

Development of new White Paper on Local Government

Background

The White Paper on Local Government, which hails from 1998, is currently being revised. A three-year consultation and revision period is being envisaged. A discussion document was published by the Department of Co-operative Governance in March 2025.

A NEDLAC process is currently underway to provide input for the development of a new White Paper. Agbiz is represented on the Business task team in NEDLAC. Two constructive engagements have already taken place in NEDLAC. The intention is to publish a revised Local Government White Paper in March 2026, following an extensive and inclusive process of consultation based on the published discussion document.

Contents of the discussion document










The discussion document provides a very honest analysis of the state of local government in the country. There is an admission that over the past three decades local government performance has generally regressed due to a variety of administrative, governance, service delivery, infrastructure, financial, structural, and systemic challenges. These challenges have persisted despite multiple previous attempts at reform.

The discussion document poses some very valid questions such as:

- Are any of the constitutional provisions for local government within a system of cooperative governance unworkable or unrealistic?
- What needs to be delivered in the short term to stabilise municipalities and to prevent further deterioration to the local government system?
- What needs to be put in place, through legislative and other changes, before the local government elections anticipated for late 2026?
- What reforms are to be implemented during the next local government five-year term of office and beyond?

- Were we overoptimistic at the time about designing a ‘wall to wall’ system of democratic and developmental local governance?
- As a government and as citizens, did we do everything within our power and capabilities to achieve the aims and ideals of the WPLG98?
- 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?
- 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 discussion document accurately identifies the main problems with the local government system. These include issues of governance, accountability, lack of capacity and skills and financing. All of the challenges are depicted in the graph below:

Governance  <ul style="list-style-type: none"> + Democracy + Elections - Duplication of structures - Many dysfunctional municipalities - Assignment of housing and transport functions - Factionalism - Traditional Council areas remain largely unplanned 	Accountability and Participation  <ul style="list-style-type: none"> + Participatory framework + Ward councillor system + Fair elections + Transparency and communication - Audit outcomes - Compliance approach to participation - Ward systems ineffective - Lack of partnerships - Skills and continuity of councillors 	Infrastructure  <ul style="list-style-type: none"> + Significant improvement in access to basic services + Investment in housing and transport + Capital Grant system - Quality of services - Poor rehabilitation and maintenance of infrastructure - Spatial inequality - Connective infrastructure
Social and Economic Transformation  <ul style="list-style-type: none"> + Extensive and regulated planning system + System of IDP's - Apartheid spatial patterns - Ineffective LED - Lack of alignment between growth and planning - Frequent changes in strategy - Many developmental agencies ineffective 	Capacity and skills  <ul style="list-style-type: none"> + Investment in capacity building and skills programmes + Transformation of administrations in racial and gender terms - Vacancy rates in critical areas - Senior management instability - Political interference - Loss of experienced and professional staff 	Municipal Finance  <ul style="list-style-type: none"> + MPAC established and functioning + Equitable share and other grants + Free Basic Services + MSCOA implemented - Municipalities in financial distress - Municipal debt to Eskom and Water Boards - Very little alternative funding
Growth and Development  <ul style="list-style-type: none"> + Focus on needs of poor and marginalised + Free Basic Services + Economic Visioning + FBS not fully serving needs of poor + Development often narrowly focussed + Indigent policies neglected and need updating 	Integrating and coordinating  <ul style="list-style-type: none"> + Many municipalities – have developed long term city development or economic development strategies. + IGR structures established - Cooperative government often weak - Lack of participation by other spheres of government - Weak district government 	Democratising development  <ul style="list-style-type: none"> + Democratising development has improved significantly with a strong recognition of the need to consult with local communities - Effectiveness of consultation process has weakened + Ward committees ineffective

There is also an analysis in the Discussion document of the main challenges per province:



Source: Discussion document on the review of the White Paper on Local Government

Way forward

There is an opportunity to submit written comments on the discussion document until 30 June 2025. Agbiz will invite members to share their proposed solutions regarding local government with Agbiz to be included in the Agbiz comments and carried into the NEDLAC process. Members can also directly submit comments to the Department of Co-operative Government on the Discussion document, which can be accessed here: <https://pmg.org.za/call-for-comment/1573/>

By Head: Legal Intelligence Annelize Crosby