



Getting Local Government Right

"Municipal finances are severely troubled and, even though funds are constrained, mayors, councils and municipalities are displaying little fiscal discipline. Money paid by residents and funded from the national purse is often wasted through poor financial and procurement decisions and project failures."

Auditor-General Tsakani Maluleke

1. Introduction

Every year, around August, the Office of the Auditor-General releases its *Consolidated General Report on Local Government Outcomes*, which lays open the parlous state of most of our municipalities. This year's report, covering the 2023-4 financial year, shows that only 41 out of 257 municipalities achieved a clean audit – technically termed 'an unqualified audit with no findings'. This is a marginal improvement on the previous year's 34, but on the other hand this year 10 municipalities did not even manage to complete their audits – up from only one in the preceding year.¹

The Auditor-General's growing frustration comes across in the introduction to the report: "The messages in my last three general reports have been aimed at the local government administration that took office in 2021... I called on them to work with urgency to overhaul a local government characterized by insufficient accountability, failing service delivery, poor financial management and governance, weak institutional capability and widespread instability." "Each year, I also engaged with those in national and provincial government tasked with overseeing and supporting local government... imploring them to intervene and assist municipalities that were failing. Despite the commitments made in response to these calls, action has been too slow and has had little impact on the lived realities of South Africans." "I again implore the mayors, speakers and council members of municipalities to use the remaining year of their term in service of their constituents."²

None of this is new; in most parts of the country local governance has long been a free-for-all of patronage, corruption, political ladder-climbing, not infrequent assassinations, and self-aggrandizement. It has seldom been about delivering reliable services on a sustainable basis. But, as always in South Africa, there are signs here and there of at least potential improvement, and it is on these that this briefing paper will mostly focus.

2. Positive Signs

2.1. The White Paper Review

The current White Paper on Local Government dates back to 1998 and, while it served its main purpose of consolidating a democratic system of municipal governance, it is due for a review. That process began this year, and government intends to publish a new White Paper in 2026.³ A number of the proposed goals of this process make sense:

- Depoliticisation of the appointment of senior municipal officials and the creation of a professional, career-oriented local public administration;
- Redefinition of the roles of council, mayor and administration to reduce conflict and duplication;
- Revision of the local government fiscal framework, including the equitable share formula and grant system;
- Enhanced financial oversight, enforcement of consequence management, and improvement of debt collection systems;

- A renewed focus on ethical governance, oversight and accountability;
- Streamlining of the intergovernmental relations framework through the District Development Model to ensure an improved alignment between local, provincial and national plans;
- A zero-tolerance approach to irregular and wasteful expenditure; and
- The overhaul of public participation structures, including exploring new digital tools and community forums.

As past experience shows, there is likely to be a sizeable gap between commitment to these policies on paper and their actual implementation, but at least they demonstrate an awareness of the main weaknesses that have bedeviled local governance over the last couple of decades. In our submission to the Department of Co-operative Governance and Traditional Affairs (COGTA) on the White Paper review, CPLO noted that “in too many municipalities, political office-holders and appointed officials behave unethically, fail to comply with the law, and all too often act in their own interests rather than in the interests of the residents of the municipality.” Mere policy changes would be insufficient to deal with this attitudinal problem. Instead,

- The leadership of political parties must ensure that reliable and competent candidates are chosen to stand in local government elections;
- Political parties must instill a culture of service, rather than self-advancement, in their members occupying local government positions; and
- There must be clear consequences for municipal politicians and officials who make themselves guilty of corruption and other unethical behaviour, or who are incompetent or incapable of doing their jobs.⁴

2.2. The Minister's Indaba

At the beginning of October this year, the COGTA Minister, Velenkosini Hlabisa, convened an *indaba* on local government, bringing together politicians, officials, academics and civil society to discuss how to “transform South Africa’s municipalities into capable, accountable, and developmental institutions.” The outcomes of the *indaba* included the following, as summarized by Minister Hlabisa:⁵

- The depoliticisation of municipal governance and professionalisation of administrative staff are urgently required;
- Mayors, Speakers and chairs of committees must have the necessary levels of competence and qualification to allow them to carry out effective oversight, interpret municipal budgets and balance sheets, and understand the Auditor-General’s reports;
- There must be proper consequence management in order to hold people to account. As the Minister put it, “a competent city manager will appoint a competent CFO, but a cadre will deploy another cadre, and a cadre cannot impose consequence management on another cadre.”
- Integrated planning must be improved, both within the local government sphere and between it and the provincial and national spheres;
- Legislative reforms are needed so as to better manage municipal coalitions, since all indications are that there will be more rather than fewer coalitions after the 2026 elections; and
- There is a need to review the 1998 White Paper (as mentioned above).

