

Submission

To Department of Cooperative Governance and Traditional Affairs (COGTA)

Attention Thabiso Richard Plank, Project Manager, WPLG26 Policy Review
RichardP@cogta.gov.za or WPLG26@cogta.gov.za

From Rashid Seedat, Executive Director,
Gauteng City-Region Observatory (GCRO)

Subject Comments on the Local Government White Paper Review

Date 30 June 2025

1. Introduction

The Gauteng City-Region Observatory (GCRO) is an urban observatory established 16 years ago as a partnership between the Gauteng Provincial Government, the University of Witwatersrand, the University of Johannesburg and SALGA Gauteng. Its primary function is to support evidence-based policymaking through rigorous research and data analysis that enhances the development of the Gauteng City-Region (GCR). The GCR is centred in the province of Gauteng but includes surrounding towns and cities connected by transport, water and energy infrastructure, economic linkages, and daily population movements. Some of the Observatory's key thematic focus areas include the flagship Quality of Life Survey, urban data science (in the form of GIS, visualisations and remote sensing), inclusive economic development and governance in the GCR.

This input outlines the GCRO's initial responses to the White Paper on Local Government 2026 (WPLG26) Discussion Document and the White Paper on Local Government 1998 (WPLG98) review process. Future work will build on this foundation as part of a broader research agenda aimed at shaping the new White Paper's formulation.

We recognise that local government is beset by multiple, interconnected challenges that collectively point to a crisis of local government. Some of these wicked problems include growing utility disruptions across sectors; municipal water and power losses; financial collapse and mismanagement (reflected by municipalities' inability to raise and collect sufficient revenue as well as poor audit outcomes); a growing culture of nonpayment amidst a flailing national and provincial economy, high unemployment and tariff hikes; widespread corruption allegations in the public procurement system; increasing service delivery protests and violence targeting councillors and municipal administrators; growing dissatisfaction and distrust of local government leaders and officials; the rise of extortion networks; unstable political coalitions and poor oversight performance by councils; as well as unpreparedness for external shocks. Indicatively, successive GCRO

Quality of Life Surveys reveal a dramatic drop in public confidence in local government in Gauteng. Satisfaction with local government declined to 22% in the latest iteration of the survey in 2023/24, down from 37% satisfied in 2017/18 (Götz and Seedat, 2024).

This crisis must therefore be addressed with urgency through short-term reforms that demonstrate the government's recognition of the problem (across all spheres) and the commitment of political and administrative leaders to respond meaningfully. Some initial steps have been taken, notably through Presidential interventions in eThekweni and Johannesburg via the District Development Model. The White Paper review process stands alongside these efforts. However, it is essential that these initiatives are not duplicative and that the review process remains firmly focused on articulating a **transformative long-term vision for local government**.

The review process must adopt a systems thinking approach – both to deepen our understanding of the local government crisis and to design solutions with real impact. Crises can take multiple trajectories: they can be contained, allowing life to return to normal; they may intensify existing social regimes, accelerating a society's trajectory down an already existing path; they may result in catastrophe, marking the end of a social form; or crisis may lead to transformation. It is imperative that the review process results in the transformation of South African society, shifting it away from a trajectory of persistent inequality and underdevelopment, toward inclusive and sustainable prosperity for all.

2. Municipal structural change

Pertinent to the WPLG26 review process is finding the right balance between calling for 'hard' structural reforms and 'soft' personnel or behavioural changes. This balance hinges on a careful diagnostic process. It is important to resist the impulse to classify all the challenges of local government as structural deficiencies. While structural reform is necessary and will bring about some change, it will not resolve all issues. Meaningful progress also depends on shifts in leadership and culture (both politically and administratively).

