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Quarterly financial statistics of municipalities

December 2019

Note to users: Due to fiscal constraints, Statistics South Africa (Stats SA) is considering reducing the scope of this publication from 257 municipalities to the 130 largest municipalities. For further information regarding this proposal and/or if you wish to discuss your views, please contact Malibongwe Mhemhe at (012) 310 6928 or MalibongweM@statssa.gov.za.

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The South Africa I know, the home I understand



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Key findings

Table A – Purchases and sales of water and electricity, unadjusted*

Item	Quarter ended:					
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
	Year-on-year % change, unadjusted					
Purchases of water	2,6	11,7	15,6	0,4	16,3	10,5
Sales of water	18,3	18,6	6,7	-2,3	6,8	3,1
Purchases of electricity	2,4	2,3	3,7	7,5	18,5	12,4
Sales of electricity	3,2	6,9	8,2	7,6	4,8	9,8

*Some figures have been revised.

Table A shows annual growth rates in the purchases and sales of water and electricity, unadjusted. From the December 2018 quarter to the December 2019 quarter, purchases of water increased by 10,5% and sales of water increased by 3,1%, while purchases of electricity increased by 12,4% and sales of electricity increased by 9,8%.

Table B – Purchases and sales of water and electricity, seasonally adjusted*

Item	Quarter ended:					
	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	-8,5	10,4	4,3	-4,5	5,6	5,1
Sales of water	5,1	3,0	-3,5	-6,5	14,7	-0,7
Purchases of electricity	-1,7	1,9	5,7	2,1	4,3	0,6
Sales of electricity	2,8	2,8	0,3	1,5	2,5	5,1

