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The Director-General
For attention: Dr Kevin Naidoo
Department of Cooperative Governance
Private Bag X804
PRETORIA
0001

By e-mail to: kevin@cogta.gov.za

Dear Dr Naidoo,

RE: COMMENTS ON THE STRUCTURES AMENDMENT BILL, 2016

Many thanks for the opportunity to comment on the Municipal Structures Amendment Bill, 2016.

Our comments focus on Clause 2 of the Bill, which proposes to amend the definition of a metropolitan municipality in section 2 of the Municipal Structures Act by substituting the words “and” with “or”. This means that a municipal area no longer needs to comply with **all** the criteria to be declared a metro but that compliance with **only one** of the criteria will result in metropolitan status. Given that section 2 leaves the Board **no choice** but to declare metros where section 2 is complied with, this makes for an absurd result. For example, “any single area for which integrated development planning is desirable” must then be declared a metro. Arguably, there is no single town in South Africa for which integrated development planning is not desirable.

The amendments remove any distinction between a metropolitan municipality and all other local municipalities. This cannot be the intention of the Bill and it contradicts the IUDF. It also pertinently dilutes the status of the current metros, negatively impacting their creditworthiness and ability to raise investments.

This does not mean that section 2 of the Municipal Structures Act should not be amended. The inclusion of a further ‘stand-alone’ category of municipalities is crucial for strengthening the governance arrangements for urban centres. The Constitution does not prescribe that all Category A municipalities must be metropolitan. The Municipal Structures Act may provide for two different Category A municipalities: one reserved for the metropolitan status and one reserved for what we would call “urban municipalities”.

The definition of an “urban municipality” is then a scaled-down version of the definition of a metropolitan area. It could read as follows:

“An area must have a single category A municipality if that area can reasonably be regarded as –

- (a) an urban area featuring:
 - (i) a high population density;
 - (ii) extensive development; and
 - (iii) significant business and industrial areas;
- (b) a centre of economic activity; and
- (c) a single area for which integrated development planning is desirable for the management of urbanisation.”

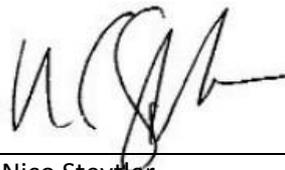
The difference with the definition for metropolitan municipalities is that references to multiple areas - be they industrial, business or residential – and the intense interaction between them that make up a metropolitan area, are omitted. We attach a research paper in which a more comprehensive argument for the addition of second Category A is made.

We hope that Clause 2 of the Municipal Structures Amendment Bill, 2016 will be revisited and we welcome an opportunity to engage on ways to ensure it supports the implementation of the Integrated Urban Development Framework and other crucial strategies related to the future of our cities.

Once again, many thanks for the opportunity.



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