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COMMENT ON THE DISCUSSION DOCUMENT ON THE REVIEW OF THE WHITE PAPER ON LOCAL GOVERNMENT

2025

NOTE: Any person or institution wishing to submit written comments on the Discussion Document and specifically the questions contained in Annex 3 to this Notice, should do so on or before 30 June 2025. Comments can be sent to the following addresses: WPLG26@cogta.gov.za or RichardP@cogta.gov.za or MaphutiL@cogta.gov.za.

1. INTRODUCTION

The Organisation Undoing Tax Abuse (OUTA) welcomes the opportunity to provide input into the Review of the White Paper on Local Government (WPLG). As a civil society organisation committed to promoting accountable governance and ethical leadership, OUTA recognises the critical role that local government plays in delivering basic services, enabling democratic participation, and fostering development at community level.

More than two decades since the adoption of the 1998 White Paper, South Africa continues to face systemic governance failures, financial mismanagement, political interference, and declining public trust in municipal institutions. This submission seeks to contribute constructively to the national dialogue on reforming local government by responding to the questions set out in **Annexure 3** of the Discussion Document. Our analysis draws from extensive research, citizen engagement, and real-world insights gained through our work with municipalities and community-based networks.

We believe this review process is an essential opportunity to recalibrate South Africa's local governance framework toward one that is fit-for-purpose, resilient, responsive, and people-centred. It must prioritise ethical leadership, institutional capacity, fiscal sustainability, and genuine civic participation. OUTA remains committed to supporting this transformative agenda in the spirit of cooperative governance and democratic accountability.

2. KEY CONCERNS

Despite the constitutional and legislative foundations established since 1996, the South African local government system remains in a state of crisis. OUTA has identified several overarching concerns that have contributed to the deterioration of governance, accountability, and service delivery at the municipal level:

1. Lack of Political Will and Ethical Leadership

There is a pervasive absence of political will to enforce accountability and implement reforms. Too often, leadership positions are filled based on political affiliation rather than competence, which undermines administrative integrity and service delivery.

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2. Institutional Decay and Capacity Constraints

Skills shortages, unqualified personnel in critical roles, and high turnover rates, especially among councillors and senior officials, have led to dysfunctional administrations.

3. Erosion of Accountability and Oversight

Oversight mechanisms such as MPACs, internal audit units, and provincial supervision are either underutilised or ineffective. AGSA findings are frequently ignored, and there is limited consequence management for corruption, fraud, or maladministration.

4. Overly Complex and Unfit Institutional Architecture

The current municipal structure, including the two-tier district-local model, is overly complex, duplicative, and often financially unsustainable, especially in rural areas and has not translated into better service delivery.

5. Political Interference in Administration

The lines between political and administrative functions are blurred, with councillors and political office bearers frequently interfering in operational matters, leading to procurement manipulation, cadre deployment, and poor performance management.

6. Inadequate Public Participation and Civic Engagement

Although citizen engagement is a constitutional requirement, it is often superficial and tokenistic. Ward committees are weak or inactive, and communities lack access to timeous transparent and accessible information on budgets, projects, and performance. The methods of engagement is completely out of date and starving for innovative solutions.

7. Inequitable and Unsustainable Municipal Finances

Many municipalities face financial distress due to poor revenue collection, rising unproductive wage bill, unfunded mandates, mismanagement, and rising debt.

8. Weak Intergovernmental Relations and Support

Coordination between national, provincial, and local spheres of government is ineffective, and support interventions under Section 139 of the Constitution have largely failed.

9. Failure to Act on Previous Reviews and Recommendations

Numerous past reviews of local government from the 2009 Local Government Turnaround Strategy to the Back to Basics Programme have produced credible recommendations that were not implemented due to lack of follow-through, monitoring, and enforcement.

10. Entrenched Corruption and Lack of Consequences

Corruption, nepotism, and procurement irregularities continue to flourish in the absence of deterrence. Internal controls are bypassed, whistleblowers are unprotected, and law enforcement responses are slow and inconsistent. Those who need to enforce recommendations or hold the corrupt accountable are often Kingpins in the process.