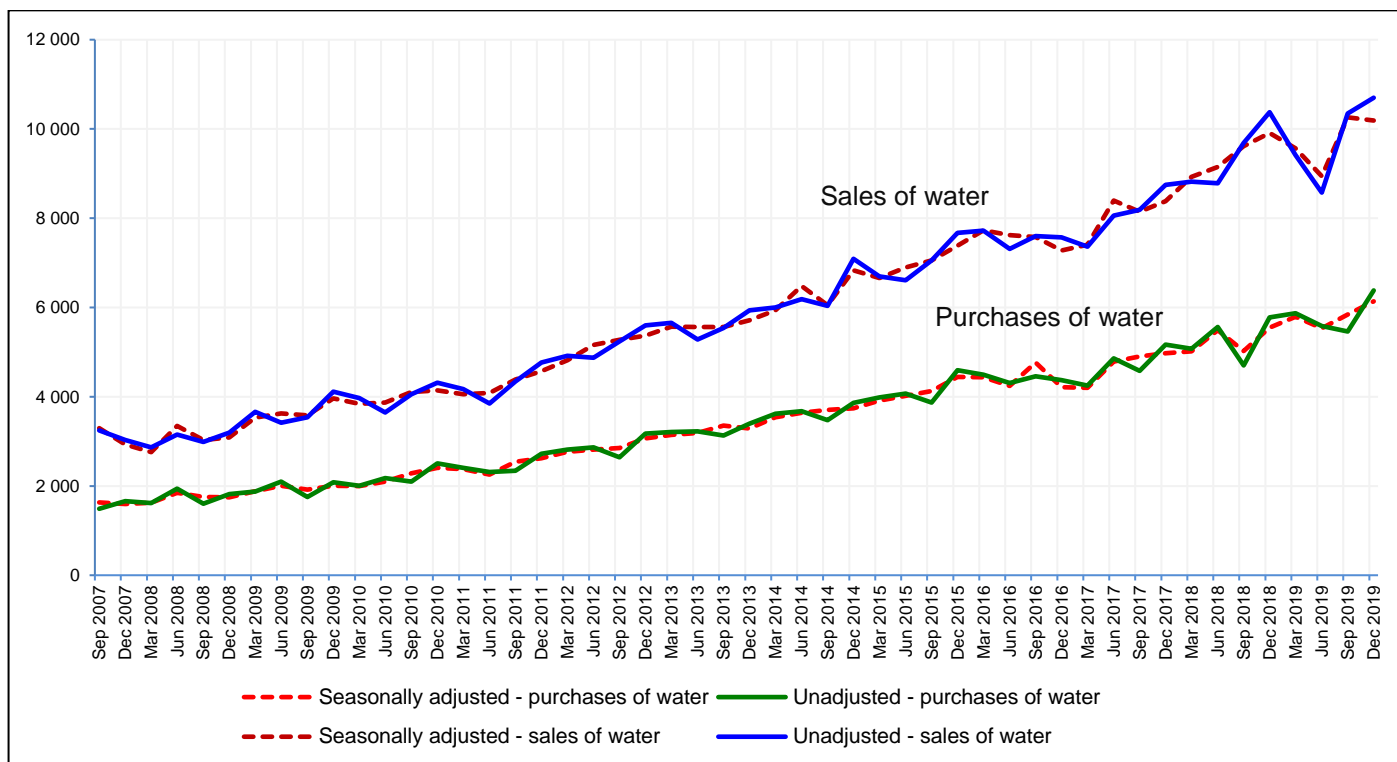
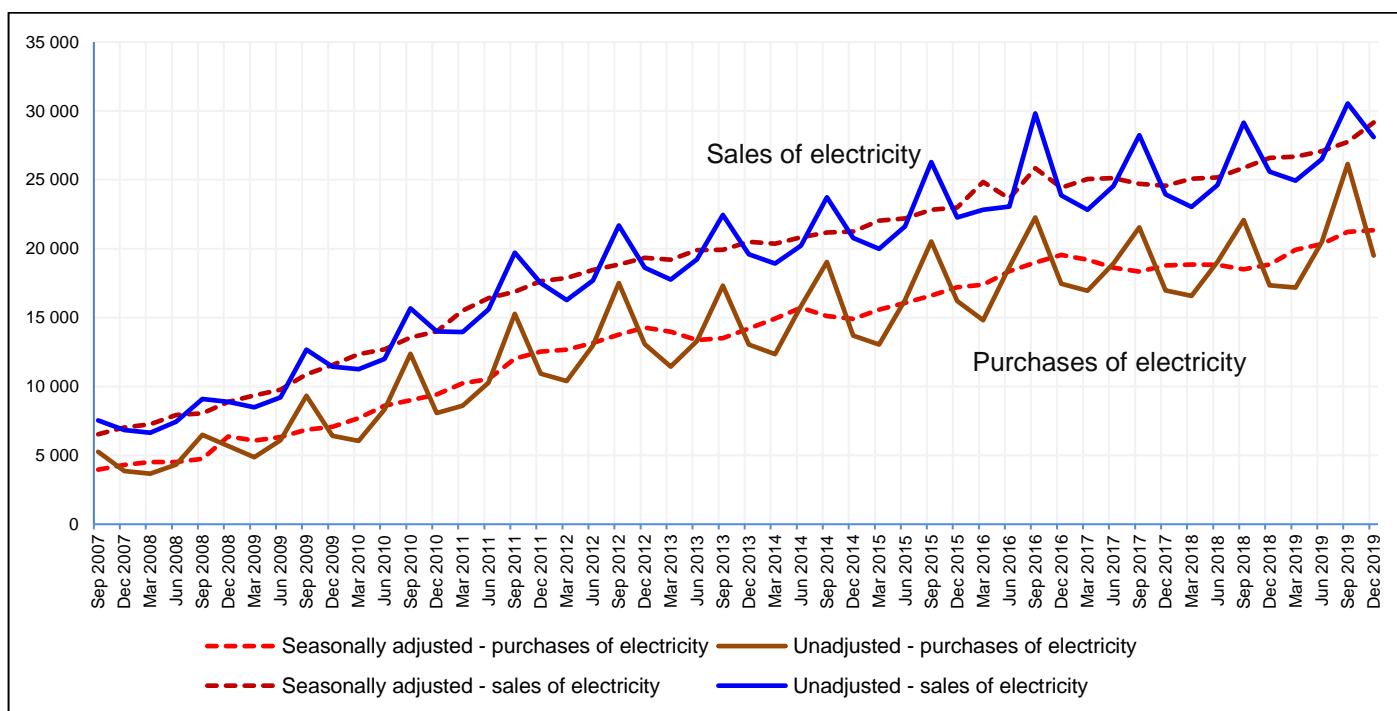
* Some figures have been revised.

Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the September 2019 quarter to the December 2019 quarter, purchases of water increased by 5,1% and sales of water decreased by 0,7%, while purchases of electricity increased by 0,6% and sales of electricity increased by 5,1%.

Seasonally adjusted purchases and sales of water are shown in Figure 1 (on page 2). Seasonally adjusted purchases and sales of electricity are shown in Figure 2 (on page 2).

Annexures A and B provide more detail and longer time series for water and electricity purchases and sales.

See page 13 for a short explanatory note on seasonal adjustment.

Figure 1 – Purchases and sales of water, unadjusted vs seasonally adjusted, R million**Figure 2 – Purchases and sales of electricity, unadjusted vs seasonally adjusted, R million**

Risenga Maluleke
Risenga Maluleke
 Statistician-General

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended December 2018, March 2019, June 2019, September 2019 and December 2019: Expenditure – South Africa

