



The South Africa I know, the home I understand

Statistical release

P9110

Quarterly financial statistics of municipalities

December 2014

**Embargoed until:
31 March 2015
10:00**

Enquiries:

User Information Services
+27 (012) 310 8600

Forthcoming issue:

March 2015

Expected release date

June 2015

Contents

Key findings	1
Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2014, June 2014, September 2014 and December 2014 quarters.....	2
Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Expenditure	6
Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Income.....	7
Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Expenditure	8
Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Income.....	9
Notes	10
Explanatory notes.....	11
Glossary of selected variables used in this publication	12
General information.....	16

Key findings

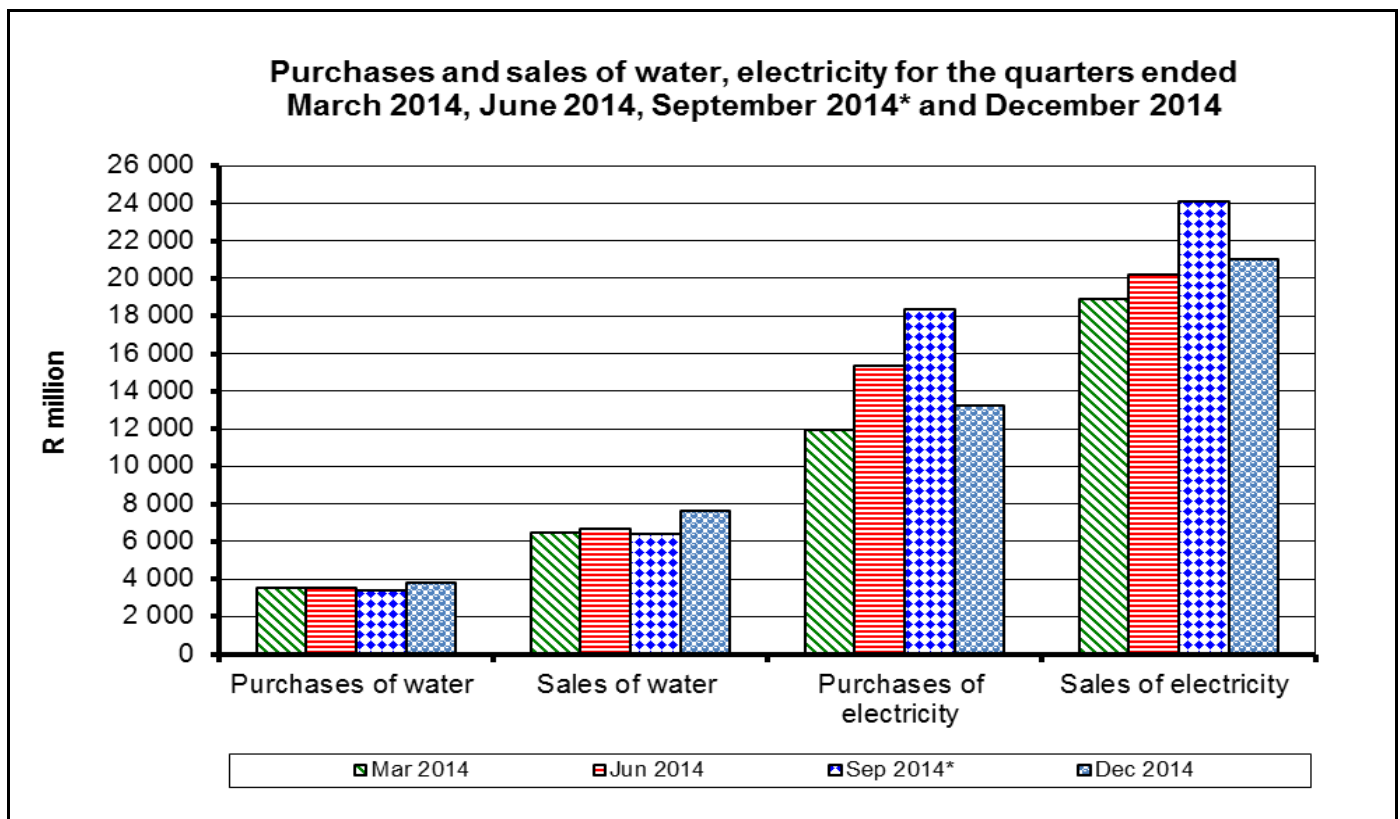
Item	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014	% change between quarters ended Sep. 2014 and Dec. 2014
R million						
Purchases of water	3 479	3 536	3 345	3 778	433	12,9
Sales of water	6 474	6 673	6 351	7 623	1 272	20,0
Purchases of electricity	11 937	15 311	18 373	13 243	-5 130	-27,9
Sales of electricity	18 914	20 210	24 090	21 002	-3 088	-12,8
Employee-related costs	16 278	17 024	17 089	19 281	2 192	12,8

