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Msunduzi Association of Residents, Ratepayers and Civics

The Legacy of Msunduzi Council 2021 – 2026

Report by Msunduzi Association of Residents Ratepayers and Civics (MARRC)

By Residents, For Residents

The Legacy of the Msunduzi Council 2021–2026

In summary: the Council's term combined limited signs of stabilisation with steep tariff increases, substantial utility and expenditure losses, delayed accountability and continuing pressure on ratepayers and businesses. The article examines whether the municipality's governance, finances and services were materially stronger by the end of the term.

Five years after taking office with a mandate to restore Msunduzi, the 2021–2026 Council leaves residents with a stark question: did governance become stronger, finances more sustainable and services more reliable? Its record includes substantial utility losses, above-inflation tariff increases, stalled infrastructure, unresolved financial discrepancies and delayed accountability. The administration recorded budget surpluses, filled key posts and introduced stabilisation measures. Those gains must, however, be weighed against the condition of the municipality being handed to the next Council. The real test is not what was promised in November 2021, but what had measurably improved by the end of the term—and what remained unresolved.

The Mandate the Council Inherited

The Council was inaugurated on 22 November 2021 at the Royal Showgrounds in Pietermaritzburg. Its 81 councillors began a five-year term under the leadership of Mayor Mzimkhulu Thebolla, Deputy Mayor Mxolisi Mkhize and Council Speaker Eunice Majola. They inherited a municipality already under severe pressure from weak finances, ageing infrastructure and persistent service-delivery failures. That context is material, but the Council's record must also be assessed by the extent to which it addressed those inherited problems. By the end of the term, many of the underlying weaknesses remained unresolved and, in several areas, had worsened.

A Legacy of Financial and Operational Decline

Public Perception and Provincial Oversight

For many residents and civic organisations, including the Msunduzi Association of Residents, Ratepayers and Civics (MARRC), the defining experience of the term was higher municipal charges without a comparable improvement in services. Billing inaccuracies, financial pressure and deteriorating infrastructure contributed to public dissatisfaction. For much of the period, the municipality remained under provincial intervention, with administrators appointed to support improvements in governance, financial management and service delivery. The continued reliance on external intervention indicated that a durable institutional recovery had not yet been achieved.

Utility Losses and Project Failures

At the centre of the municipality's difficulties were severe non-revenue losses. Electricity losses exceeded R715 million, while reported water losses exceeded R116 million. Factors identified included illegal connections, inadequate metering, infrastructure theft and ageing networks. At the same time, major capital initiatives, including the Integrated Public Transport Network, remained stalled despite substantial investment. These failures weakened the municipality's revenue base and delayed planned service improvements.

Council's Perspective on Progress

The administration described the period as one of stabilisation and financial recovery. It cited budget surpluses, the filling of key technical posts and measures intended to accelerate service delivery. It also introduced debt-relief initiatives, including amnesty programmes and property rebates for vulnerable households. These measures warrant acknowledgement. Their value must nevertheless be assessed against continuing losses; unresolved accountability matters and residents' daily experience of services. On those indicators, the recovery remained incomplete.

The Price Residents Paid: Annual Tariff Increases (2022–2026)

Financial Year	Property Rates	Water Tariffs	Electricity Tariffs
2022/2023	7.00%	6.00%	9.00%
2023/2024	7.00%	16.00%	21.65%
2024/2025	2.00%	12.00%	13.32%*
2025/2026	2.00%	15.00%	14.60%
2026/2027	2.00%	13.00%	9.26%

Taken together, the increases placed sustained pressure on household and business budgets during the Council term. Based on the annual figures reflected above, the cumulative increases were 19.12% for property rates, 58.37% for water and 72.20% for electricity. Municipal charges therefore rose substantially during a period in which service reliability, infrastructure renewal and the control of distribution losses remained significant concerns.

Billions Lost While Paying Consumers Carried the Burden

Electricity Losses

Electricity losses worsened over the period and reached R715.04 million in 2024/2025, representing more than 23% of the units distributed. Illegal connections, meter tampering and practices such as "ghost vending" were among the factors identified. The scale of the losses underscored a central contradiction: compliant consumers faced repeated tariff increases while a significant share of purchased electricity generated no revenue.

Water Losses

Water losses were similarly severe. More than 1,900 mainline pipe bursts, linked largely to ageing infrastructure, contributed to losses of R166.77 million in 2024/2025. Annual loss levels ranged from about 20% to 26% of the bulk water purchased, placing further strain on municipal finances and on a network already struggling to meet residents' needs.