Expenditure	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
	R million						
Employee-related costs	26 723	25 755	26 693	26 776	28 692	1 916	1 969
Remuneration of board of directors/councillors	989	1 126	1 060	1 013	996	-17	7
Interest paid	2 094	2 382	2 797	1 871	2 286	415	192
Loss on the disposal of property, plant and equipment	1	25	203	7	3	-4	2
Bad debts	3 206	3 565	5 287	4 274	4 257	-17	1 051
Contracted services	8 036	8 817	9 849	5 632	7 904	2 272	-132
Collection costs	105	134	327	78	102	24	-3
Depreciation and amortisation	5 268	4 932	7 294	4 749	6 048	1 299	780
Impairment loss (PPE)	0	0	16	0	1	1	1
Repairs and maintenance	1 193	1 170	2 234	1 017	1 613	596	420
Bulk purchases:							
Purchases of water	5 774	5 869	5 587	5 465	6 381	916	607
Purchases of electricity	17 351	17 187	20 478	26 145	19 499	-6 646	2 148
Other bulk purchases	35	36	23	41	51	10	16
Grants and subsidies paid to:							
Other local government institutions	35	20	43	11	18	7	-17
Tertiary institutions of higher learning	2	2	2	1	1	0	-1
Households or individuals	149	148	296	131	205	74	56
Non-profit institutions serving households	24	42	1	75	102	27	78
Other	572	830	968	376	814	438	242
General expenditure:							
Accommodation, travelling and subsistence	292	245	285	209	262	53	-30
Advertising, promotions and marketing	190	184	216	109	167	58	-23
Audit fees	435	284	182	106	550	444	115
Bank charges	158	126	158	132	114	-18	-44
Cleaning services	67	82	177	62	118	56	51
Consultancy and professional fees	445	794	862	308	725	417	280
Entertainment costs	17	14	36	11	15	4	-2
Fuel and oil	547	431	525	364	454	90	-93
Hiring of plant and equipment	242	270	1 289	418	594	176	352
Insurance costs	325	226	214	543	296	-247	-29
Pharmaceutical	44	64	55	31	60	29	16
Postal and courier services	70	87	115	65	76	11	6
Printing and stationery	121	129	213	142	145	3	24
Rebates for property rates	874	1 157	763	882	775	-107	-99
Rebates for service charges	142	140	183	245	243	-2	101
Rental of land, buildings and other structures	189	180	204	168	245	77	56
Rental of office equipment	161	173	185	126	159	33	-2
Security services	438	455	593	544	833	289	395
Subscriptions and membership fees	138	96	201	224	95	-129	-43
Telecommunication services	205	285	275	195	258	63	53
Training and education	114	137	210	123	153	30	39
Transport costs	138	104	221	90	123	33	-15
Other expenditure	7 520	8 291	10 962	7 097	9 754	2 657	2 234
Surplus	30 413	26 272	16 834	45 064	29 218	-15 846	-1 195
Total expenditure	114 842	112 266	118 116	134 920	124 405	-10 515	9 563

* Some figures have been revised.

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended December 2018, March 2019, June 2019, September 2019 and December 2019: Income – South Africa

Income	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
	R million						
Property rates from:							
Residential	11 698	10 157	11 346	13 661	10 641	-3 020	-1 057
Commercial or business	3 529	3 713	3 412	5 775	3 841	-1 934	312
State	977	976	1 039	1 707	1 030	-677	53
Other (includes agricultural, municipal, etc.)	1 482	1 393	1 283	1 579	999	-580	-483
Property rates - penalties imposed and collection charges	42	123	14	51	47	-4	5
Service charges							
Sales of water	10 376	9 414	8 577	10 346	10 699	353	323
Sales of electricity	25 592	24 933	26 497	30 541	28 103	-2 438	2 511
Refuse removal charges	2 898	2 909	2 963	3 177	3 012	-165	114
Sewerage and sanitation charges	4 044	3 786	3 617	4 255	4 266	11	222
Other service charges (e.g. fresh produce market)	109	107	96	1	1	0	-108
Interest earned from:							
External investments	1 102	1 134	1 733	1 106	1 035	-71	-67
Outstanding debtors	1 948	2 260	2 094	1 947	2 241	294	293
Dividends received	2	18	24	6	27	21	25
Fines	1 042	1 229	1 322	1 006	1 056	50	14
Licences and permits	260	277	299	247	251	4	-9
Income for agency services	334	361	351	557	920	363	586
Rental of facilities and equipment	518	837	873	533	571	38	53
Bad debts recovered	12	11	16	6	7	1	-5
Public contributions and donations (including PPE)	61	61	242	72	101	29	40
Gains on the disposal of property, plant and equipment	20	125	275	25	54	29	34
Grants and subsidies from:							
National government	23 091	20 398	15 206	28 241	23 924	-4 317	833
Provincial government	518	595	509	313	602	289	84
Local government	2	3	2	1	3	2	1
Other	54	97	187	30	78	48	24
Spent conditional grant	4 196	4 897	8 715	2 817	6 075	3 258	1 879
Other income	3 961	5 328	7 482	4 494	4 946	452	985
Deficit	16 974	17 124	19 942	22 426	19 875	-2 551	2 901
Total income	114 842	112 266	118 116	134 920	124 405	-10 515	9 563

* Some figures have been revised.