* Some figures have been revised.

Purchases of water increased by 12,9% between the quarters ended September 2014 and December 2014. Purchases of electricity decreased by 27,9% over the same period.

Sales of electricity decreased by 12,8% between the quarters ended September 2014 and December 2014. An increase of 20,0% was recorded in the sales of water over the same period.

Employee-related costs increased by 12,8% between the quarters ended September 2014 and December 2014.



*Some figures have been revised.

PJ Lehohla
Statistician-General

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2014, June 2014, September 2014 and December 2014 quarters

Net assets and liabilities	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Net assets					
Housing development fund	1 195	988	987	960	-27
Capital replacement reserve	18 322	19 105	19 339	19 768	429
Capitalisation reserve	1 258	1 814	1 814	1 756	-58
Government grant reserve	8 395	6 680	6 678	6 676	-2
Donations and public contributions reserve	749	378	378	372	-6
Self-insurance reserve	194	282	293	293	0
Revaluation reserve	11 398	8 514	9 557	9 566	9
COID ¹ reserve	192	197	174	174	0
Other reserves (including Pre-GAMAP reserves and funds)	1 913	2 932	3 073	3 070	-3
Retained surplus/Accumulated deficit	364 673	400 361	405 133	408 801	3 668
Outside shareholders' interest	0	0	0	0	0
Non-current liabilities					
Domestic loan stock held by:					
Other local government institutions	0	0	0	0	0
Public financial corporations	29	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other (includes: public/private companies, individuals etc.)	6 780	7 667	6 712	6 657	-55
Bonds held by:					
Other local government institutions	0	0	0	0	0
Public financial corporations	6 584	6 584	6 418	7 876	1 458
Public non-financial corporations	0	0	0	0	0
Other (includes: public/private companies, individuals etc.)	4 594	6 088	6 125	6 126	1
Long-term loans from:					
National government	0	0	0	0	0
Provincial government	0	0	0	0	0
Local government institutions	5	2	2	2	0
Development Bank of Southern Africa (DBSA)	8 843	15 550	15 452	15 454	2
Local authorities loans fund	0	0	0	0	0
Public financial corporations	272	262	259	50	-209
Public non-financial corporations	0	0	0	0	0
Banks	17 342	10 808	10 796	10 639	-157
Insurers	0	0	0	0	0
Pension funds	28	23	23	23	0
Other domestic sources (including INCA ²)	6 825	7 845	7 952	6 682	-1 270
Long-term leases	827	1 119	889	939	50
Non-current provisions	12 444	14 229	15 165	16 510	1 345
Retirement benefit obligations	12 731	15 549	15 495	15 662	167

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2014, June 2014, September 2014 and December 2014 quarters (continued)

