

Business Day

Commission questions usefulness of district municipalities

by [Khulekani Magubane](#), 31 May 2016, 05:40

MANY of SA's district municipalities — they oversee local municipalities — are not efficient enough to manage their own affairs and should be phased out in some areas.

This is according to the Financial and Fiscal Commission's (FFC's) latest submission to Parliament on the division of revenue for the 2017-18 period.

There are currently 44 district municipalities across the country serving as an additional layer of government consisting of more than 220 local municipalities.

The proposal by the FFC echoes previous suggestions within the ANC to consider phasing out district municipalities and also merging some local municipalities to strengthen them.

The party has even gone further and raised the idea of eliminating provincial boundaries — an idea that seems to have been cast aside altogether.

However, according to the Municipal Demarcation Board's latest capacity assessment, 76% of district municipalities are performing their statutory functions.

But, critics have said district municipalities, in most cases, simply add an unnecessary and costly layer to local government. FFC acting chairman and CEO Bongani Khumalo said, while the structure of a district municipality was sorely needed in many rural regions, many districts oversaw small towns with revenue-generating capacity where they were not needed.

"This issue has been with us for some time, regarding the role of districts. What has come out in our submission is that in certain areas, districts are not needed. In some areas, you can get them removed and municipalities will continue accomplishing their function," Khumalo said.

Referring to its own calculations of district municipalities' efficiency in various areas of governance, the FFC said only three district municipalities from a sample group of 18 were found to be efficient, with most municipalities battling to use their resources efficiently.

"In urban areas and semi-developed areas, the local councils do far more than what the district municipalities do.

"In rural areas, there is still a role for them to fulfil. From the work we have done, there seems to be a need to review and take decisions," he said.

Nico Steytler of the FFC said there have been proposals to increase the powers of local municipalities to be similar to metropolitan municipalities without a district structure overseeing them. Where local municipalities functioned well, "there is agreement that they should be standalone".