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2018, March 2019, June 2019, September 2019 and December 2019: Expenditure – South Africa

Expenditure	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
	R million						
Employee-related costs	17 186	16 643	17 099	17 409	18 282	873	1 096
Remuneration of board of directors/councillors	989	1 126	1 060	1 013	996	-17	7
Interest paid	1 426	1 738	2 079	1 346	1 573	227	147
Loss on the disposal of property, plant and equipment	1	10	194	6	3	-3	2
Bad debts	1 240	1 480	2 946	1 673	1 526	-147	286
Contracted services	3 384	3 621	4 076	2 294	3 400	1 106	16
Collection costs	100	131	324	77	101	24	1
Depreciation and amortisation	1 470	1 487	2 353	1 361	1 840	479	370
Impairment loss (PPE)	0	0	2	0	1	1	1
Repairs and maintenance	252	217	622	114	261	147	9
Grants and subsidies paid to:							
Other local government institutions	16	5	17	11	14	3	-2
Tertiary institutions of higher learning	2	2	2	1	1	0	-1
Households or individuals	44	46	148	43	62	19	18
Non-profit institutions serving households	24	42	1	75	102	27	78
Other	236	497	510	281	558	277	322
General expenditure:							
Accommodation, travelling and subsistence	227	195	226	175	220	45	-7
Advertising, promotions and marketing	155	137	197	88	136	48	-19
Audit fees	396	266	173	95	511	416	115
Bank charges	149	115	149	128	110	-18	-39
Cleaning services	35	29	95	25	46	21	11
Consultancy and professional fees	357	532	584	225	417	192	60
Entertainment costs	16	13	34	11	15	4	-1
Fuel and oil	328	244	285	226	274	48	-54
Hiring of plant and equipment	139	135	364	70	148	78	9
Insurance costs	269	165	175	463	223	-240	-46
Pharmaceutical	44	64	54	31	60	29	16
Postal and courier services	69	85	113	64	74	10	5
Printing and stationery	99	107	176	110	116	6	17
Rebates for property rates	874	1 157	763	882	775	-107	-99
Rental of land, buildings and other structures	158	140	153	136	219	83	61
Rental of office equipment	114	114	115	70	98	28	-16
Security services	285	303	420	300	490	190	205
Subscriptions and membership fees	130	92	188	218	91	-127	-39
Telecommunication services	170	240	216	158	208	50	38
Training and education	98	116	184	106	128	22	30
Transport costs	85	79	118	66	78	12	-7
Other expenditure	3 178	2 857	4 836	2 753	3 957	1 204	779
Surplus	20 862	17 589	8 167	31 566	20 606	-10 960	-256
Total expenditure	54 607	51 819	49 218	63 670	57 720	-5 950	3 113

* Some figures have been revised.

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2018, March 2019, June 2019, September 2019 and December 2019: Income – South Africa

Income	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
	R million						
Taxes on property							
Property rates from:							
Residential	11 698	10 157	11 346	13 661	10 641	-3 020	-1 057
Commercial or business	3 529	3 713	3 412	5 775	3 841	-1 934	312
State	977	976	1 039	1 707	1 030	-677	53
Other (includes agricultural, municipal, etc.)	1 482	1 393	1 283	1 579	999	-580	-483
Property rates – penalties imposed and collection charges	42	123	14	51	47	-4	5
Interest earned from:							
External investments	1 084	1 078	1 668	1 092	1 002	-90	-82
Outstanding debtors	1 048	972	1 035	1 055	1 377	322	329
Dividends received	2	7	24	6	7	1	5
Fines	998	1 175	1 212	972	1 008	36	10
Licences and permits	108	93	108	75	99	24	-9
Income for agency services	106	119	140	217	199	-18	93
Rental of facilities and equipment	298	293	308	262	278	16	-20
Bad debts recovered	12	11	16	6	7	1	-5
Public contributions and donations (including property, plant and equipment)	6	25	16	3	20	17	14
Gains on the disposal of property, plant and equipment	18	118	125	21	52	31	34
Grants and subsidies from:							
National government	17 722	15 562	7 831	21 933	18 450	-3 483	728
Provincial government	268	210	222	130	241	111	-27
Local government	2	3	2	1	3	2	1
Other	2	3	4	8	7	-1	5
Spent conditional grants	2 237	2 604	4 602	1 442	2 964	1 522	727
Other income	2 419	2 971	2 607	2 908	3 273	365	854
Deficit	10 549	10 213	12 204	10 766	12 175	1 409	1 626
Total income	54 607	51 819	49 218	63 670	57 720	-5 950	3 113

* Some figures have been revised.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2018, March 2019, June 2019, September 2019 and December 2019: Expenditure – South Africa

