



**DEPUTY MINISTER
WATER AND SANITATION
REPUBLIC OF SOUTH AFRICA**

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**SPEECH BY DEPUTY MINISTER SELLO SEITLHOLO ON BUDGET VOTE 41:
WATER AND SANITATION, NATIONAL ASSEMBLY, CAPE TOWN, 9 JULY 2025**

Honourable House Chairperson;

Honourable Minister Pemmy Majodina;

Honourable Deputy Minister Mahlobo;

Chairperson of the Portfolio Committee of Water and Sanitation – Mr Leon Bassson;

Honourable Members of Parliament;

Director-General and Senior Managers of the Department of Water and Sanitation;

Fellow South Africans;

One of the most fundamental truths we must agree upon as leaders of the 7th administration is that we cannot fix South Africa unless we fix municipalities. From roads, to energy, to water and sanitation. Nothing will work unless we agree to urgently arrest the decline of municipalities.

The high level of non-revenue water in municipalities, coupled with the fact that there is no legal obligation for municipalities to use revenue from the sale of water for the water function, has resulted in some municipalities failing to pay their invoices to water boards.

By the end of February 2025, the total debt owed by municipalities to the water boards stood at R24 billion, including interest for long-outstanding debt. We reported to Parliament that this situation posed a grave risk to the financial sustainability of the whole water value chain.

It is a risk, Honourable House Chair, that has to be mitigated urgently and with determination.

As the Minister indicated in the budget speech last year, to address this, the Department and the Water Boards put in place strengthened and standardised debt collection processes. She also indicated that one of our immediate priorities would be to work Collaboratory with colleagues in Cabinet, particularly the Minister of Finance and the Minister of Cooperative Governance and Traditional Affairs, to find sustainable solutions.

This has been done. During the past financial year, we obtained National Treasury agreement to withhold the equitable share of municipalities which refuse to pay their current invoices to the water boards in full.

The withholding of equitable share allocations is only implemented as a last resort when all other measures to encourage municipalities to pay their current invoices in full have failed. It is an undesirable measure but a necessary one, in order to protect the water sector as a whole.

I must pause here Honourable House Chair to indicate that, the collapse of the water sector would have far reaching ramifications for our national security as well as our economy. Therefore, every possible measure must be taken to protect the stability and viability of the sector.

On the request of DWS, National Treasury started to withhold equitable share allocations for 12 municipalities since December last year, and this is starting to have a positive impact on the finances of the relevant water boards. The withholding of equitable share allocations will continue until all the worst-paying municipalities regularly pay their current invoices to the water boards in full.

At the end of the last financial year, we also obtained the approval of National Treasury for a debt write-off mechanism for the long outstanding debts owed by municipalities to the water boards. All the water boards have been informed of this mechanism and the required processes to implement it, and some of the water boards will start implementing it in the current financial year.

Whilst these efforts are crucial, it is critical to work together towards the strengthening of regulation of the water sector overall.

Honourable House Chairperson, my role within the Department has been to oversee regulation, compliance and enforcement in terms of managing pollution of our water resources. I have since travelled to eight provinces and over 30 municipalities to assess the state of water pollution in our country.

What we witnessed is nothing short of a ***CRISIS***.

Water pollution is a silent epidemic, a colossal iceberg lurking beneath the surface, threatening to plunge us into disaster if we do not change course.

It affects the entire water value chain, increasing the risk of waterborne diseases and driving up the cost of treating water to meet drinking standards. This crisis jeopardizes food security and undermines our tourism industry, impacting the livelihoods of countless South Africans.

We cannot ignore the stark reality: pollution has made many of our dams less profitable for recreation and tourism. The Hartebeespoort Dam, once a vibrant destination, now suffers from pollution that deters visitors. Similarly, the closure of beaches in Ethekewini Municipality due to high E. coli levels from untreated wastewater has severely impacted the travel and tourism sector, stifling economic growth and job creation.

We must unite and act urgently to confront the water pollution crisis.

Regulatory responses require collaboration among various government departments, the private sector, stakeholders and citizens. We have for example launched the Vaal River Anti-Pollution Forum to improve the health of this critical river system, through a collaborative approach.

We are working hard towards publishing a Polluters' Register to hold individuals accountable for their role in polluting our water resources.

Additionally, we are committed to establishing an Independent Water Regulator and implementing key measures through the Water Services Amendment Bill and National Water Amendment Bill to enhance regulation across the sector.

The Department together with one its entities, Rand Water, hosted the National Water and Sanitation Youth Indaba organised by and for young people in the water sector, underscored the importance of youth engagement. Initiatives like this empower young individuals, equipping them with skills and ensuring they have a voice in shaping the future of our water sector.

Let us continue to work together, united in our efforts to build a thriving economy that creates jobs for all South Africans. Together, we can turn the tide and ensure a sustainable future for our water resources and our communities.

I thank you.