According to Mr Hlabisa, these points enjoy the support of all the parties that took part in the *indaba*. If so, they certainly seem to provide a useful basis for reforming and improving local governance.

2.3. The President's Remarks

A few weeks before the *indaba*, the ANC held a conference for all its municipal councillors, some 4 800 of them. In his speech, President Ramaphosa departed from his written text to comment that it was often the case that the best-run councils were those controlled by the DA. “I can name it here because there’s nothing wrong with competition. They are often DA-controlled municipalities. We need to ask ourselves, what is it that they are doing that is better than what we are doing?”⁶ At the same gathering Gwede Mantashe, the ANC’s National Chairperson, said in his characteristically blunt way, “I know we have a lot of singing councillors but we have no councils. You all sing well but capacity *dololo* [nothing].”⁷

Although there were various attempts by party spokespeople to explain away these remarks, the point had been made, and it is to Mr Ramaphosa and Mr Mantashe's credit that they were prepared to criticize the generally poor performance of their own party's representatives. If this kind of honest appraisal is carried through into the selection process of candidates for next year's elections, and if it is matched by other parties whose municipal record is also less than stellar, then, in combination with the reforms that emerged from the *indaba*, there is a chance that we might begin to get the quality of local governance that we desperately need.

But it will not be easy. Already in the debate over the President's observations, clean governance was being contrasted with transformative governance, as if failure regarding the former could be excused by commitment to the latter. "So it's one thing to say you've got a clean audit, but it's [another] thing if you are changing the lives of people for the better, and that's really where we must focus," according to Deputy-President Paul Mashatile, for example.⁸ The fallacy of this supposed trade-off was dealt with at the CPLD event by Sharonne Adams of the Auditor-General's office: "Where there's a clean audit municipalities are able to respond quicker to any service-delivery challenges. Show me a qualified audit, show me a disclaimed audit that had better service-delivery than a clean audit."⁹

3. Changing the Rules

While the new White Paper on Local Government may be expected to deal with policy questions, and while political parties may introduce their own measures to improve the quality of candidate they offer the public, there is also room for legislative intervention. Some of the current rules regarding the formation of councils and the removal from office of elected office-bearers are arguably not fit for purpose in an era of coalition governance.

The ***Local Government: Municipal Structures Amendment Bill***¹⁰ was introduced in May 2024. Its main objectives were:

- To allow for mayors, deputy-mayors, speakers and whips to be removed from office only after a period of two years had passed since their election, unless the removal was on the grounds of a serious violation of the Constitution or the law;

serious misconduct; or an inability to perform the functions of office. The two-year period was intended to prevent the incessant use of 'motions of no-confidence' that has so disrupted municipal governance recently.

- To provide that all votes on the election and removal of office-bearers must be by show of hands, rather than by secret ballot. This was intended to improve transparency and accountability, and to reduce the scope for the buying votes and other corrupt dealings.
- To introduce a threshold, in terms of which parties obtaining less than one per cent of the overall vote in a council election would be excluded. This, the Bill argues, would prevent 'one person' parties from dictating terms in coalition negotiations, and "limit the number of parties allocated seats in council... thus enabling fewer parties to form stable coalitions."
- To require written coalition agreements to be entered into in cases where no single party enjoys a majority. This should "introduce a contractual connotation to the relationship between the different political parties which will be legally enforceable [and] bring about predictability in the process."

The Bill's progress through Parliament has since been suspended while two Private Member's Bills,¹¹ which cover many of the same points, are dealt with. One of these, in essence, proposes that the removal of an office-bearer may take place only once in 12 months, while the other extends from 14 to 30 days the various periods within which a council must be convened after an election and within which office-bearers must be elected; this is to allow more time for proper, less pressurised, coalition negotiations. It also introduces a threshold, albeit a less stringent one than that included in the 2024 Bill. Neither of the Private Member's Bills deals with voting by show of hands or with written coalition agreements.

