



## **EFF STATEMENT ON THE DEBT OWED BY MUNICIPALITIES TO SOUTH AFRICAN WATER BOARDS**

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The Economic Freedom Fighters (EFF) is appalled by the reports that two Water Boards, namely the Vaal and Magalies Water Boards face bankruptcy, due to debt owed to them by 19 municipalities. The debt poses a risk to critical services to communities as it relates to the operations of dams, water reticulation systems, maintenance of bulk water supply infrastructure and waste water systems.

Water provision in South Africa has become a human rights crisis, and the collapse of entities that maintain water infrastructure and water provision to communities, is tantamount to a human rights violation. This violation is of greater concern when it is perpetuated by local government municipalities, which are clearly struggling as a result of failure to collect revenue. At the end of June 2024 alone, municipalities owed water boards across the country R22.4 billion, meaning there is a coordinated risk to water supply in South Africa.

The EFF is of the firm belief that the non-payment of this debt by municipalities, is yet another coordinated attempt to collapse state-capacity to provide water, in order to allow the private sector to intervene under the guise of preventing a crisis.

Already, on the backdrop of the collapse of South African Water Boards, Cyril Ramaphosa has signed into law the SA National Water Resources Infrastructure Bill, which essentially seeks to mobilise private sector investment, participation, and control over water provision measures in the country.

This perspective is proven true if there is a closer inspection as to what causes municipalities to be in these massive amounts of debt, and one of the factors is that they struggle to collect revenue from major corporations and businesses that utilise

water in bulk. This means that capital is at the centre of destabilising municipalities, by generating profit off large-scale water-usage, but not paying their municipal bills.

It would therefore be illogical to punish municipalities and citizens who are below-average consumers of water, through measures such as slowing down water supply to municipalities and withholding equitable share allocations from municipalities by Treasury.

It is private sector businesses that are contributing to the failure of municipalities to pay water boards through not paying water bills, and it is the misguided fiscal framework from the National Treasury that has placed water and electricity supply as the core revenue generating areas for municipalities. Essentially, the private sector and Treasury are orchestrating the water crisis in South Africa at the expense of ordinary citizens.

The South African Treasury deliberately put in place an incorrect fiscal framework for municipalities that destined them for failure, and would leave the private sector as the only viable provider of basic services.

This then reaffirms the EFF position that the neo-liberal policy posture of the South African Treasury, has been at the centre of the de-capacitating the state, in order to hand over state-functions and finances to the private and financial sector players. The DA-ANC grand coalition is therefore on a mission to ensure it fulfils the plot by Treasury to privatise the state.

The EFF calls on government to rework its division of revenue to prioritise funding of basic services such as water and electricity, whilst compelling big corporations and mines to pay municipalities for their use of water and electricity. It is these major industries that utilise bulk water supply to maximise profit, and average citizens and municipalities should not suffer due to their refusal to pay for water.

The South African Treasury should equally establish a special unit to recover debt owed to municipalities by big corporations for the use of water, as this has now reached crisis levels.

The EFF will write to the Minister of Cooperate Government and Traditional Affairs (COGTA) to ascertain whether there is any viable plan to recover the debt owed to water boards across South Africa, and not through the use of punitive measures such as cutting budget allocations to municipalities.

The EFF remains the only opposition party that has made a scientific diagnosis of the plan to privatise South Africa, and we will provide cogent oversight and accountability to prevent this from happening.

**ISSUED BY THE ECONOMIC FREEDOM FIGHTERS**

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