

REVIEW OF THE WHITE PAPER ON LOCAL GOVERNMENT
SUBMITTED BY PLETTENBERG BAY RATEPAYERS' ASSOCIATION

Introduction

This submission provides a critical response to the 2025 Discussion Document on the Review of the White Paper on Local Government (WPLG26). While the White Paper acknowledges many of the challenges facing local government in South Africa, it fails to address key systemic failures with the decisiveness, legislative clarity, and institutional accountability required to halt and reverse the widespread governance and service delivery collapse in municipalities.

The submission identifies ten major shortcomings within the current White Paper review and proposes corrective actions that should be considered in the final WPLG26.

Ten Critical Shortcomings in the WPLG26 Review and Recommendations

1. No Redesign of Political Representation and Coalition Regulation

- **Issue:** Coalition instability and unskilled councilors undermine governance pursuing self interest or that of a small grouping above the broader interests of their constituency and the town/city.
- **Recommendation:**
 - Enforce binding five-year coalition agreements in standardised public format to discourage crossing of the aisle for personal gain.
 - Set minimum competency standards for councilors, with required training within specified time limits once elected.
 - Bar any person convicted of fraud or corruption in a municipal or wider government related role from appointment as a councilor.

2. Weak Reform of Oversight, Transparency, and Reporting Mechanisms

- **Issue:** The White Paper lacks enforceable tools to hold municipalities accountable.
- **Recommendation:**
 - Mandate monthly council reporting on disciplinary matters to discourage protracted suspensions.
 - Disciplinary process needs to align with recent court judgment for personal liability against councillors and officials.
 - Standardise all public reports (budgets, IDPs, tariffs, Annual Reports) for readability and comparability.
 - Establish benchmarks for key performance areas and enforce transparent reporting on public platforms – should also link directly to motivation for performance bonuses and increases for key administrators.

- Establish a Municipal Ombudsman System to deal with disputes between the municipality and external affected parties – citizens, suppliers and contractors, business, etc. to enable affordability of justice for the poor.

3. Lack of Mandate Clarity and Overreach of Municipal Functions

- **Issue:** Municipalities are overstretched and are engaging in non-core functions at the expense of basic service delivery.
- **Recommendation:**
 - Narrowly define municipal responsibilities in legislation and enforce it.
 - Abolish grants-in-aid, mayoral discretionary funds, events, and celebrations.
 - Align IDPs strictly with core service mandates.

4. No Proposal to Reform the Municipal and District Municipality Model

- **Issue:** Smaller and District municipalities remain largely dysfunctional and redundant.
- **Recommendation:**
 - Commission a full structural review of unsustainable and dysfunctional municipalities and district municipalities.
 - Reassign functions to functioning municipalities or appropriate provincial and national departments based on capacity and performance.

5. Ineffective Recruitment and Disciplinary Procedures Remain Untouched

- **Issue:** Senior appointments lack proper vetting and suspensions drag on without consequence.
- **Recommendation:**
 - Make recruitment fully transparent, including job descriptions key performance areas, required capabilities and qualifications, adverts, recruitment agency terms, applications received, scoring and motivation of the selected candidate – to observers with access who represent civic groups.
 - Require monthly progress reports on suspensions and enforce cost recovery for abuse.
 - Black list and preclude the appointment of anyone with criminal records, charges or who is under investigation relating to municipal or government fraud and corruption.

6. No Enforcement of Zero-Based Budgeting and Infrastructure Cost Planning

- **Issue:** Budgeting processes reinforce historical inefficiencies and infrastructure gaps. The budgets for revenue, operating costs and infrastructure capex are not linked to sound short, medium and long term planning taking into account macro, socio-economic realities and affordability realities. There is no focus on doing things differently or more efficiently – just a steady increase based on last year plus further administrative bloating. This is unsustainable.

- **Recommendation:**

- Planning should be based on proper information and assumptions regarding demographics, economic, infrastructure, capacity and affordability. Bloating administrations and costs, continuous influx and growth in non payment and indigents, slow or no economic growth/job creation and a shrinking revenue base is unsustainable,
- Require zero-based budgeting across all municipalities.
- Require infrastructure augmentation plans for all new government housing projects.
- Manage procurement, execution and spending on infrastructure projects across a longer time horizon and avoid fiscal dumping and expensive borrowing where funds can't be applied timeously.
- Understand and plan for the ongoing cost obligations of servicing new low cost housing developments with indigent citizens – beyond the national capital grants.

