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# **Mpumalanga community stands up to demarcation**

by Bheki Mashile, March 08 2016, 06:14

WHEN in November last year, the high court ruled against objections to the merging of a small efficiently managed municipality with its much bigger, financially strained neighbour, many in the community greeted the judgment with derision, saying that it was a foregone conclusion.

The smaller Umjindi and the bigger Mbombela are in Mpumalanga. Mbombela incorporated towns such as White River and Hazyview after the first post-apartheid local elections in 1996. It is also the new name of the province's capital, formerly Nelspruit.

Umjindi residents opposed the proposed merger from the moment they heard about it. In February last year, consultation meetings with its residents "ended abruptly" because they would not let local government and the Municipal Demarcation Board (MDB) members speak, the Barberton Times reported.

On March 2, residents blockaded roads in protest against the merger. On March 4, police had to rescue Umjindi's mayor, Lazarus Mashaba, from an angry crowd at another consultative meeting.

In April, a demarcation board consultative meeting about the proposed merger was disrupted by a "disgruntled group", the Umjindi Community Forum, which threatened to turn Barberton into "another Malamulele, Khutsong and Balfour" — towns that had seen violent service delivery protests — if their opposition to the merger was ignored.

Members of the group said the municipalities should be left independent because of Mbombela's "administrative weaknesses and corruption".

An MDB representative, Sharon Wiggins, told the meeting the merger had "not been decided upon", and the residents' view would be taken into consideration. The demarcation had been requested by then Minister of Co-operative Governance and Traditional Affairs Pravin Gordhan, as part of a plan to "amalgamate dysfunctional communities with better ones", she said.

A public hearing on May 1 about the proposed amalgamation was "marked by mockery and shouting", the local paper reported. A minority of those present, in African National Congress (ANC) T-shirts, shouted down anyone who presented arguments against the merger.

The following Sunday, Mashaba failed to arrive at a meeting in the town's community hall to address residents on the merger. Angered, on May 5, residents of Umjindi barricaded the main road into the township in protest.

In November, the Democratic Alliance (DA) challenged the demarcation board's decision to merge municipalities across the country, including Mbombela and Umjindi.

In a pretrial submission on behalf of the DA, human rights lawyer Richard Spoor argued that the MDB had not provided reasons for the redetermination of Umjindi's boundaries, had not disclosed a record of the public-participation process, and had also failed to make public any motivation on which the merger had been based.

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THE High Court in Pretoria ruled against the DA, and ordered that it pay the costs of the legal action.

The court concluded that it could not be said that the MDB had failed to provide sufficient information simply because accessing the information was "somewhat onerous".

Shortly after the ruling, the demarcation board said it had "considered all objections" relating to 13 mergers around the country in which it had made a decision to demarcate municipal boundaries, including Umjindi. But critics continue to argue that the redemarcation is politically motivated, to the benefit of the ANC.

"These clearly change the landscape in favour of the ANC in the upcoming local elections," says the DA's councillor for the area, Philip Minnaar.

"A case in point is the split into two of what was traditionally a DA-dominated area in Umjindi, ward 9. Both halves will now be incorporated with areas that are ANC strongholds. The split could see the DA left without a ward seat in the greater Barberton area. Our best hope might be securing one or two proportional-representation seats."

The ANC denies under-handed motives for the merger. According to the Umjindi ANC constituency office, the consolidation of wards and the addition of new wards, such as those added to Mbombela, were necessary because the municipality's boundaries had, in any case, been redefined by the expansion of township developments or informal settlements in the municipality.

At two consultation meetings conducted by the demarcation board, Mashaba stressed that Umjindi was "not viable", and that the merger would be to the benefit of both municipalities to operate as one, for the sake of access to more government funding and a bigger tax base, both paving the way for better service delivery.

Yet a brief history of Umjindi does not support his claim. The municipality was nearly put under provincial administration around 2008-09, only to be turned around during Mashaba's term of office as mayor, which began after the 2011 local government elections.

When Mashaba took over as mayor in 2011, Umjindi was virtually broke. Service vehicles, such as rubbish-dump trucks and water tanks, were held up at the depot due to a lack of maintenance or fuel, and the municipality was failing to meet payments to suppliers and creditors.

By the end of June 2014, the municipality recorded a surplus of R38.8m, short-term debt of R26m, and no long-term debt.

It received an unqualified report from the auditor-general for 2014.

By contrast, Mbombela recorded a deficit of R139.3m, short-term debt of R230m and long-term debt of R267.5m in 2013/14, according to its financial statement for that year. The auditor-general gave Mbombela unqualified reports from 2010, but service delivery is still problematic. Districts such as Lehawu in KaNyamazane — one of the municipality's biggest townships — have running water for only one or two days a week, and residents are forced to depend on water delivered in tanks.

The minister and the demarcation board appear to have initially claimed that Umjindi was a "dysfunctional community", and that this was the reason for its incorporation into a larger, better-functioning municipality.

To date, the Department of Co-operative Governance and Traditional Affairs has not made public the composite functionality, sustainability, or viability indices of municipalities on which its determinations were based.

Interestingly, the Financial and Fiscal Commission (FFC), in its Submission for the Division of Revenue 2015/16 argues explicitly against municipal demarcations that are not financially justified.

"Demarcation processes are costly, can be disruptive, and distract from a municipality's core business... (and) actually result in unintended economic consequences with significant transaction costs ... and a negative effect on own revenues," it says.

The commission, whose role it is to advise government on its expenditure of public money, recommended that "the financial and fiscal implications of boundary redeterminations are prioritised and established before any demarcation decision is pronounced".

In its study, the commission notes that, "The criteria used by the MDB to determine municipal boundaries have been questioned, and even condemned, for contributing to the establishment of financially unviable and unsustainable municipalities." It adds that the ANC, at its national conference in 2012, resolved that "the MDB should take into account the financial implications of its redemarcation of municipalities".

Yet neither the minister nor the MDB appear to have done so in relation to this merger. A plan outlining the financial implications has yet to be drawn up.

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MASHABA compared the process to a corporate merger, apparently forgetting that such a process could not take place without extensive due diligence studies, including an evaluation of the likely financial effect.

Residents of Umjindi's Emjindini township accuse Mashaba of "selling out" by advocating the merger.

While he agrees that his administration turned Umjindi around financially and enabled it to meet its service delivery requirements, he maintains that the municipality is dysfunctional.

"The fact of the matter is in the long term, Umjindi, standing alone, is not viable," Mashaba says. The minister's rationale in recommending this demarcation remains opaque. However, a source within the ANC's provincial structures in Mpumalanga agrees that Umjindi's merger with Mbombela was to some extent politically motivated.

"There are some powers that be in Mpumalanga that see enormous economic benefits in controlling a metro — the ultimate goal behind the merger," the source said.

The new municipality merging Mbombela and Umjindi will consist of 45 wards — the number needed to qualify for metro status.

The source said the merger would result in political and economic benefits to well-placed local politicians, including access to and control of more extensive public assets, such as public transport systems and larger police departments, as well as the perks associated with such status.

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