Net assets and liabilities	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Current liabilities					
Short-term loans from:					
National government	0	0	0	0	0
Provincial government	0	0	0	0	0
Local government institutions	1	2	2	2	0
Development Bank of Southern Africa (DBSA)	606	657	1 672	1 671	-1
Local authorities loans fund	0	0	0	0	0
Public financial corporations	5	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Banks	1 895	1 688	2 170	1 886	-284
Insurers	0	0	0	0	0
Pension funds	2	1	1	1	0
Other domestic sources (including INCA ²)	304	2 099	1 950	1 508	-442
Short-term leases	376	408	462	403	-59
Current provisions	8 796	8 710	8 921	8 999	78
Retirement benefit obligations	2 387	2 519	2 702	2 700	-2
Unspent conditional grants	16 941	11 239	12 938	13 679	741
VAT ³ payable	1 702	1 823	1 913	1 798	-115
Bank overdraft	2 100	1 722	1 693	1 668	-25
Creditors:					
Trade creditors	30 628	43 913	37 315	36 488	-827
Consumer deposits	4 733	4 469	5 053	5 032	-21
Income received in advance	714	1 031	953	950	-3
Other creditors	6 873	8 451	9 228	9 623	395
Liabilities not reflected elsewhere ⁴	939	224	210	204	-6
Total net assets and liabilities	564 595	615 933	619 897	624 668	4 771

¹COID - Compensation Commissioner for Occupational Injuries and Diseases.

²INCA - Infrastructure Finance Corporation Ltd.

³VAT - Value added tax.

⁴Includes suspense accounts and liabilities not shown separately.

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2014, June 2014, September 2014 and December 2014 quarters (continued)

Assets	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Non-current assets					
Property, plant and equipment (net carrying value)	428 004	468 863	471 628	474 466	2 838
Investment property	18 528	23 790	24 168	24 346	178
Intangible assets	2 684	2 967	2 813	2 643	-170
Biological (cultivated) assets	73	225	228	228	0
Investments in marketable securities:					
Municipal stock/shares	1 658	4 299	4 333	4 371	38
Other marketable stock/shares:					
Government stock	0	0	0	0	0
Treasury bills	0	0	0	0	0
Other local government institutions' stock	64	228	236	406	170
Public financial corporations' stock	0	1	1	1	0
Public non-financial corporations' stock	1 075	996	996	996	0
Companies' shares	108	74	74	73	-1
Investments in non-marketable instruments of spheres of government, government institutions and elsewhere	0	0	0	0	0
Long-term receivables:					
Car loans	0	0	0	0	0
Housing selling scheme loans	160	144	137	130	-7
Sewerage connection loans	0	0	0	0	0
Electricity appliance purchase scheme	4	4	4	4	0
Other (including local government institutions)	407	599	603	554	-49
Long-term loans to:					
Other local government institutions	0	0	0	0	0
Public financial corporations	34	24	24	24	0
Public non-financial corporations	0	0	0	0	0
Other companies/institutions	22	5	5	5	0
Long-term deposits and other investments with:					
Banks	6 685	6 420	4 457	5 755	1 298
Public financial corporations	22	24	24	24	0
Public non-financial corporations	0	0	0	0	0
Other	2 245	1 305	1 329	1 414	85

* Some figures have been revised.

Part 1 – Consolidated statement of financial position of municipalities as at the end of March 2014, June 2014, September 2014 and December 2014 quarters (concluded)

Assets	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Current assets:					
Inventory	4 201	5 976	6 354	6 505	151
Short-term loans, deposits and investments					
Short-term loans to:					
Other local government institutions	0	0	0	0	0
Public financial corporations	0	0	0	0	0
Public non-financial corporations	0	0	0	0	0
Other companies/institutions	33	34	34	34	0
Short-term deposits and other investments with:					
Banks	16 471	14 596	14 825	15 314	489
Public financial corporations	47	38	15	15	0
Public non-financial corporations	0	0	0	0	0
Other	9 136	3 896	3 527	3 795	268
Debtors:					
Consumer debtors	34 293	37 823	37 639	37 754	115
Other debtors (including short-term portion of long-term receivables)	10 415	14 353	17 860	16 713	-1 147
VAT ¹ receivable	1 786	2 430	2 715	2 965	250
Prepaid expenses	217	204	200	202	2
Petty cash and bank	26 017	26 550	25 541	25 808	267
Assets not reflected elsewhere ²	206	65	127	123	-4
Total assets	564 595	615 933	619 897	624 668	4 771

¹Value added tax.

²Includes suspense accounts and assets not shown separately.

* Some figures have been revised.

