select Committee today. A broad cross-section of role players, including civil society and concerned government functionaries, have expressed support for the initiative. We sincerely hope that the mayor and the city administrator will avail themselves and use the event as a first stepping stone to re-establishing communication with, and the confidence of, stakeholders and the public in the affairs of the municipality.

• Cameron Brisbane is executive director of BESG, an NGO that works on development and service-delivery issues in low-income communities. This submission was made to the Parliamentary Select Committee on Corporate Governance & Traditional Affairs last week.