OUTA believes that unless these systemic issues are addressed with urgency and courage, any new policy framework will suffer the same fate as its predecessors. Reform must be rooted in ethical governance, professionalised administration, and a relentless focus on public accountability.



COMMENTS ON ANNEXURE 3 OF THE DISCUSSION DOCUMENT ON THE REVIEW OF THE WHITE PAPER ON LOCAL GOVERNMENT

Question	Comment
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Local Government in the 1996 Constitution 1. Are any of the constitutional provisions for local government within a system of cooperative governance unworkable or unrealistic?	Yes, while the constitutional provisions were visionary, in practice, the cooperative governance framework has often failed due to political interference, lack of capacity, and poor intergovernmental relations. This has made implementation fragmented and inconsistent.
White Paper on Local Government 1998	
Question	Comment
Were we overoptimistic at the time about designing a 'wall to wall' system of democratic and developmental local governance?	Yes, there was a degree of overoptimism. We underestimated the institutional weaknesses and capacity challenges that would hinder effective local governance across the country.
2. As a government and as citizens, did we do everything within our power and capabilities to achieve the aims and ideals of the WPLG98?	No, while the framework was sound, implementation was lacking due to a failure to build capacity, enforce accountability, and invest in systems to support the ideals outlined in the WPLG98.

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3. What have we learnt about the different elements of the local government system: citizen participation, accountability, transparency, ethics, trust, corruption and state capture, service delivery, urban integration, rural development, public and private finance, institutions, capacity-building, partnerships, and collaborative governance?	We have learnt that without strong enforcement mechanisms and committed leadership, these elements become mere rhetoric. Trust has eroded due to corruption, poor service delivery, and lack of meaningful participation.
4. How do the changes in the material conditions over the past thirty years— demographic, political, social, cultural, economic, financial, global, technical, digital, regulatory, state capacity and capabilities, and environmental and climate shifts—inform how we should upgrade the local government system to make it fit for purpose?	The system must be digital, responsive, climate-resilient, and better funded. It must also account for urbanisation trends, poverty dynamics, and global competitiveness while retaining a people-centered focus.
5. Are any of the WPLG98 core concepts—developmental local government, cooperative government, a differentiated and tiered institutional system, a political system led by collaborative and adaptive leaders, a redistributive tax base, and accountable, transparent, and effective administrative and financial systems—no longer valid?	The concepts are still valid, but their relevance is diminished when not supported by practice. For example, developmental local government is impossible without real empowerment of local actors.
6. If the core concepts of the WPLG98 are still relevant, to what extent have they been successfully implemented?	Implementation has been partial and inconsistent. In some metros, we see pockets of progress, but most municipalities have failed to internalise these concepts.
7. To the extent that these concepts have not been successfully implemented, what are the main reasons for the lack of implementation?	Political interference, corruption, poor leadership, lack of skilled personnel, and insufficient funding are key obstacles.

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Local government legislation introduced to give effect to the Constitutional provisions for local government and the recommendations of the White Paper on Local Government 1998

Question	Comment
1. To what extent did subsequent local government legislation successfully give effect to the WPLG98 recommendations?	The legislation provided a robust foundation, but enforcement and oversight mechanisms have been weak, limiting effectiveness.
2. To what extent has the required oversight and enforcement of the legislation taken place?	Oversight has been minimal. Legislators and institutions like SALGA and COGTA have not effectively monitored or enforced compliance. In fact, its been very weak and one cannot help but to ask whether this is on purpose and politically or corruption motivated.
3. To what extent did subsequent attitudes, behaviours, practices, and cultures that have evolved in South African government and society give effect to or undermine the WPLG98 recommendations?	Many of these have undermined WPLG98 goals—particularly due to politicisation, entitlement culture, and poor performance management. Unions also play a role in fighting over the highest increase instead of considering the sustainability of the employer. Similarly, Unions have fought to keep poor performers in the workplace, bringing service delivery to a standstill should they not get their way.



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Summary question

Are the evident challenges and failures in the South African local government system a result of:

- (i) 1996 Constitutional provisions for local government within a system of cooperative governance;
- (ii) the core concepts and propositions contained in the WPLG98;
- (iii) foundational local government legislation (as implemented and amended) emanating from the WPLG98;
- (iv) attitudes, behaviours, practices, and cultures that have evolved in government and society since the WPLG98;
- (v) a lack of individual and institutional capabilities?