Expenditure	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
R million							
Employee-related costs	9 537	9 112	9 594	9 367	10 410	1 043	873
Interest paid	668	644	718	525	713	188	45
Loss on disposal of property plant and equipment	0	15	9	1	0	-1	0
Bad debts	1 966	2 085	2 341	2 601	2 731	130	765
Contracted services	4 652	5 196	5 773	3 338	4 504	1 166	-148
Collection costs	5	3	3	1	1	0	-4
Depreciation and amortisation	3 798	3 445	4 941	3 388	4 208	820	410
Impairment loss (PPE)	0	0	14	0	0	0	0
Repairs and maintenance	941	953	1 612	903	1 352	449	411
Bulk purchases:							
Purchases of water	5 774	5 869	5 587	5 465	6 381	916	607
Purchases of electricity	17 351	17 187	20 478	26 145	19 499	-6 646	2 148
Other bulk purchases	35	36	23	41	51	10	16
Grants and subsidies paid to:							
Other local government institutions	19	15	26	0	4	4	-15
Tertiary institutions of higher learning	0	0	0	0	0	0	0
Households or individuals	105	102	148	88	143	55	38
Non-profit institutions serving households	0	0	0	0	0	0	0
Other	336	333	458	95	256	161	-80
General expenditure:							
Accommodation travelling and subsistence	65	50	59	34	42	8	-23
Advertising promotions and marketing	35	47	19	21	31	10	-4
Audit fees	39	18	9	11	39	28	
Bank charges	9	11	9	4	4	0	-5
Cleaning services	32	53	82	37	72	35	40
Consultancy and professional fees	88	262	278	83	308	225	220
Entertainment costs	1	1	2	0	0	0	-1
Fuel and oil	219	187	240	138	180	42	-39
Hiring of plant and equipment	103	135	925	348	446	98	343
Insurance costs	56	61	39	80	73	-7	17
Pharmaceutical	0	0	1	0	0	0	0
Postal and courier services	1	2	2	1	2	1	1
Printing and stationery	22	22	37	32	29	-3	7
Rebates for service charges	142	140	183	245	243	-2	101
Rental of land buildings and other structures	31	40	51	32	26	-6	-5
Rental of office equipment	47	59	70	56	61	5	14
Security services	153	152	173	244	343	99	190
Subscriptions and membership fees	8	4	13	6	4	-2	-4
Telecommunication services	35	45	59	37	50	13	15
Training and education	16	21	26	17	25	8	9
Transport costs	53	25	103	24	45	21	-8
Other expenditure	4 342	5 434	6 126	4 344	5 797	1 453	1 455
Surplus	9 551	8 683	8 667	13 498	8 612	-4 886	-939
Total expenditure	60 235	60 447	68 898	71 250	66 685	-4 565	6 450

* Some figures have been revised.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2018 March 2019 June 2019 September 2019 and December 2019: Income – South Africa

Income	December 2018*	March 2019*	June 2019*	September 2019*	December 2019	Quarter-on-quarter difference between Sep. 2019 and Dec. 2019	Year-on-year difference between Dec. 2018 and Dec. 2019
	R million						
Interest earned from:							
External investments	18	56	65	14	33	19	15
Outstanding debtors	900	1 288	1 059	892	864	-28	-36
Dividends received	0	11	0	0	20	20	20
Fines	44	54	110	34	48	14	4
Licences and permits	152	184	191	172	152	-20	0
Income for agency services	228	242	211	340	721	381	493
Rental of facilities and equipment	220	544	565	271	293	22	73
Bad debts recovered	0	0	0	0	0	0	0
Public contributions and donations (including property plant and equipment)	55	36	226	69	81	12	26
Gains on the disposal of property plant and equipment	2	7	150	4	2	-2	0
Service charges:							
Sales of water	10 376	9 414	8 577	10 346	10 699	353	323
Sales of electricity	25 592	24 933	26 497	30 541	28 103	-2 438	2 511
Refuse removal charges	2 898	2 909	2 963	3 177	3 012	-165	114
Sewerage and sanitation charges	4 044	3 786	3 617	4 255	4 266	11	222
Other service charges (e.g. fresh produce market)	109	107	96	1	1	0	-108
Grants and subsidies from:							
National government	5 369	4 836	7 375	6 308	5 474	-834	105
Provincial government	250	385	287	183	361	178	111
Local government	0	0	0	0	0	0	0
Other	52	94	183	22	71	49	19
Spent conditional grants	1 959	2 293	4 113	1 375	3 111	1 736	1 152
Other income	1 542	2 357	4 875	1 586	1 673	87	131
Deficit	6 425	6 911	7 738	11 660	7 700	-3 960	1 275
Total income	60 235	60 447	68 898	71 250	66 685	-4 565	6 450

* Some figures have been revised.

