

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 4196 [NW5072E]
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4196. Mr J Selfe (DA) to ask the Minister of Finance:

- (1) Whether, with reference to the latest round of the redeterminations of municipal boundaries initiated by the Minister of Cooperative Governance and Traditional Affairs in 2015, (a) the specified Minister and/or (b) the Chairperson of the Municipal Demarcation Board made a specific request to the National Treasury to undertake a comprehensive research study to determine the financial sustainability and viability of the proposed amalgamations; if not, what is the position in this regard; if so, (i) on what date was the specified studies requested by the specified persons, (ii) on what date was the completed study returned to the specified persons and (iii) what were the recommendations in each case;
- (2) whether the specified study also investigated the (a) institutional viability and (b) envisaged improvements in the municipal governance of the municipalities earmarked for proposed amalgamations; if not, why not; if so, what were the recommendations in each case?

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REPLY:

- (1) The Chairperson of the Municipal Demarcation Board (MDB) wrote to the Minister of Finance on 16 March 2015 requesting the National Treasury to provide the MDB with inputs on a number of matters including a definition of municipal viability, indicators to measure viability and an analysis of the potential impact of each of the proposed boundary re-determinations.

In reply to the specific questions asked:

- i. No date was specified for the requested information to be provided to the MDB.
- ii. The Municipal Demarcation Board published notices in provincial gazettes in early July 2015 formally announcing the details of proposed re-demarcations that they were consulting on. The National Treasury conducted a thorough analysis of these proposals and the Minister of Finance wrote to the Chairperson of the MDB on 6 August 2015 to provide the Board with the information requested.
- iii. National Treasury did not make recommendations to the MDB. The inputs submitted provided information on the affected municipalities and analysis about potential impacts of the proposed boundary redeterminations, noting that in

advance of the actual implementation of the proposals it is not possible to know with certainty what the impact will be. This information was provided, at the request of the MDB, to contribute further to the information on which the Board made its decisions.

- (2) The report compiled by the National Treasury and submitted to the MDB explored a number of different aspects of municipal viability that could be affected by boundary redeterminations. These included financial viability, institutional viability, economic viability and service delivery viability. Again, no recommendations were made to the MDB.