Primarily (iv) and (v): poor attitudes, toxic cultures, and lack of capacity. While the policy frameworks are strong, they were undermined by leadership failure, weak institutions, poorly skilled workforce, uncompetitiveness and most likely the root cause of all this, a lack of political will.



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What needs to change to improve local government system performance?

1. How could the relatively complicated and costly local government system be simplified (municipal tiers, number of municipalities, political system, regulatory environment, assignment of municipal powers and functions, etc.)?

South Africa's local government system is overly complex, with 257 municipalities spread across two tiers, local and district, many of which are financially unsustainable and administratively weak. Simplification should begin by reducing the number of municipalities through consolidation, especially in rural areas where duplication is rife. This includes reconsidering the two-tier model in favour of single-tier structures, like metro-style municipalities, where feasible. A leaner political system with smaller councils and fewer political appointments would reduce costs and improve accountability.

Additionally, municipal powers and functions should be clearly assigned to avoid duplication and confusion. Exclusive responsibilities, such as water or sanitation, must reside with a single authority per area, supported by national standards but flexible enough for local contexts. The legal and regulatory framework must also be simplified, with compliance requirements tailored to municipal capacity, and aligned sector legislation to ensure coherence across departments. This would enable smaller municipalities to function more efficiently without being overwhelmed by bureaucratic red tape.

Finally, depoliticising municipal administrations and professionalising leadership are essential to improving service delivery. Senior appointments must be based on qualifications and experience, monitored through enforceable performance contracts. Shared services and centralised digital systems can lower costs and improve efficiency, especially in rural and low-capacity municipalities. These reforms, grounded in principles of



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	affordability, fit-for-purpose governance, and accountability, would help restore functionality, public trust, and sustainability in local government.
2. Should there be a more differentiated or asymmetrical system of local government to cater to widely differing local conditions, capabilities, and capacities?	Yes, because one-size-fits-all does not work in a country with such diverse capacities and development levels. A differentiated system does not mean preferential treatment, but rather contextual governance ensuring that every municipality is empowered to function optimally within its means, and that citizens receive the services they are constitutionally entitled to.
3. What changes are necessary to ensure an adequate and sustainable system of local government revenue matched to responsibilities?	Introduce fiscal decentralisation, assure accurate Free Basic Service requirements for national subsidisation and implementation, adapt to innovative solutions to reduce cost of services, utilise bargaining power to reduce cost of supplies, expand property rate bases, improve billing systems, and enforce collection with ethical practices.
4. How do we improve relationships of trust between citizens and municipalities?	Stop the political roadshows. Professionalise the staff and become more customer centric. Through transparency, responsiveness, consistent service delivery, and visible consequences for corruption and poor performance trust can be built.



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5. How can we improve the relationships between political leadership and By professionalising the civil service, separating political and administrative administrations? roles, and enforcing the Municipal Systems Act provisions. Away with Executive Mayors. It is critical to leave a professional administration to do its job. Municipal oversight requires technical skills and abilities, some of which is severely lacking in political leadership, frustrating the administration and leading to political meddling in the administration. Question, should municipal oversight be conducted by politicians, maybe the political mechanism needs to be reviewed as there shouldn't be any ideology of political propaganda in the business of local government because local government has such a clear mandate. 6. What changes in public sector leadership and institutional culture are We need ethical leadership, merit-based appointments, and a culture of needed to make the system of cooperative governance work? accountability and service excellence. Mutual respect and partnerships are crucial to foster cooperative work, free from politics.



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7. How do we deepen the fight against corruption, fraud, and nepotism in local government?

Through lifestyle audits, better enforcement of MPAC and AGSA findings, protected whistleblower systems, and harsher penalties. Internal audit committees need to be independent, professionally structured and serve with key skills sets.