Across the four financial years from 2021/2022 to 2024/2025, combined water and electricity losses totalled approximately R2.84 billion. This was not merely an accounting problem: it was money unavailable for maintenance, infrastructure renewal and essential services. The Council will be remembered for repeatedly increasing tariffs without first demonstrating that it could contain the losses that made those increases necessary.

A Term Marked by Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Financial pressure was compounded by R3.12 billion in unauthorised, irregular, fruitless and wasteful expenditure between 2021/2022 and 2024/2025. The total comprised:

- Unauthorised Expenditure: R2.59 billion (mainly overspending and debt impairments)
- Irregular Expenditure: R304.20 million (contract and supply chain deviations)
- Fruitless & Wasteful Expenditure: R225.01 million (interest penalties for late payments)

Council later wrote off approximately **R2.58 billion** in unauthorised expenditure as non-recoverable. The financial effect therefore remained with the municipality and, indirectly, its residents. Yet the available public record did not show that any official or political office-bearer had been held personally accountable through recovery, disciplinary sanction or other proportionate action. The absence of visible consequence management remained one of the most serious unresolved features of the Council's financial record.

How Governance Failure Reached Residents

Billing System Failures

For residents, governance failures were often experienced most directly through municipal accounts. Extended periods of estimated consumption produced sudden and unaffordable bills, while disconnections were reported to have occurred without adequate notice. Changes to billing cycles added further confusion and, in some cases, pushed households into arrears.

Above-Inflation Tariff Hikes

Tariff increases became a recurring source of conflict. Residents argued that charges rose well above **cumulative national inflation of 27.82% between 2022 and 2026**, while water and electricity costs increased far more sharply. The central grievance was not simply that services cost more, but that those increases coincided with unstable supply, infrastructure breakdowns and persistent revenue leakage.

Debt Relief Programs Controversy

Debt-relief programmes generated their own controversy. While intended to restore payment compliance and assist distressed consumers, critics argued that repeated amnesties risked rewarding persistent non-payment while offering little recognition to households and businesses that kept their accounts up to date.

Infrastructure Grant Underspending

The municipality also **failed to spend nearly R95 million** in conditional infrastructure grants. The underspending was difficult to reconcile with the scale of need reflected in burst water pipes, electricity outages, deteriorating roads and sewage spills. Available funding was therefore not fully converted into timely infrastructure improvements during the period under review.

Discretionary Spending and Public Participation

Questions about priorities intensified around discretionary projects, including a **R27 million football club sponsorship** and a **R4.5 million shooting range**. Critics argued that these decisions lacked adequate public support while basic services were under strain. Public participation was also criticised as procedural rather than substantive, particularly where civic submissions appeared to receive limited consideration. This contributed to a perception that discretionary initiatives received attention while urgent service-delivery needs remained unresolved.

Unresolved Provident-Fund and Revenue Discrepancies

The unresolved Pietermaritzburg Corporation Provident Fund matter added to the accountability concerns. Approximately R33 million was reported to have been held for retiring municipal employees. Affected beneficiaries said that they had received only part of their benefits or no payment. Despite Council resolutions, investigations and repeated requests for information, there was no clear public account of the status of the funds, responsibility for the losses or a timetable for settling outstanding benefits. Former employees and their families were still awaiting finality at the end of the term.

A further revenue-control concern emerged in 2026. More than R17 million reportedly paid by Northdale Hospital for electricity between September and November 2025 did not reflect on the municipality's billing system. The hospital produced proof of payment after receiving notice of a possible disconnection over alleged arrears of R12 million. The municipality paused the disconnection and referred the discrepancy for forensic investigation and internal reconciliation. Until those processes are completed, questions remain about payment allocation, system controls and the reliability of municipal billing records.

A Governance Structure Unable to Correct the Course

Council Dysfunction

Political volatility compounded the administrative problems. Delays in filling senior posts weakened oversight, slowed decision-making and undermined consequence management. The result was an institution that struggled to respond decisively as unauthorised, irregular, fruitless and wasteful expenditure accumulated and infrastructure deteriorated, prolonging the need for provincial intervention.

Borrowing Without a Convincing Recovery

Loan Allocations

To fund infrastructure, council approved external borrowing of R200 million in 2022/2023, R200 million in 2023/2024 and R234 million in 2024/2025, largely through the Development Bank of Southern Africa (DBSA). Delays in disbursement, however, slowed implementation and reduced the immediate impact of the borrowing programme.