Annexure A – Purchases and sales of water

Quarter ended	Purchases of water				Sales of water			
	Actual (unadjusted)		Seasonally adjusted		Actual (unadjusted)		Seasonally adjusted	
	R million	Year-on-year % change	R million	Quarter-on-quarter % change	R million	Year-on-year % change	R million	Quarter-on-quarter % change
Sep 2007	1 489		1 630		3 246		3 297	
Dec 2007	1 661		1 596	-2,1	3 031		2 933	-11,0
Mar 2008	1 615		1 623	1,7	2 865		2 759	-5,9
Jun 2008	1 938		1 846	13,7	3 153		3 345	21,2
Sep 2008	1 601	7,5	1 750	-5,2	2 989	-7,9	3 032	-9,4
Dec 2008	1 816	9,3	1 746	-0,2	3 195	5,4	3 088	1,8
Mar 2009	1 877	16,2	1 881	7,7	3 663	27,9	3 534	14,4
Jun 2009	2 098	8,3	2 007	6,7	3 419	8,4	3 628	2,7
Sep 2009	1 756	9,7	1 918	-4,4	3 537	18,3	3 586	-1,2
Dec 2009	2 084	14,8	2 002	4,4	4 110	28,6	3 962	10,5
Mar 2010	2 001	6,6	1 994	-0,4	3 972	8,4	3 844	-3,0
Jun 2010	2 174	3,6	2 096	5,1	3 646	6,6	3 872	0,7
Sep 2010	2 100	19,6	2 287	9,1	4 056	14,7	4 109	6,1
Dec 2010	2 505	20,2	2 408	5,3	4 315	5,0	4 143	0,8
Mar 2011	2 406	20,2	2 381	-1,1	4 169	5,0	4 057	-2,1
Jun 2011	2 312	6,3	2 252	-5,4	3 848	5,5	4 083	0,6
Sep 2011	2 345	11,7	2 540	12,8	4 342	7,1	4 388	7,5
Dec 2011	2 723	8,7	2 622	3,2	4 769	10,5	4 571	4,2
Mar 2012	2 813	16,9	2 766	5,5	4 919	18,0	4 815	5,3
Jun 2012	2 865	23,9	2 818	1,9	4 876	26,7	5 161	7,2
Sep 2012	2 646	12,8	2 848	1,1	5 239	20,7	5 275	2,2
Dec 2012	3 172	16,5	3 064	7,6	5 597	17,4	5 369	1,8
Mar 2013	3 211	14,1	3 142	2,5	5 658	15,0	5 573	3,8
Jun 2013	3 221	12,4	3 187	1,4	5 279	8,3	5 561	-0,2
Sep 2013	3 134	18,4	3 353	5,2	5 542	5,8	5 560	0,0
Dec 2013	3 396	7,1	3 288	-1,9	5 935	6,0	5 712	2,7
Mar 2014	3 617	12,6	3 541	7,7	6 000	6,0	5 938	4,0
Jun 2014	3 676	14,1	3 640	2,8	6 186	17,2	6 480	9,1
Sep 2014	3 474	10,8	3 705	1,8	6 037	8,9	6 047	-6,7
Dec 2014	3 861	13,7	3 739	0,9	7 092	19,5	6 833	13,0
Mar 2015	3 982	10,1	3 914	4,7	6 697	11,6	6 660	-2,5
Jun 2015	4 071	10,7	4 019	2,7	6 607	6,8	6 898	3,6
Sep 2015	3 868	11,3	4 127	2,7	7 057	16,9	7 052	2,2
Dec 2015	4 593	19,0	4 440	7,6	7 670	8,2	7 385	4,7
Mar 2016	4 497	12,9	4 439	0,0	7 723	15,3	7 725	4,6
Jun 2016	4 310	5,9	4 243	-4,4	7 316	10,7	7 624	-1,3
Sep 2016	4 457	15,2	4 764	12,3	7 601	7,7	7 576	-0,6
Dec 2016	4 371	-4,8	4 214	-11,5	7 571	-1,3	7 273	-4,0
Mar 2017	4 249	-5,5	4 200	-0,3	7 363	-4,7	7 407	1,8
Jun 2017	4 859	12,7	4 787	14,0	8 058	10,1	8 399	13,4
Sep 2017	4 582	2,8	4 902	2,4	8 191	7,8	8 141	-3,1
Dec 2017	5 171	18,3	4 974	1,5	8 750	15,6	8 379	2,9
Mar 2018	5 076	19,5	5 017	0,9	8 821	19,8	8 926	6,5
Jun 2018	5 563	14,5	5 492	9,5	8 783	9,0	9 152	2,5
Sep 2018	4 700	2,6	5 027	-8,5	9 689	18,3	9 616	5,1
Dec 2018	5 774	11,7	5 550	10,4	10 376	18,6	9 906	3,0
Mar 2019	5 869	15,6	5 791	4,3	9 414	6,7	9 563	-3,5
Jun 2019	5 587	0,4	5 530	-4,5	8 577	-2,3	8 942	-6,5
Sep 2019	5 465	16,3	5 840	5,6	10 346	6,8	10 260	14,7
Dec 2019	6 381	10,5	6 137	5,1	10 699	3,1	10 188	-0,7

