



## **water & sanitation**

Department:  
Water and Sanitation  
REPUBLIC OF SOUTH AFRICA

---

Enquiries: S Phillips  
Telephone: 012 336 6990  
Reference: 6/2/2/6

**NATIONAL ASSEMBLY**

**FOR ORAL REPLY**

**QUESTION NO 175**

**DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 03 MARCH  
2026 (INTERNAL QUESTION PAPER NO 05)**

**★ 175. Mr S J Moore (DA) to ask the Minister of Water and Sanitation:**

Whether she intends to put measures in place to ensure that all metropolitan municipalities ring-fence water and sanitation revenue for repairs and maintenance; if not, what is the position in this regard; if so, what are the relevant details of the enforceable steps she will take to prevent the diversion of such funds?

NO936E

---0000---

## MINISTER OF WATER AND SANITATION

In terms of the Constitution and other relevant legislation, municipal councils have the authority to decide on municipal budgets, including the allocation of budgets for the maintenance, development and operation of water and sanitation infrastructure. The legal framework also allows municipal councils to vote for revenues from the sale of water to be allocated to other functions.

Water services are in a vicious downward spiral in many municipalities, with high non-revenue water and allocation of water revenues to other functions leading to insufficient maintenance and non-payment to water boards, and insufficient maintenance in turn leading to increasing non-revenue water.

Various reforms are underway to address this, including the Water Services Amendment Bill which is currently before Parliament. The amendments to the Water Services Act address the non-separation of Water Service Authority (WSA) and Water Service Provider (WSP) functions by municipalities, by providing greater clarity regarding the functions of WSAs and the functions of WSPs, and that billing revenue collection is a WSP function.

Another key reform is being implemented by the National Treasury which has put in place a R54 billion new performance-based incentive grant for metropolitan municipalities (the Trading Services Grant), effective from the 2025/26 municipal financial year. Access to the grant is conditional on metros putting in place and implementing water and sanitation turnaround plans and making progress with KPIs such as:

- Ringfencing revenue from the sale of water for the WSP
- Ringfencing management functions and creating single-point accountability for the WSP
- Reducing non-revenue water Improving performance across a range of indicators.

All the metropolitan municipalities have developed water and sanitation turnaround strategies, as part of the Reform of Metropolitan Trading Services Programme being implemented by National Treasury in conjunction with DWS and COGTA.

These turnaround strategies include many actions with timeframes. The metropolitan municipalities are required to report on progress against these to

the National Treasury and will only be able to access allocations from the Trading Services grant if they meet certain targets.

---0000---

DRAFT REPLY: RECOMMENDED/ ~~NOT RECOMMENDED~~/ AMENDED

*SPhillips*

**DR SEAN PHILLIPS  
DIRECTOR-GENERAL  
DATE: 6 March 2026**

DRAFT REPLY: APPROVED/  NOT APPROVED/ AMENDED



**MISS PEMMY C.P. MAJODINA, MP  
MINISTER OF WATER AND SANITATION  
DATE: 08-03-2026**