



NEGOTIATING MANDATE

TO: The Chairperson of the Select Committee on Co-Operative Governance and Traditional Affairs (Water, Sanitation and Human Affairs)

Hon. TSC Dodovu

NAME OF BILL: Independent Municipal Demarcation Authority Bill

NUMBER OF BILL: [B14B-2022]

DATE OF DELIBERATION: 07 March 2024

VOTE OF THE LEGISLATURE: VOTE OF THE LEGISLATURE:

The Gauteng Provincial Legislature is supporting the Independent Municipal Demarcation Authority Bill subject to the amendments below being considered:

Clauses

- **Section 8 Responsibility of Board (Sec 2)**

That there be an addition of (2) (e):

- (i) Act independently at all times with unfettered discretion;
- (ii) Exercise independent judgment; and take decisions according to the best interests of the institution.

- **Section 16 Committees (3) –**

The criteria and qualifications for the co-opted members are not specified. Therefore, the proposal is that.

(a) The co-opted members should fulfil the requirements set out in section 9(1).

- **Section 16 Committee (4)**

To provide limitations on the number of members that can be co-opted.

- **Clause 26**

Key consideration must be given to the term of office of the Municipal Demarcation Board (5 years) and the timeframe for considering the redetermination of municipal boundaries (10 years). This may cause administrative challenges as two boards will consider redeterminations.

- **Clause 40**

Appointment of the board it is too restrictive because ordinary citizens are not given a chance to part on the Board. On appointment of the Board Members, there is a need for clarification of the convener of the Board as the Judge.

- **Section 41**

On Rationalisation of Municipalities

- Section 41 of the Municipal Demarcation Act makes provision for the Minister to make regulations which prescribe “objectives and general targets for the rationalization of municipalities as contemplated in section 25 (1)”.
- This rationalization policy should take into account socio-economic and developmental needs of municipalities, as well as how to address cases where provincial boundaries affect municipal boundaries.
- The formula to determine councillors, whilst distinguishing between categories of municipalities and their overall budget, population, and the like, does result in situations where contiguous municipalities may have very different arrangements in terms of the number of councillors relative to voters.

If municipalities then merge, the “smaller” municipalities then appear to be underrepresented in the new municipality.

- **On Sustainability of Municipalities: -**

That during the demarcation process the MDB should conduct feasibility studies/investigations in all cases to better inform the implications of redetermining boundaries.

- **On Transitional Funding: -**

Mergers can have a significant effect on political stability, leadership, governance, and service delivery systems. In the case of mergers between Category B and Category A municipalities, whilst the Category A municipality

does have the capacity to manage such mergers, it is usually faced with significant short-term costs in the amalgamation process.

- It is recommended therefore that 3-year budgets are provided by National Treasury for such mergers which would allow such transitional costs (human, financial, technical) to be accommodated.
- National Treasury should continue to monitor, and where needed support, such municipalities beyond the 3-year transitional period. The funding should not just be limited to the integration of administrative systems but should also allow, for example, for funds to assist in municipalities becoming sustainable.
- when merging Municipalities, the Board does not take note of the financial viability of the Municipalities.
- **Chapter (3) Municipal Boundaries-** *Initiation of determination or redetermination of municipal boundary process (Clause 26):* – “Determination and redetermination of municipal boundaries and ward delimitation.

In line with the municipal boundary redetermination, it is proposed that the ward delimitations should be done after 10 years.

- **Chapter (4) Administration**

That a provincial representation or provincial offices as opposed to centralised national office. This should make it easier for municipalities, communities, and stakeholders to engage and interact with the Authority.

- **General**

How will the Bill affect the Traditional Royal House.

While the inclusion of capacity assessments it welcomed, the Bill does not go far enough in ensuring that capacity assessments are well defined. To this end, it is recommended that the Municipal Demarcation Board, Department of CoGTA and Provinces develop guidelines for conducting capacity assessments.



Date: 07 March 2024

HON. F HASSAN

CHAIRPERSON:

THE PORTFOLIO COMMITTEE ON COGTA AND E- GOVERNMENT