With the next local government elections set for November 2026 it is doubtful whether these various amendments will be completed in time, especially if – as seems likely – there are legal challenges to them. For example, it can be argued that a one per cent threshold effectively disenfranchises citizens who voted for the very small parties; and some parties may object to

the 'show of hands' requirement, preferring a situation in which they can make secret arrangements with members of other parties. Nevertheless, most of the proposed amendments should bring about at least some transparency and stability in local governance, one they are adopted.

Finally, one legislative intervention is already bearing fruit. The Auditor-General recently, and for the first time, used her powers under an amendment¹² to the **Public Audit Act 25 of 2004** to issue a 'certificate of debt' to a municipal manager who had persistently failed to undertake remedial action regarding a crooked tender, costing the municipality R4.6 million in wasted expenditure.¹³ The manager is now personally responsible for repaying the wasted money. This should send a clear message to municipal managers and other accounting officers across the country not to ignore warnings from the Auditor-General and to take the necessary remedial actions when required to do so.

4. Conclusion

The attitudinal, policy and legislative changes

required to turn around our generally under-performing local government sector will take a long time to have an effect; and if political parties do not play their part by enforcing higher standards of honesty, competence and diligence in the people they choose as candidates, the reforms will falter anyway.

Next year the electorate has its chance to pass judgement on thousands of mayors, exco members, council speakers, and ward and proportional representation councillors, the great majority of whom, to judge by the Auditor-General's annual reports over many years, have failed to carry out their constitutional and statutory duties. They have put personal and party-political interests before those of the people they were elected to serve.

But if disgruntled voters stay at home and give up their right to bring about change through the ballot box, it will be business as usual and many municipalities will continue to be characterised by potholes, sewage in the streets, and dry taps, while mayors sweep by in convoys of black BMWs. As ever in a democracy, the power lies ultimately with the people.

Mike Pothier
Programme Manager
mike@cplo.org.za

¹ [https://www.agsa.co.za/Portals/0/Reports/MFMA/2023-24/MFMA%20Report%202023-24%20interactive%20\(updated%20August%202025\).pdf](https://www.agsa.co.za/Portals/0/Reports/MFMA/2023-24/MFMA%20Report%202023-24%20interactive%20(updated%20August%202025).pdf) See page 25

² Ibid., pages 4 – 5

³ <https://www.cogta.gov.za/index.php/docs/white-paper-on-local-government-1998-review-of-the-white-paper-on-local-government/>

⁴ <https://cplo.org.za/wp-content/uploads/2025/07/SUBMISSION-Local-Government-White-Paper-Review.pdf>

⁵ The Minister was a panellist at a CPLO webinar entitled *The 2026 Municipal Elections and the State of Local Government*, held on 18 November. See <https://cplo.org.za/videos-webinar-series/>

⁶ <https://iol.co.za/news/politics/2025-09-15-da-run-municipalities-better-learn-from-them-ramaphosa-tells-anc-councillors/>

⁷ Ibid.

⁸ <https://www.dailymaverick.co.za/article/2025-10-30-ramaphosa-quoted-out-of-context-mashatile-da-best-municipalities/>

⁹ <https://cplo.org.za/videos-webinar-series/> at 17m18s

¹⁰ <https://www.cogta.gov.za/index.php/docs/local-government-municipal-structures-amendment-bill-2024-coalitions-bill/>

¹¹ See <https://pmg.org.za/bill/1262/> and <https://pmg.org.za/bill/1270/>

¹² https://www.agsa.co.za/Portals/0/Legislation/Public_Audit_Amendment_Act_No_5_of_2018.pdf

¹³ <https://www.news24.com/business/economy/municipal-manager-must-personally-pay-for-inflated-tender-after-ags-landmark-move-20251114-0463>



The Democracy & Governance Project of the CPLO is supported by the Hanns Seidel Foundation (HSF).
The opinions and statements contained in CPLO's publications do not necessarily reflect the views of the HSF.

This Briefing Paper, or parts thereof, may be reproduced with acknowledgement.