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Msunduzi receives R48 million boost as Public Works settles debt

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Msunduzi Municipality has become a key beneficiary of the KwaZulu-Natal provincial Public Works and Infrastructure Department's turnaround strategy, with the department paying the municipality R48 million for rates and services.

Last year, Msunduzi cut water and electricity supply to several government buildings after departments failed to settle their multi-million-rand debt for municipal services. The provincial Public Works Department subsequently entered into an agreement to clear its outstanding bill with the municipality.

Briefing the media in Umhlanga yesterday, Public Works and Infrastructure MEC Martin Meyer said the department's turnaround strategy, implemented since his appointment in June, had enabled it to gather sufficient funds to honour its obligations. "Faced with a constrained fi-

nancial environment and stringent budget cuts introduced at the beginning of the year, the department turned to cost-effective, high-impact risk mitigation strategies that brought real value to the service delivery arm, especially in our core mandate of property management and infrastructure development.

"Through careful prioritisation and consistent oversight, the department successfully navigated from a challenging start to becoming a highly efficient and focused delivery engine.

"Despite our financial constraints, we were still able to honour our municipal rates obligations by paying an amount of R48 million to Msunduzi Municipality, while R29 million was paid to eThekweni Municipality and R20 million to other municipalities," he said.

The fact that Pietermaritzburg is KZN's capital means the majority of provincial government buildings are located in

the city — giving Msunduzi a chance to strengthen its finances by billing the department for municipal services. However, mismanagement of funds by the previous administration, replaced by the government of provincial unity (GPU) in June last year, had left the department unable to pay Msunduzi for services rendered.

The provincial Public Works and Infrastructure Department, which oversees projects on behalf of other departments such as Health and Education, had also struggled to pay service providers after some departments reneged on agreements to reimburse Public Works.

A breakthrough came when the department, under Meyer, persuaded the provincial Treasury to ringfence funds earmarked for Public Works projects.

"This achievement means that the Department of Public Works and Infrastructure will now be able to settle payments within the 30-day period as stipulated by

the Treasury. This is a first for the department in a long time," Meyer said.

Responding to complaints that some contractors, despite being paid millions by the department, delivered substandard work, Meyer said action was being taken against dishonest service providers. "In this regard, seven contractors have been identified and will be blacklisted. This will be done in adherence to, and in line with, the Public Finance Management Act."

The service providers — some of whom have already had their participation in provincial procurement processes restricted — have been asked to submit reasons why further action should not be taken against them, Meyer said. "Further analysis received from entities that opted to respond to their notice of restriction reveals that budget constraints and poor cash flow have led the contracting parties to be unable to complete the scope of works."

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