

Times Live

Merging municipalities a financial burden

Olebogeng Molathwa | 17 June, 2015

he lack of funding is creating a financial burden to merge dysfunctional municipalities with stronger ones.

Minister of Cooperative Governance and Traditional Affairs Pravin Gordhan has requested the Municipal Demarcation Board to review the status of 73 financially unviable or dysfunctional municipalities.

The state insists that bigger municipalities mean increased financial viability and a wider tax base.

The City of Tshwane's 2011 merger with Metsweding district municipality, and Kungwini and Nokeng Tsa Taemane local municipalities did not turn out well.

Soon after the merger, Tshwane municipality had to write off a debt of about R422-million. Today it faces a R526-million consumer debt. City spokesman Selby Bokaba said requests for more funding had fallen on deaf ears.

"The city made a submission to the Financial and Fiscal Commission in late 2013 showing [it] had incurred over R1-billion as a result of the takeover without any additional allocations," said Bokaba.