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Expenditure

Expenditure	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Employee-related costs	10 215	10 699	10 877	12 393	1 516
Remuneration of board of directors/councillors	860	776	743	755	12
Interest paid	713	1 045	832	1 129	297
Loss on the disposal of property, plant and equipment	11	97	1	3	2
Bad debts	692	876	388	980	592
Contracted services	1 210	1 722	896	1 413	517
Collection costs	124	180	97	177	80
Depreciation and amortisation	1 313	2 216	1 235	1 360	125
Impairment loss (PPE)	14	190	58	6	-52
Repairs and maintenance	555	944	443	728	285
Grants and subsidies paid to:					
Other local government institutions	30	65	31	29	-2
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	118	274	202	241	39
Non-profit institutions serving households	1	0	0	1	1
Other	1 027	1 172	1 034	1 263	229
General expenditure:					
Accommodation, travelling and subsistence	140	157	166	218	52
Advertising, promotions and marketing	91	144	74	111	37
Audit fees	187	143	113	336	223
Bank charges	68	70	61	74	13
Cleaning services	34	38	22	47	25
Consultancy and professional fees	246	411	222	308	86
Entertainment costs	19	26	17	21	4
Fuel and oil	235	245	166	207	41
Hiring of plant and equipment	194	82	137	221	84
Insurance costs	104	109	434	125	-309
Pharmaceutical	27	28	19	29	10
Postal and courier services	68	62	50	54	4
Printing and stationery	117	178	128	129	1
Rebates for property rates	2 067	739	1 064	799	-265
Rental of land, buildings and other structures	110	154	106	113	7
Rental of office equipment	41	53	70	63	-7
Security services	445	472	306	551	245
Subscriptions and membership fees	38	89	196	57	-139
Telecommunication services	183	289	155	215	60
Training and education	130	170	109	124	15
Transport costs	46	63	38	51	13
Other expenditure	4 125	6 348	3 635	4 273	638
Surplus	11 462	5 202	18 806	14 710	-4 096
Total expenditure	37 060	35 528	42 931	43 314	383

* Some figures have been revised.

Part 2 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Income

Income	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Taxes on property					
Property rates from:					
Residential	6 867	6 735	8 584	7 956	-628
Commercial or business	2 665	3 007	2 405	2 519	114
State	263	163	383	200	-183
Other (includes agricultural, municipal, etc.)	1 075	1 416	1 866	1 744	-122
Property rates – penalties imposed and collection charges	77	76	69	74	5
Interest earned from:					
External investments	987	856	886	767	-119
Outstanding debtors	686	953	611	660	49
Dividends received	0	0	0	0	0
Fines	257	492	255	829	574
Licences and permits	129	136	110	123	13
Income for agency services	186	247	213	203	-10
Rental of facilities and equipment	228	201	206	316	110
Bad debts recovered	1	7	1	2	1
Public contributions and donations (including property, plant and equipment)	24	31	14	14	0
Gains on the disposal of property, plant and equipment	40	67	17	71	54
Grants and subsidies from:					
National government	11 572	7 253	15 845	15 370	-475
Provincial government	138	79	188	260	72
Local government	14	11	4	14	10
Other	113	129	26	45	19
Spent conditional grants	50	73	34	185	151
Other income	3 261	4 370	3 509	3 849	340
Deficit	8 427	9 226	7 705	8 113	408
Total income	37 060	35 528	42 931	43 314	383

* Some figures have been revised.