Deepening the fight against corruption, fraud, and nepotism in local government requires a multi-layered strategy that focuses on prevention, accountability, enforcement, and public participation. At the heart of this effort is the professionalisation of the municipal administration, where appointments and promotions are made strictly on merit, not political connections. This must be supported by the depoliticisation of the administration, with clear separation between council decisions and operational execution. Mandatory qualifications for senior officials, enforced performance contracts, and an independent oversight body (like a Municipal Public Service Commission) can ensure that only fit-for-purpose leaders manage municipal functions.

A stronger focus on transparency and consequence management is critical. This includes empowering internal audit units and municipal public accounts committees (MPACs), ensuring AGSA findings are acted upon, and enabling communities to monitor budgets, tenders, and service delivery in real time. Introducing digital procurement platforms, publicly accessible supplier databases, and whistleblower protection mechanisms can expose corruption before it becomes systemic. Furthermore, municipalities must work closely with Chapter 9 institutions, law enforcement, and the SIU to ensure that fraud cases are investigated and offenders prosecuted without fear or favour.



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	Lastly, civic engagement and citizen oversight must become central pillars of anti-corruption efforts. Educated, active residents can serve as watchdogs when provided with the right tools and access to information. Civil society organisations, ward committees, and oversight coalitions should be empowered to track municipal performance and escalate irregularities. A culture of integrity must be nurtured not only through regulation but through visible political will, ethical leadership, and a public service that values accountability and service over self-enrichment.
8. How do we introduce a regulatory governance framework that motivates, encourages, and incentivises good behaviours rather than additional regulations aimed only at preventing bad behaviour?	To introduce a regulatory governance framework that encourages good behaviour, government must shift from a compliance-heavy approach to one that recognises, rewards, and supports ethical and high-performing municipalities. This can be achieved by implementing performance-based incentives—such as increased autonomy, access to additional funding, and national recognition—for clean audits, effective service delivery, and active community engagement. Public performance dashboards and benchmarking tools can create accountability while celebrating excellence. Rather than expanding regulations, the framework should empower innovation, foster ethical leadership, and provide targeted support and training. This approach builds a culture where integrity, professionalism, and citizen-centred governance are visibly rewarded and systematically reinforced.



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9. How can the municipal regulatory and financial arrangements incentivise improved service delivery and operations and maintenance of infrastructure?

Link funding to performance metrics, reward preventive maintenance, and ring-fence critical service budgets. Municipal regulatory and financial arrangements can incentivise improved service delivery and infrastructure maintenance by linking funding and oversight mechanisms to performance outcomes. Conditional grants and equitable share allocations should be performance-based, rewarding municipalities that demonstrate efficient spending, infrastructure upkeep, and reliable service delivery. For example, municipalities that maintain infrastructure to set norms and achieve service coverage targets could access bonus funding, expanded mandates, or reduced reporting burdens. Regulatory frameworks should also allow for longer-term planning and ring-fencing of maintenance budgets, preventing the diversion of funds away from critical operations and asset care.

Additionally, multi-year budgeting aligned with asset management plans can ensure municipalities are planning sustainably for infrastructure lifecycle costs. Incentives could include co-financing opportunities for well-performing municipalities from national or donor funds, and lower borrowing rates from development finance institutions for municipalities that meet governance and service benchmarks. Finally, enhancing transparency through public reporting and scorecards can create reputational incentives, where municipalities are motivated to improve to earn public trust, investment confidence, and recognition from oversight bodies and residents alike.

10. How should elected and traditional governance systems complement each other?

By defining roles clearly and leveraging traditional leadership for community mobilisation and conflict resolution.

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11. How can the high turnover of councillors after each election be addressed?	It can be addressed by implementing a combination of capacity-building, succession planning, and electoral reforms. Firstly, municipalities and political parties should invest in ongoing councillor development programs, not only after elections but throughout the term, to build institutional memory and continuity. Introducing minimum entry requirements or competency assessments for councillors could help ensure that those elected are better prepared and more likely to serve full terms effectively. Secondly, political parties should be encouraged or required to adopt transparent and merit-based candidate selection processes, ensuring a pipeline of capable leaders who are rooted in their communities and understand local governance. This could include mentorship between outgoing and incoming councillors to ensure knowledge transfer. Thirdly, South Africa could explore staggered elections or partial renewal systems, particularly in metros, to retain a core group of experienced councillors each cycle. Lastly, public awareness campaigns that elevate the role and responsibilities of councillors may help voters elect representatives based on capability rather than party loyalty or popularity alone.
12. How can the system of local government support and continuous learning and building the capacity of councillors, staff, and communities be improved?	Mandatory development programs, digital learning platforms, and peer-learning networks must be formalised.
13. How can the voice of local government be strengthened?	Strengthen SALGA's mandate, enable autonomous local forums, and ensure representation in national dialogues.