Reform of municipal structures

The uniform application of municipal categories across South Africa, requiring symmetrical structures in metropolitan and non-metropolitan areas, limits the ability of local government to respond to context. The law currently does not permit asymmetrical or hybrid options, making it difficult to adapt governance structures to local conditions. To address this, **the Municipal Structures Act should be amended to allow for asymmetrical arrangements**, enabling the elimination of the district tier, especially in areas with functioning local municipalities.

The WPLG98's original vision for district municipalities – coordination hubs for integrated development, economic planning, technical support and capacity building – was eroded through a series of decisions in the years following the WPLG98. On the one hand, through the Local Government Structures Act second amendment, Districts were accorded a set of responsibilities originally intended only for lower tier municipalities, resulting in districts being envisaged as fully constituted municipalities rather than co-ordinating and support structures. This has resulted in duplication and wasted resources. On the other hand the removal of Regional Service Council (RSC) levies robbed district municipalities of the essential economic planning and coordination roles and region-wide

infrastructure development functions originally envisaged for them, rendering many districts as mere shells.

In Gauteng, where the unique space-economy covers just 1.4% of land but hosts 25% of the national population and contributes 35% of GDP, two geographically small district municipalities (Sedibeng and West Rand) perform very few functions.

Our view is that rather than amalgamating local municipalities into large, district-wide structures, it would be preferable to retain existing local municipalities and remove the largely redundant district layer. A revised framework should also clarify how the coordination function of the District Development Model can be retained through mechanisms that foster both vertical alignment across spheres of government and lateral cooperation between neighbouring municipalities, based on mutual agreement.

3. City-region governance

The review of local government must take cognisance of the broader system of cooperative governance and the need to enhance coordination between national, provincial and local governments. While cooperative governance is often assumed to be a functioning system, it remains fraught with fragmentation and horizontal and vertical competition and operates far below its potential.

Enhanced cooperative governance is especially critical in large metropolitan regions, where integrated planning and pooled resources are needed to drive shared development goals. This is particularly urgent in the GCR, but also increasingly relevant in Cape Town, eThekweni and Nelson Mandela Bay.

The GCR is both a real urban agglomeration – home to nearly 20 million people, with approximately 16 million people located in Gauteng Province itself, and generating up to a third of the national economy – and also a long-standing political project. Coordinated city-region governance has the potential to align the development and service delivery activities of national, provincial and local government across a host of areas where functional competencies needed to address the development challenge are not neatly contained within specific spheres or departments. These areas include: land use, public transport and human settlements planning and development; freight transport and logistics; industrial zone renewal across municipal borders; development of edge-located urban nodes; joint economic and sector support strategies; capabilities for emergency services and disaster response; community and social development; standards for built environment and environmental protection; and so on.

The new White Paper should highlight the urgent need to strengthen cooperative governance, reaffirming the principles of Chapter 3 of the Constitution. It should also reflect on existing mechanisms for inter-jurisdictional collaboration and propose practical steps that do not require major legislative changes. One option is a **city-region planning and project-management office or commission** – staffed by deployed officials from all spheres – tasked with addressing shared development challenges. The District Development Model – possibly with one DDM for the whole of Gauteng – could offer a framework for such coordination.

4. A vision for an impartial and developmental municipal administration

In the early post-apartheid era, political discretion over appointments was necessary to transform the administration. However, **persistent politicisation now undermines democratic governance at the local level**. Excessive political influence is eroding institutional integrity, weakening checks and balances and undermining the capacities needed to achieve constitutional and popular goals. Allocating public goods and funds in response to democratic will is central to the functioning of local government; however this process must aim to be developmental. Political parties often redirect public resources for private gain through patronage networks embedded within the administration, enabled by appointment and dismissal processes.

Despite the administrative role of municipal managers, their own appointments are politically determined, which makes them susceptible to pressure to implement political preferences. This influence often cascades down into the administration, so that even where technical officials are responsible for appointments, the processes may still be politically shaped. The same logic applies to processes of discipline and removal. These powers mirror those used in appointment and include the authority to initiate disciplinary hearings, enact precautionary suspensions, and impose sanctions, including dismissal, enabling the removal of administrators who are not politically compliant, often to make room for more politically reliable appointees.

