



**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**QUESTIONS FOR ORAL REPLY**

**QUESTION NUMBER: 154**

**154. Mr S N Swart (ACDP) to ask the Minister of Cooperative Governance and Traditional Affairs:**

What (a) is the expected impact of the COVID-19 lockdowns on municipal revenues for the present municipal fiscal year, given that many customers were unable to pay for municipal services and (b) impact will this have on municipal service delivery, particularly for those municipalities that are already financially distressed? NO931E

**REPLY:**

(a) It is expected that the negative effects of COVID-19 will be felt by South Africa and the world as whole over the next three to four years. This includes the local sphere of government which has seen a decline in collections which is evidenced by the increase on the municipal debtors book from R191 Billion in June 2020 to R230 Billion in December 2020. Although the lockdowns themselves may have also challenged revenue collection and the extent to which clients could pay for municipal services, the saved lives are far too valuable to compare. The National Treasury is currently undertaking an impact assessment of Covid 19 on the revenue of the municipalities and once the report is completed it will be shared.

(b) Although the impact on service delivery of the pandemic and the lockdown has not been quantified. These lockdown related measures also enabled the faster uptake of technology and the employment of the new normal of virtual meetings which enables faster and more transparent decision making, thus making us a more responsive and agile state. In being responsive the state was able to deliver water and sanitation infrastructure at an accelerated rate, as part of the response to COVID-19. This included the provision of water tanks and boreholes as well as the refurbishment of water mains, pump stations and reservoirs, thus contributing to a more sustainable 'Water Mix'. However, there were also delays in the implementation of projects since major projects were halted as a result of the restriction of movement and/or office/site bound work.

**I THANK YOU**

## BACKGROUND / ADDITIONAL INFORMATION:

<b>Debtors Age Analysis By Income Source</b>	<b>Jun-18</b>	<b>Jun-19</b>	<b>Jun-20</b>	<b>Dec-20</b>
Trade and Other Receivables from Exchange Transactions - Water	42 860	50 237	53 408	66 987
Trade and Other Receivables from Exchange Transactions - Electricity	18 953	20 752	23 477	27 192
Receivables from Non-exchange Transactions - Property Rates	28 378	33 845	38 537	46 640
Receivables from Exchange Transactions - Waste Water Management	15 460	16 665	17 873	21 388
Receivables from Exchange Transactions - Waste Management	11 246	13 111	14 608	18 412
Receivables from Exchange Transactions - Property Rental Debtors	2 445	2 549	2 728	3 104
Interest on Arrear Debtor Accounts	13 513	16 500	21 602	25 581
Recoverable unauthorised, irregular or fruitless and wasteful Expenditur	3	0	3	16
Other	10 324	11 869	19 224	21 222
<b>Total By Income Source</b>	<b>143 181</b>	<b>165 527</b>	<b>191 459</b>	<b>230 543</b>
<b>Debtors Age Analysis By Customer Group</b>				
Organs of State	7 895	10 291	14 788	20 715
Commercial	26 063	24 732	36 770	39 029
Households	101 874	118 597	133 864	166 471
Other	7 349	11 907	6 037	4 328
<b>Total By Customer Group</b>	<b>143 181</b>	<b>165 527</b>	<b>191 459</b>	<b>230 543</b>
<b>Increase</b>		<b>22 346</b>	<b>25 932</b>	<b>39 084</b>

END.