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Expenditure

Expenditure	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
R million					
Employee-related costs	6 063	6 325	6 212	6 888	676
Interest paid	1 196	894	421	1 160	739
Loss on disposal of property, plant and equipment	2	47	0	2	2
Bad debts	1 310	1 689	1 172	1 614	442
Contracted services	1 338	1 786	949	1 484	535
Collection costs	26	29	21	24	3
Depreciation and amortisation	2 982	2 761	2 319	2 982	663
Impairment loss (PPE)	16	24	116	22	-94
Repairs and maintenance	2 192	2 981	2 008	2 813	805
Bulk purchases:					
Purchases of water	3 479	3 536	3 345	3 778	433
Purchases of electricity	11 937	15 311	18 373	13 243	-5 130
Other bulk purchases	132	136	132	136	4
Grants and subsidies paid to:					
Other local government institutions	66	70	14	30	16
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	208	358	141	181	40
Non-profit institutions serving households	0	0	0	0	0
Other	442	547	352	614	262
General expenditure:					
Accommodation, travelling and subsistence	24	32	23	28	5
Advertising, promotions and marketing	23	45	27	20	-7
Audit fees	14	10	7	24	17
Bank charges	29	12	4	3	-1
Cleaning services	22	19	9	19	10
Consultancy and professional fees	107	244	144	150	6
Entertainment costs	1	3	1	1	0
Fuel and oil	210	267	179	194	15
Hiring of plant and equipment	82	237	70	60	-10
Insurance costs	42	47	46	45	-1
Pharmaceutical	6	4	2	4	2
Postal and courier services	3	2	2	2	0
Printing and stationery	77	77	78	76	-2
Rebates for service charges	229	266	207	383	176
Rental of land, buildings and other structures	157	155	14	15	1
Rental of office equipment	13	18	163	204	41
Security services	119	136	125	119	-6
Subscriptions and membership fees	2	4	2	2	0
Telecommunication services	37	38	33	41	8
Training and education	19	33	22	17	-5
Transport costs	73	74	53	71	18
Other expenditure	4 695	6 783	3 909	4 460	551
Surplus	6 587	3 110	8 172	6 645	-1 527
Total expenditure	43 960	48 110	48 867	47 554	-1 313

* Some figures have been revised.

Part 3 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2014, June 2014, September 2014 and December 2014: Income

Income	March 2014	June 2014	September 2014*	December 2014	Difference between quarters ended Sep. 2014 and Dec. 2014
	R million				
Interest earned from:					
External investments	146	120	97	87	-10
Outstanding debtors	319	293	275	282	7
Dividends received	0	0	0	0	0
Fines	15	24	12	16	4
Licences and permits	107	115	117	104	-13
Income for agency services	119	167	130	137	7
Rental of facilities and equipment	258	315	230	215	-15
Bad debts recovered	0	5	0	3	3
Public contributions and donations (including property, plant and equipment)	52	99	26	43	17
Gains on the disposal of property, plant and equipment	10	17	4	4	0
Service charges:					
Sales of water	6 474	6 673	6 351	7 623	1 272
Sales of electricity	18 914	20 210	24 090	21 002	-3 088
Refuse removal charges	1 720	1 915	2 237	2 211	-26
Sewerage and sanitation charges	2 581	2 751	2 750	3 079	329
Other service charges (e.g. fresh produce market)	20	30	109	94	-15
Grants and subsidies from:					
National government	5 842	6 869	5 300	6 370	1 070
Provincial government	275	158	166	398	232
Local government	2	2	0	1	1
Other	143	145	9	36	27
Spent conditional grants	148	142	86	187	101
Other income	1 583	2 164	1 218	1 216	-2
Deficit	5 232	5 896	5 660	4 446	-1 214
Total income	43 960	48 110	48 867	47 554	-1 313

* Some figures have been revised.

Notes

Forthcoming issue	Issue	Expected release date
	March 2015	June 2015
Purpose of survey	The <i>Quarterly financial statistics of municipalities</i> is a quarterly survey that covers local, district and metropolitan municipalities in South Africa. The results are used to estimate the gross domestic product (GDP) and its components as well as to assist the public sector with policy formulation and the financial analysis of municipalities.	
Response rates	March quarter 2014:	87%
	June quarter 2014:	89%
	September quarter 2014:	90%
	December quarter 2014:	90%

Reasons for fluctuations:

- Revisions which are due to late response and corrections reported by respondents; and/or
- Differences in response rates between the quarters; and/or
- Seasonality of variables in the survey

