

**NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 156 [NO2365E]
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★156. Mr N F Shivambu (EFF) to ask the Minister of Finance:

In view of his announcement on 31 March 2015 that the National Treasury will withhold the transfer of the equitable share to 60 municipalities due to their persistent default to pay outstanding money to Eskom and the fact that some of the municipalities affected by the decision have been hot spots for service delivery protests which often turned violent in recent years, especially in Madibeng which encompasses Brits, Hartbeespoort, Mooi-nooi and part of the settlement of Marikana, was the withholding of the equitable share, even after consultation with the defaulting municipalities, the only option available to address the problem?

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REPLY:

Government will use all means at its disposal to improve the performance of local government and the delivery of services to our people. Withholding equitable share transfers is a very serious action and the decision to do so was not taken lightly but it demonstrates the determination of government to take the actions necessary to ensure municipalities pay their accounts. The step was taken after most other options had been explored and did not produce the desired results.

Indeed, once the Equitable Share was withheld the affected municipalities entered into negotiations with Eskom and either started paying their debts or agreed repayment plans terms with Eskom.