7. Failure to Eliminate Abusive Salary Upliftments and Perks

- **Issue:** The continued allowance for salary waivers and additional benefits such as full-time mayoral vehicle use is a major source of fiscal abuse.
- **Recommendation:**
 - Abolish salary waiver provisions – salary grading must apply or the grading system changed – it is a source of abuse and procedurally sanctioned fraud.
 - Enforce Section 9(1)(e) of COGTA's regulations to disallow mayoral vehicle use.
 - Prohibit golden handshakes and ensure disciplinary proceedings continue even after resignation.
 - Link performance bonuses for senior officials to actual measurable municipal outcomes and involve citizens in ratings and encourage transparency of criteria and scoring of candidates.

8. No Serious Reform of Tender and Procurement Systems

- **Issue:** Procurement is an area of significant delay, inefficiency and corruption. Tender awards often go to unqualified and politically connected entities.
- **Recommendation:**
 - Standardise processes and policies.
 - Drive 'value for money' and track record for quality delivery/performance as key criteria for appointing tenderers.
 - Create regional and provincial preferred supplier data bases with proven credentials and standards – municipalities can select the top three qualified product or service providers for quotes and avoid length and potentially corrupt tender processes.

- Enforce standards requiring bidders to have verifiable integrity/ethics, capability and track record checks and pay only for services and products delivered – no advance payments to failing contractors/suppliers.
- Apply strict contracting terms including penalties and repayment where non performance occurs.
- Require detailed reporting of Supply Chain performance and make transparent adjudication criteria, scoring and award processes.

9. Inadequate Response to Abuse of POPIA/PAIA to Block Transparency

- **Issue:** POPIA/PAIA is misused to obscure key appointments, disciplinary actions, tender awards, housing lists, etc.
- **Recommendation:**
 - Clarify POPIA limitations via legislative amendment. It is being used to withhold names from government housing lists and staff disciplinary actions.
 - Enforce PAIA/public disclosure of key governance related information.

10. No Real Mechanism for Public Accountability or Performance-Based Reform

- **Issue:** Citizens remain disempowered and ward committees/CLOs are ineffective. Ratepayer communications and request for engagement are ignored as are any objections to the political or administrative initiatives and actions of the municipality.
- **Recommendation:**
 - Eliminate ward committees and CLO roles.
 - Institutionalise citizen scorecards and participatory audits.
 - Establish ongoing civic oversight mechanisms tied to performance metrics.
 - Establish mandatory forums/structures with clear mandates where citizen representative bodies and municipal officials meet to assess performance, discuss issues material to the functioning and sustainability of the municipality and community and remedial actions are presented and evaluated. Matters from this forum should be escalated to provincial level where required, whereafter direct intervention should follow if warranted.

Additional Interventions Based on Best Practice

To complement the above, we propose the following interventions grounded in domestic and international best practices:

1. **Introduce a tiered municipal classification system** based on capacity, similar to Canada's and Germany's differentiated local government models, assigning powers and fiscal tools based on local capacity and need.
2. **Pilot integrated service delivery pacts** between provincial departments and municipalities in distressed areas, with joint accountability mechanisms.
3. **Create a national local government leadership academy** (modelled on international best practice, to provide mandatory training for all elected officials and senior managers.

4. **Implement a municipal performance dashboard** that is publicly accessible, showing financial health, infrastructure condition, and service performance indicators updated quarterly.
5. **Expand the use of conditional infrastructure grants** that are tied to performance improvements in asset management and maintenance spending.
6. **Create local ethics and integrity committees** with participation from civic organisations to vet appointments, monitor tenders, and audit political conduct.
7. **Establish a Municipal Fiscal Recovery Unit** within National and Provincial Treasury and Local Govt that works on-site with failing municipalities for intensive turnaround interventions.

Conclusion

The current WPLG26 review lacks the boldness and specificity required to meaningfully reverse municipal decline. Unless systemic reforms are codified into enforceable law and tied to measurable outcomes, South Africa risks repeating the failures of the past two decades.

It must be recognised that more policies and rules applied to the same dysfunctional design led by often underqualified political and administrative leaders will have no impact. In the end, greater intervention and transferring functions to national, provinces and larger capacitated municipalities and towns to support failing and unsustainable municipalities may be the only answer for the short to medium term. This will mean that these supporting entities will need additional capacity while the municipalities must simultaneously scale back on capacity and expenditure, but at least the shift in spending and capacity may be better managed and directed.

We urge integration of these recommendations into the final White Paper and associated legislation. Doing so will help rebuild public trust, strengthen service delivery, and restore the integrity of the local government system.

<https://www.cogta.gov.za/index.php/docs/white-paper-on-local-government-1998-review-of-the-white-paper-on-local-government/>

White Paper on Local Government, 1998: Review of the White Paper on Local Government – Department of Cooperative Governance and Traditional Affairs

Free State CWP Posts: Provincial Coordinator(x 1), District Coordinator(x 5), MIS Administrator(x 5), Technical Support Coordinator(x 1), Site Coordinator(x 26), Site Administrator(x 31)

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