Financial Recovery Plan and National Treasury's Warning

At an engagement held in November 2025 and reported publicly in December, National and Provincial Treasury officials presented their assessment directly to the Mayor, Deputy Mayor, Speaker, Municipal Manager and senior management. Their conclusion was that Msunduzi's finances were continuing to deteriorate despite the voluntary Financial Recovery Plan. Municipal leadership disputed this and maintained that the institution was improving. Treasury's response was direct: the financial indicators did not support that view—the numbers did not lie.

The assessment recorded a shift from a positive cash position of approximately R766 million to a deficit of about R919 million in 2024/2025. It also identified worsening operating deficits, declining collection rates, expenditure above recovery-plan targets and continuing water and electricity losses. Treasury warned that a mandatory Financial Recovery Plan could follow if measurable improvement was not achieved. The warning was significant not only because of the figures, but because leadership appeared reluctant to accept what they showed. Recovery required an accurate diagnosis and prompt corrective action. In those circumstances, a claim that the financial position was not known or not understood could not excuse inaction: Council and management had access to professional officials, Treasury support, audit reports and statutory oversight structures, and were required to obtain clarity before making decisions. Denial, misunderstanding or failure to ask the necessary questions did not lessen their responsibility to protect municipal finances or respond to ratepayer concerns.

The voluntary Financial Recovery Plan was intended to restore stability. Yet after three years, it had not progressed beyond its first phase. By late 2025, the R919 million cash deficit and unresolved structural problems were prompting calls for stronger national intervention. The slow progress raised doubts about whether the existing measures could reverse the decline. By the end of the term, a sustainable recovery had not been demonstrated.

From Treasury’s Warning to Parliamentary Scrutiny

Treasury’s warning provided the financial context for Parliament’s Standing Committee on Public Accounts (SCOPA) hearing in May 2026. The hearing examined the municipality’s latest audit outcomes and investigations by the Special Investigating Unit. Members questioned the size and cost of the municipal delegation, inadequate responses to parliamentary questions, unresolved disciplinary and forensic matters, and weak consequence management. Msunduzi had improved its 2024/2025 audit outcome to an unqualified opinion with findings. However, that improvement had not resolved wider concerns about financial sustainability, governance and accountability.

Many ratepayers followed the hearing with anger and dismay as the political and administrative leadership appeared evasive and repeatedly failed to provide clear, complete answers to the Committee’s questions. After the hearing, ratepayers and local businesses sought further explanations about municipal debt and information the municipality had been unable to provide to Members of Parliament. The municipality declined detailed public comment while it consolidated its records and prepared for further engagement with SCOPA. Although verifying information was legitimate, the effect was that residents and businesses whose payments fund the municipality were denied timely explanations about the management of those funds.

The response reinforced the concern raised by Treasury’s assessment. Council and management required payment and compliance from ratepayers and businesses but were slow to show equivalent openness when asked to account for public funds. Reporting back to SCOPA did not remove the municipality’s duty to communicate with the public. By asking stakeholders to wait, without clear timeframes or substantive interim answers, the municipality deepened the perception that public accountability was secondary to controlling its response.

Causes of Collapse

The causes were interconnected: weak expenditure control, inadequate maintenance, poor revenue collection, and inconsistent billing and payment enforcement. Immediate symptoms were repeatedly addressed, but underlying weaknesses remained. Key oversight reports were deferred, while disciplinary and forensic matters remained outstanding. The omission of ratepayer submissions from the 2024/2025 Municipal Public Accounts Committee oversight report also raised concerns about the process’s completeness and credibility. Excluding material public submissions weakens participation and confidence in independent oversight.

The Legacy the Council Leaves Behind

Deficit of Accountability

The clearest feature of the term was a persistent accountability deficit. Budgets were approved despite funding concerns, tariffs were repeatedly increased and substantial amounts were lost through distribution inefficiencies and unauthorised, irregular, fruitless and wasteful expenditure. Unresolved provident-fund and municipal-revenue discrepancies further weakened public confidence. Compliant residents and businesses carried an increasing share of the financial burden, while requests for explanations—most visibly after the SCOPA hearing—were met with delay and limited disclosure. No corresponding record of personal accountability for major UIFWE losses was visible to the public. By the end of the term, neither claimed lack of knowledge nor failure to understand the warnings could reasonably explain away the disregard of the municipality’s financial decline or the repeated failure to address ratepayer concerns: those entrusted with public money had a duty to know, to ask, to act and to account.