This undermines merit-based recruitment, weakens procedural safeguards and consolidates political power through jobs, contracts and access to public goods. Intra- and inter-party factions embed loyalists across departments, fragmenting administrations and weakening collaboration. In some cases, the division of these networks is negotiated as a part of coalition arrangements. Entrenched networks often resist council oversight, leading to high staff turnover, long-term acting appointments and workplace cultures defined by fear and instability. Current timelines, particularly for HR and procurement, are poorly suited to long-term projects and are vulnerable to political turnover. Each shift in the political leadership can trigger a new round of tender reviews, resulting in contracting paralysis and stalled implementation, all of which hinder planning and service delivery.

Toward an impartial, developmental administration

Independent bodies must be empowered to serve as effective checks and balances over the process of appointments and dismissals in the administration to ensure that processes are lawful, merit-based and free from political interference. Further, professional associations (in planning, engineering, law and accounting) should also play an oversight role, with representation on selection panels for technical posts, but only if they possess credibility, prestige and are guided by rigorous entry criteria and examinations.

The role of the White Paper is to offer a vision for the kind of local governmental administration essential for South Africa's future. Central to this is **establishing appointment processes that are transparent, grounded in robust criteria, and supported by independent checks and balances**.

5. Financial sustainability

It is increasingly clear that municipalities, including metros, cannot raise sufficient revenue to meet their developmental and service delivery needs. The current system of local government funding needs to be rethought, particularly the proportion of the equitable share allocated to municipalities. While the 1998 White Paper affirmed local government's right to a share of nationally raised revenue, the quantum of this share was deliberately limited on the premise that municipalities had their own revenue sources, and that they had a responsibility to build their own-tax bases. The equitable share was scaled down to cover the operational costs of providing basic services to indigent households, to avoid discouraging local revenue generation.

However, the economic context has shifted dramatically. Municipal tax bases are not growing in line with development and service delivery needs, largely due to stagnant economic growth, mass unemployment, property value stagnation, rising service costs, load shedding, emigration, semi-gration and business relocations, and more recently a dramatic increase in off-grid solutions by both households and businesses. In some areas, land under traditional authorities further complicates revenue collection. Even in metros, the current tax base can no longer sustain the scale of service delivery and infrastructure investment required. Neglecting revenue-generating areas has led to capital flight and a weakening municipal fiscal position. **A rebalanced funding model is essential to enable municipalities to meet their developmental mandate.**

The White Paper review must urgently consider: increasing the equitable share to reflect the real cost of service delivery; clarifying municipal powers to enforce payment and manage illegal connections; clarifying national and provincial obligations to pay for services on government-owned properties; addressing non-payment issues on state-owned land under traditional authority; exploring ways to ensure an equitable balance in infrastructure development and renewal in areas that have historically provided the the larger proportion of municipal revenue (while recognising that protecting the tax-must must go hand in hand with development in historically poorer and under-served areas); and acknowledging the political challenges of spreading the tax burden more fairly in a weak economy.

Rebuilding trust

Another key part of the municipal finance equation is the governance challenge posed by depleted public trust. Failing infrastructure, corruption, poor responsiveness and unreliable service delivery erode public confidence. As trust declines, so does the willingness (and sometimes the ability) of households to pay for services.

While the day-to-day practices of good governance, such as clean procurement and effective communication, are the responsibility of each municipality, the White Paper review could propose supportive measures, including: more transparent and detailed audits of capital expenditure linked to budgets and Integrated Development Plans (IDPs); establishing citizen councils to enhance participatory governance; strengthening the powers and oversight role of Municipal Public Accounts Committees; and improving public-facing platforms for reporting service faults and receiving feedback.