Annexure B – Purchases and sales of electricity

Quarter ended	Purchases of electricity				Sales of electricity			
	Actual (unadjusted)		Seasonally adjusted		Actual (unadjusted)		Seasonally adjusted	
	R million	Year-on-year % change	R million	Quarter-on-quarter % change	R million	Year-on-year % change	R million	Quarter-on-quarter % change
Sep 2007	5 256		3 962		7 546		6 530	
Dec 2007	3 857		4 307	8,7	6 837		7 014	7,4
Mar 2008	3 667		4 506	4,6	6 639		7 248	3,3
Jun 2008	4 317		4 503	-0,1	7 440		7 921	9,3
Sep 2008	6 491	23,5	4 752	5,5	9 093	20,5	8 044	1,6
Dec 2008	5 685	47,4	6 379	34,2	8 874	29,8	8 885	10,5
Mar 2009	4 870	32,8	6 061	-5,0	8 476	27,7	9 337	5,1
Jun 2009	6 085	41,0	6 324	4,3	9 199	23,6	9 772	4,7
Sep 2009	9 318	43,6	6 857	8,4	12 661	39,2	10 881	11,3
Dec 2009	6 424	13,0	7 063	3,0	11 442	28,9	11 547	6,1
Mar 2010	6 058	24,4	7 705	9,1	11 262	32,9	12 348	6,9
Jun 2010	8 336	37,0	8 601	11,6	11 994	30,4	12 688	2,8
Sep 2010	12 361	32,7	8 993	4,6	15 662	23,7	13 548	6,8
Dec 2010	8 070	25,6	9 408	4,6	13 999	22,3	13 995	3,3
Mar 2011	8 605	42,0	10 221	8,6	13 942	23,8	15 500	10,8
Jun 2011	10 277	23,3	10 537	3,1	15 608	30,1	16 403	5,8
Sep 2011	15 271	23,5	12 024	14,1	19 719	25,9	16 885	2,9
Dec 2011	10 934	35,5	12 531	4,2	17 514	25,1	17 631	4,4
Mar 2012	10 390	20,7	12 663	1,1	16 269	16,7	17 865	1,3
Jun 2012	12 965	26,2	13 164	4,0	17 695	13,4	18 455	3,3
Sep 2012	17 492	14,5	13 766	4,6	21 692	10,0	18 839	2,1
Dec 2012	13 058	19,4	14 273	3,7	18 626	6,3	19 344	2,7
Mar 2013	11 432	10,0	13 965	-2,2	17 763	9,2	19 198	-0,8
Jun 2013	13 297	2,6	13 372	-4,2	19 218	8,6	19 892	3,6
Sep 2013	17 309	-1,0	13 505	1,0	22 445	3,5	19 912	0,1
Dec 2013	13 049	-0,1	14 197	5,1	19 583	5,1	20 508	3,0
Mar 2014	12 334	7,9	14 933	5,2	18 925	6,5	20 350	-0,8
Jun 2014	15 821	19,0	15 716	5,2	20 222	5,2	20 816	2,3
Sep 2014	19 038	10,0	15 110	-3,9	23 726	5,7	21 169	1,7
Dec 2014	13 688	4,9	14 909	-1,3	20 779	6,1	21 243	0,3
Mar 2015	13 035	5,7	15 565	4,4	19 979	5,6	22 029	3,7
Jun 2015	16 271	2,8	16 051	3,1	21 618	6,9	22 190	0,7
Sep 2015	20 521	7,8	16 588	3,3	26 281	10,8	22 829	2,9
Dec 2015	16 207	18,4	17 198	3,7	22 272	7,2	22 987	0,7
Mar 2016	14 812	13,6	17 378	1,0	22 829	14,3	24 849	8,1
Jun 2016	18 686	14,8	18 362	5,7	23 062	6,7	23 635	-4,9
Sep 2016	22 260	8,5	19 001	3,5	29 807	13,4	25 851	9,4
Dec 2016	17 446	7,6	19 536	2,8	23 877	7,2	24 418	-5,5
Mar 2017	16 943	14,4	19 201	-1,7	22 816	-0,1	25 044	2,6
Jun 2017	18 919	1,2	18 628	-3,0	24 553	6,5	25 134	0,4
Sep 2017	21 556	-3,2	18 341	-1,5	28 235	-5,3	24 699	-1,7
Dec 2017	16 964	-2,8	18 792	2,5	23 936	0,2	24 572	-0,5
Mar 2018	16 566	-2,2	18 846	0,3	23 039	1,0	25 076	2,1
Jun 2018	19 046	0,7	18 825	-0,1	24 620	0,3	25 169	0,4
Sep 2018	22 072	2,4	18 499	-1,7	29 151	3,2	25 871	2,8
Dec 2018	17 351	2,3	18 854	1,9	25 592	6,9	26 599	2,8
Mar 2019	17 187	3,7	19 920	5,7	24 933	8,2	26 670	0,3
Jun 2019	20 478	7,5	20 344	2,1	26 497	7,6	27 068	1,5
Sep 2019	26 145	18,5	21 213	4,3	30 541	4,8	27 739	2,5
Dec 2019	19 499	12,4	21 340	0,6	28 103	9,8	29 161	5,1