Institutional Stagnation

The contrast between discretionary spending and declining services contributed to public distrust. Concerns about travel costs, unresolved disciplinary matters and weak consequence management persisted alongside failing infrastructure and prolonged provincial oversight. Despite interventions involving the Department of Cooperative Governance and Traditional Affairs, appointed administrators, the Premier's task team, the Auditor-General of South Africa and National Treasury, the municipality had not reached a demonstrably sustainable position by the end of the term. Weak accountability and organisational instability remained evident across governance, management and operational structures.

Need for Professional and Qualified Governance

The term also highlighted the need for politically accountable and professionally informed and qualified governance. Officials responsible for financial management, supply chain management and technical projects must meet prescribed competency requirements. Where applicable, they must also hold relevant qualifications and professional registrations. Councillors do not perform the work of engineers, accountants or project managers. They do, however, oversee those officials, assess complex projects and approve an operating budget exceeding R10 billion. They therefore need sufficient financial, legal, technical and governance competence to test professional advice, understand statutory duties and identify material risks before voting. Concerns raised by the Department of Cooperative Governance and Traditional Affairs about councillor literacy and capacity reinforce the need for stronger competency standards, structured induction and continuing development. Livestreamed Council proceedings have also shown recurring walkouts, political conflict, poorly informed debate and procedural disruption. Councillors exercise public authority; they do not own the institution. They remain accountable to residents, oversight bodies and, where decisions are unlawful, the courts.

The quality of governance decisions during the term remained a matter of concern. These included repeated tariff increases, limited scrutiny of unfunded or wasteful expenditure, delayed accountability processes and discretionary spending while urgent service-delivery needs remained outstanding. Elected representatives and senior managers could not rely on a lack of knowledge, technical understanding or adequate briefing as a defence for decisions taken in the face of clear warning signs. Their duty was to interrogate reports, obtain independent or professional advice where necessary, understand the financial consequences of their votes and respond meaningfully to concerns raised by ratepayers and businesses. Future councils require transparent competency standards, compulsory induction and continuing development for representatives entrusted with budgets and oversight of this scale.

How Voters Will Judge the 2021–2026 Council

As the November 2026 local government elections approach, voters can judge the term against evidence rather than campaign promises. The record includes how councillors voted on budgets, tariff increases, unauthorised expenditure and write-offs. It also includes how parties responded to unresolved discrepancies, delayed consequence management and public demands for answers. Before granting another mandate, voters may reasonably ask: who questioned these decisions, who supported them, who demanded accountability—and who remained silent? They may also ask a more immediate question: how much do these decisions add to the monthly cost of municipal services?

Measured against the test set at the start of its term, the 2021–2026 Council leaves Msunduzi with many of the questions it was elected to resolve.

Did governance become stronger when major losses produced no visible personal accountability? Did finances become more sustainable when tariffs rose, grants went unspent, unfunded budgets were approved and billions were lost or written off? Did services become more reliable while infrastructure failures, billing disputes and prolonged outages persisted?

Too often, the outgoing Council appeared to treat ratepayers and businesses as an inconvenience when they sought answers. Yet they were essential stakeholders and the municipality's primary funding base. Their payments sustained operations, funded councillor and staff remuneration, financed projects and kept services running. They were entitled to timely, complete and respectful answers.

In November 2026, voters will decide whether this record warrants another mandate. That choice requires more than party loyalty or confidence in new promises. It requires scrutiny of voting records, candidate competence and a willingness to place residents and businesses before political interests. Unless credible answers are provided, the Council's legacy will be defined by resistance to public scrutiny, unanswered questions from the SCOPA process, recurring deficits, unaffordable municipal charges and unreliable services—despite the rising cost to those who paid for them.

Conclusion

It is hoped that the newly elected councillors are more seasoned, experienced and understanding of their roles and functions in council. That they are more responsible and accountable to the role of council and that they discharge of their duties in the interest of all stakeholders and not of their party. That they partner with all stakeholders in order to address the multiple issues facing the municipality and support proposed projects to uplift the communities and to contribute towards employment and tourism opportunities. That they work with vigour and urgency in order to turn the city fortunate around and that they dedicate themselves to making Pietermaritzburg the true capital city of KwaZulu-Natal that it should be.