Explanatory notes

Introduction	1	<p>The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended March 2014, June 2014, September 2014 and December 2014. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> the consolidated statement of financial position of municipalities; the consolidated statement of financial performance of municipalities – rates and general services; and the consolidated statement of financial performance of municipalities – housing and trading services.
Scope of the survey	2	This survey covers quarterly financial information of all 278 municipalities.
Classification and accounting standards	3	<p>For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the <i>Standard Industrial Classification of All Economic Activities</i>, Fifth Edition, and Report No.09-90-02 of January 1993 (SIC). Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Accepted Municipal Accounting Practice (GAMAP) and also Generally Recognised Accounting Practice (GRAP).</p>
Survey methodology and design	4	The statistical unit for the collection of information is the municipality.
Imputation	5	The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.
Revised figures	6	<p>Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after the cut-off date for submitting their questionnaires).</p>
Rounding off figures	7	<p>The figures in the tables have been rounded off to the nearest digit shown, and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.</p>
Related publications	8	<p>Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> P9101 <i>Capital expenditure of the public sector;</i> P9114 <i>Financial census of municipalities;</i> P9119.4 <i>Financial statistics of consolidated general government;</i> P0441 <i>Gross domestic product; and</i> P0277 <i>Quarterly employment statistics.</i>
Symbols and abbreviations used	9	<p>GAMAP Generally Accepted Municipal Accounting Practice GRAP Generally Recognised Accounting Practice SIC Standard Industrial Classification of All Economic Activities Stats SA Statistics South Africa 0 nil or not applicable</p>

Glossary of selected variables used in this publication

Capital Replacement Reserve (CRR)	In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/deficit to the CRR in terms of a council resolution. The cash in the designated CRR bank account can be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/deficit is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.
Capitalisation Reserve	<p>On the implementation of GAMAP/GRAP, the balances on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a capitalisation reserve instead of the accumulated surplus/deficit in terms of a directive (budget circular) issued by National Treasury. The purpose of this reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.</p> <p>The balance on the capitalisation reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the capitalisation reserve to the accumulated surplus/deficit. When an item of property, plant and equipment is disposed, the balance in the capitalisation reserve relating to such item is transferred to the accumulated surplus/deficit.</p>
COLD Reserve	This is money set aside for injuries, disablements, diseases and deaths caused by work related activities. It is usually transferred from accumulated surplus account.
Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Consolidated statement of financial position	The aggregate or consolidated statement of financial position reports the institution's financial position at a specific point in time (the end of the reporting period). This statement covers all assets, net assets and liabilities at the end of the reporting period.
Current assets	Current assets are assets that can easily be converted into cash within one year during the normal course of business. Current assets consist of inventories, external short-term loans, deposits and investments, debtors, prepaid expenses, and petty cash and bank.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure of housing and trading services (excluding the surplus).
Current liabilities	Current liabilities consist of external short-term loans and deposits, unspent conditional grants, current provisions, short-term leases, value added tax, bank overdraft and creditors.
Current provision	Current provision is a liability or an obligation of uncertain timing or amount for an entity, payable within twelve months.

District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Donation and Public Contribution Reserve	When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit.
Employee-related costs	<p>Employee-related costs include payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none"> • basic compensation; • allowances; • contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy, etc.; and • uniform and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees).
General expenditure	The following are included in general expenditure: accommodation, travelling and subsistence; advertising; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
Government Grant Reserve	When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit.
Housing and trading services	Housing includes all activities associated with the provision of housing. Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), road transport (roads, public buses, parking garages, vehicle licensing and testing), water (water distribution, water storage), electricity (electricity distribution, electricity generation, street lighting) and other trading services which include environmental protection (such as pollution control, biodiversity & landscape and coastal protection etc.), air transport, abattoirs, tourism, forestry, markets and licensing & regulation (such as licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business).