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14. What is the role of political parties in creating a conducive environment for good governance at the local level?	Political parties play a crucial role in fostering good local governance by selecting competent candidates, promoting accountability and ethical leadership, prioritise service delivery over political interests, discipline members.
15. Should there be stricter requirements for candidate selection?	Yes, including experience, education, and vetting for ethical conduct and leadership potential. It is critical that these individuals are learned. They need to be able to read, write, project manage and read and analyze financial statements.
16. Could additional regulation of the behaviour of political parties contribute to an improvement in the governance space?	Yes, especially to enforce transparency in candidate lists and prevent gatekeeping or factionalism.
17. Should the electoral threshold or seat allocation formula be amended at the municipal level to ensure more stability in the distribution of seats in municipal councils?	Yes, to promote coalition stability and reduce fragmentation which destabilises councils.
Effective policy reform and implementation	
Question	Comment
Almost all the recommendations emanating from the preceding four reviews of local government, starting in 2007-09, are still pertinent today.	
Why were they not implemented at the time?	Poor leadership, lack of political will, weak follow-through, and insufficient monitoring led to stagnation, lack of consequence management and accountability.

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What should be done differently in the LGWP26 review process to ensure that recommendations emanating from the review are in fact implemented?

To ensure the recommendations emerging from the 2026 Local Government White Paper (LGWP26) review are implemented effectively, the process must be underpinned by a binding implementation framework. This requires aligning review outcomes with legislative or regulatory reforms that give legal effect to the proposed changes. In addition, a detailed implementation plan must accompany the White Paper, with clear timelines, responsible actors, and measurable performance indicators to track progress. Without such anchoring, even the most well-considered recommendations risk remaining theoretical.

Genuine political buy-in is critical. The review outcomes should be formally endorsed by Cabinet and integrated into national policy and planning instruments, such as the District Development Model (DDM) and the National Development Plan (NDP). Intergovernmental coordination must be strengthened to ensure that all three spheres of government align on delivery objectives. Embedding LGWP26 recommendations into the annual performance plans of national and provincial departments will create institutional ownership and ensure continuity of implementation.

A major reason why previous reform efforts failed is the lack of financial support. Recommendations should be realistically costed and aligned with medium-term budgetary frameworks. National Treasury must play an active role in ensuring that reform implementation is reflected in both national and municipal budgets. To encourage adoption of reforms, performance-based conditional grants or incentives should be introduced, particularly for municipalities that demonstrate improved governance, service delivery, and compliance with the revised framework.



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Accountability mechanisms are equally essential. A multi-stakeholder oversight body comprising representatives from SALGA, civil society, National Treasury, and COGTA should be established to track progress and address implementation bottlenecks. Regular progress reports should be submitted to Parliament, ideally through the relevant portfolio committee and SCOPA, to ensure legislative oversight. Transparent, structured feedback loops will help identify challenges early and apply pressure for course correction.

To improve practical applicability, LGWP26 should include a phased approach to implementation. Pilot municipalities can be selected to test complex reforms, such as reconfiguring municipal support systems or adjusting fiscal frameworks. Lessons from these pilots should inform broader rollouts and help adapt recommendations to varying local contexts. Evidence from pilots will also help build political and administrative confidence in the proposed reforms.

Finally, the role of the public cannot be underestimated. Civic participation must extend beyond consultation and become an active part of monitoring implementation and permanent municipal oversight. Civil society organisations and communities should be empowered to use civic scorecards, public performance dashboards, and oversight tools to hold municipalities accountable. Making implementation data publicly available will build trust, foster citizen engagement, and strengthen transparency. The success of LGWP26 depends not only on good policy, but also on collective action and enforceable, well-resourced commitments