Municipalities must become more publicly accountable through structured and accessible mechanisms. However, this does not mean adding more performance indicators or layers of procurement rules. Instead, the focus should be on meaningful transparency, responsive governance and mechanisms that build trust between municipalities and the communities they serve.

6. Public participation and sub-local democracy

The trust deficit speaks to a social contract that is in crisis. **We need a new vision for public participation and a role for civil society in local government.** Efforts to promote community participation through ward committees have largely fallen short. Councillors and committee members are often perceived not as neutral, inclusive representatives of the public, but as extensions of political parties. This politicisation undermines genuine community engagement and erodes the legitimacy of participatory structures. Moreover, the absence of clear and consistent criteria for the appointment of ward committee members further compromises their credibility.

Ward councillors remain caught between a rock and a hard place – resented, blamed and often sidelined by both communities and municipal structures. During periods of civil unrest, particularly localised service delivery protests, they become direct targets of public frustration. Their homes are sometimes torched, and their personal safety is under constant threat – not only from the communities they represent but also from intra-party competition and extortion networks. This exposure to violence contributes to high turnover and a persistent lack of experience within councils, ultimately weakening oversight capacity.

Further, despite being the face of local government in communities, ward councillors and ward committee members operate with limited power and minimal support from the municipality. They have little real influence over decision-making at council level, and their ability to advocate for their communities is constrained by structural weaknesses.

It would be beneficial for the White Paper to consider offering a vision for sub-local democracy that is representative of community and not party interests. **To rebuild trust and strengthen participatory democracy at the local level, alternative forms of civil society participation should be explored.** These could include mechanisms like citizens' assemblies or citizen councils that create space for more inclusive and deliberative engagement. In addition, members of mayoral committees and the executive would benefit from dedicated "ward time" – similar to constituency time for Members of Parliament – to focus on community-level work.

Rethinking the role of traditional leadership

Relatedly, traditional leadership and municipal governments often operate in the same geographic and governance space, yet coordination between them remains limited. This is an increasingly challenging issue because many ex-Bantustan areas are seeing dramatic expansion of human settlements, with large properties being erected on land where traditional authorities have authority over permission to occupy, but where the developments have significant urban service implications.

It is important to **define a constructive role for traditional leaders within the democratic framework**, either through a formal cooperative governance structure between traditional authorities and municipalities, or by introducing an additional traditional councillor in areas where this is appropriate. The cooperation agreements reached between eThekweni and traditional authorities in that metropolitan area in late June 2025 are instructive in this regard.

7. Conclusion

The White Paper review presents a critical opportunity to reset the foundations of South Africa's local government system. While structural reforms are necessary, lasting progress also depends on strong political and administrative leadership, as well as a shift in institutional culture. The White Paper must chart a bold course toward a more responsive, accountable, transparent and developmental local government system – one capable of meeting the complex demands of the next era.

8. Recommendations

- Amending the Municipal Structures Act to allow for asymmetrical governance and the removal of ineffective district municipalities, both to reduce duplication and to further strengthen local municipalities.
- The review must confront the deep politicisation of local administrations, and offer a vision of local government for the future built on a capable and impartial developmental administration.
- In strategic urban centres, city-region governance arrangements are urgently needed to address shared challenges that cut across municipal boundaries and spheres of government.
- A rebalanced financial model is equally essential. The current tax base is insufficient to meet the growing service delivery and developmental demands, even in metropolitan areas. The equitable share must be reassessed to reflect the real costs of delivering services.
- Rebuilding public trust requires more inclusive and meaningful community engagement. This means moving beyond politicised ward structures toward alternative models of participation, such as citizens' assemblies or citizen councils, dedicated ward time for executive members, and stronger partnerships with traditional leaders.

9. References

Götz, G. and Seedat, R. (2024) *Government performance and satisfaction with government: Findings from the GCRO's Quality of Life survey 7 (2023/24)*. Gauteng City-Region Observatory. Available at: <https://doi.org/10.36634/IWNL6856>.