Housing Development Fund	Housing Development Fund is a fund into which all proceeds from housing developments, which include rental income and sales of houses, are paid, as per the Housing Act, 1997 (Act No. 107 of 1997). Note: Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a housing development fund. Housing selling schemes both complete and in progress as at 1 April 1998 were also transferred to the housing development fund. Monies outstanding to the credit of the housing development fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Long-term loans	Long-term loans are loans with an outstanding maturity of more than one year.
Marketable loan stock	Marketable loan stock refers to stocks, debentures and similar debt instruments that are freely negotiable, i.e. securities for which transfer registers are kept and which are usually listed on the stock exchange. Discounts originating with the issue of stocks below par are included in the stock liability.
Metropolitan municipality	Metropolitan municipality refers to an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Money market instruments	Money market instruments include bankers' acceptance, trade bills, promissory notes, capital project bills, bridging debentures, negotiable certificates of deposit, Land Bank bills, and Land Bank and South African Reserve Bank debentures.
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials).
Net carrying value	Net carrying value (also known as the book value or carrying value) is the value of an asset according to its balance sheet, which is the original acquisition cost less accumulated depreciation, amortisation or impairment costs made against the asset and disposals if any.
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none"> • departmental charges/fees; • books and magazines; • consumables; • licences and trade licences; • workshops; • refreshments; and • sundries.
Property, plant and equipment	Property, plant and equipment are tangible assets which are not easily convertible into cash, and held by entities for their own use and as income generators or for rental to others that the entities anticipate using during more than one financial year.

Provision	<p>Provision is any amount set aside for the purpose of meeting the following:</p> <ul style="list-style-type: none"> • specific requirements where the amounts thereof can be closely estimated; and • specific commitments and contingencies as at the date of the balance sheet, where the amounts involved cannot be determined with significant accuracy. <p>Provision includes:</p> <ul style="list-style-type: none"> • bad debts; and • leave payouts.
Rates and general services	<p>Rates and general services refer to municipal services that are not economically self-supporting and are financed by imposing assessment and other rates, the receipt of subsidies and other contributions. This includes ambulance services, fire control (or fire-fighting), health services (clinics, old-age homes), roads and storm water drainage, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.).</p>
Repairs and maintenance	<p>Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the municipality. Where considered necessary, the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this sub-division and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.</p>
Reserve	<p>Reserve denotes amounts set aside out of surpluses that are not designed to meet any liability, contingency, commitment or diminution in the value of assets known to exist as at the date of the balance sheet.</p>
Revaluation Reserve	<p>The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on devalued amounts, are credited or charged to the statement of financial performance.</p>
Self-insurance Reserve	<p>The municipality has a Self-insurance Reserve amount set aside to offset potential losses or claims that cannot be insured externally (adapt to specific circumstances). The balance of the self-insurance reserve is determined based on 5% of the insurance risk carried by the municipality.</p>
Value Added Tax	<p>This is taxation imposed in respect of the supply of goods and services. It is collected in stages by enterprises but is ultimately charged in full to the final purchasers.</p>
Technical enquiries	
Hellen Maribe	<p>Telephone number: (012) 310 2931 Email: hellenm@statssa.gov.za</p>
Malibongwe Mhemhe	<p>Telephone number: (012) 310 6928 Email: malibongwem@statssa.gov.za</p>

General information

Stats SA publishes approximately 300 different statistical releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

Stats SA has copyright on this publication. Users may apply the information as they wish, provided that they acknowledge Stats SA as the source of the basic data whenever they process, apply, utilise, publish or distribute the data, and also that they specify that the relevant application and analysis (where applicable) result from their own processing of the data.

Stats SA products

A complete set of Stats SA publications is available at the Stats SA Library and the following libraries:

National Library of South Africa, Pretoria Division
National Library of South Africa, Cape Town Division
Natal Society Library, Pietermaritzburg
Library of Parliament, Cape Town
Bloemfontein Public Library
Johannesburg Public Library
Eastern Cape Library Services, King William's Town
Central Regional Library, Polokwane
Central Reference Library, Mbombela
Central Reference Collection, Kimberley
Central Reference Library, Mmabatho

Stats SA also provides a subscription service.

Electronic services

A large range of data is available via online services. For more details about our electronic services, contact Stats SA's user information service at (012) 310 8600.

You can also visit us on the Internet at: www.statssa.gov.za

General enquiries

User information services	Telephone number: (+27 12) 310 8600/8390 Email address: info@statssa.gov.za
Orders/subscription:	Telephone number: (+27 12) 310 8044 E-mail: magdaj@statssa.gov.za
Postal address:	Private Bag X44, Pretoria, 0001

Produced by Stats SA