Notes

Forthcoming issue	Issue	Expected release date
	March 2020	June 2020
Purpose of survey	The <i>Quarterly financial statistics of municipalities</i> (QFSM) (Statistical release P9110) is a quarterly survey that covers local district and metropolitan municipalities in South Africa. The results are used as inputs into the gross domestic product (GDP) calculation as well as to assist the public sector with policy formulation and the financial analysis of municipalities.	
Response rates	December 2018 quarter: 90% (of 257) March 2019 quarter: 86% (of 257) June 2019 quarter: 83% (of 257) September 2019 quarter: 85% (of 257) December 2019 quarter: 87% (of 257)	
Imputation	Imputation was performed for 33 municipalities (13%) that did not respond or whose responses were not usable.	
Cautionary note	The <i>Quarterly financial statistics of municipalities</i> (QFSM) survey provides quarterly updates based on preliminary figures from municipalities. For a more complete report please refer to the annual <i>Financial census of municipalities</i> (Statistical release P9114) which in most cases is based on audited figures.	

Reporting of negative figures by municipalities

Some municipalities pass adjusting journal entries to correct previously recorded figures. In some cases this results in municipalities reporting negative income or expenditure figures.

Implementation of Municipal Standard Chart of Accounts (MSCOA)

The implementation of MSCOA resulted in some municipalities experiencing difficulties with their newly upgraded or acquired systems. Amongst others the following are the most common issues across all municipalities:

- i. Municipalities not being able to integrate the old systems (such as a payroll system) into the newly upgraded MSCOA-compliant system; and
- ii. Municipalities struggling and being behind with the capturing of figures into the new system – this is a problem for municipalities which had to move to a new system altogether.

These difficulties have resulted in the following issues for QFSM:

- i. Some municipalities could not provide employee-related figures. This was also seen in the income and expenditure reports generated by the municipalities and sent to Statistics South Africa (Stats SA);
- ii. Some municipalities recorded very low figures as they had not finished capturing all the three months of the quarter;
- iii. The systems of some of the municipalities were generating reports with erroneous figures that could not be used; and
- iv. There were municipalities who could not provide figures at all. Some of them faced challenges with their new system and could not yet generate reports while others did not yet have figures captured into their new system.

Stats SA is working with the affected municipalities and other stakeholders to address the issues described above.

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 December 2018, March 2019, June 2019, September 2019 and December 2019. 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 performance 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	<p>This survey covers quarterly financial information of all 257 municipalities. Unadjusted data for all municipalities are available with effect from September 2007. Only water (sales and purchases) and electricity (sales and purchases) have seasonally adjusted estimates and these are available at the national level only (not at provincial or municipal level).</p>
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> (SIC) Fifth Edition Report No.09-90-02 of January 1993. Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Recognised Accounting Practice (GRAP).</p> <p>The Municipal Standard Chart of Accounts (MSCOA) was initially rolled out (piloted–tested) in 2016 in some municipalities. MSCOA has since been implemented in all municipalities from the beginning of the 2017 municipal financial year. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.</p>
Survey methodology and design	4	<p>The statistical unit for the collection of information is the municipality.</p>
Imputation	5	<p>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.</p>
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	GRAP	Generally Recognised Accounting Practice
	MSCOA	Municipal Standard Chart of Accounts
	QES	Quarterly Employment Statistics
	SIC	Standard Industrial Classification of All Economic Activities
	Stats SA	Statistics South Africa
	0	Nil or not applicable

Seasonal adjustment

10	<p>Seasonally adjusted estimates are generated each quarter using the X-12 Seasonal Adjustment Program developed by the US Bureau of the Census. Seasonal adjustment is a means of removing the estimated effects of normal seasonal variation from the series so that the effects of other influences on the series can be recognised more clearly. Seasonal adjustment does not aim to remove irregular or non-seasonal influences which may be present in any particular quarter. Influences that are volatile or unsystematic can still make it difficult to interpret the movement of the series even after adjustment for seasonal variations. Therefore the quarter-to-quarter movements of seasonally adjusted estimates may not be reliable indicators of trend behaviour. The X-12-ARIMA procedure for purchases and sales of water and electricity is described in more detail on the Stats SA website.</p>	
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Glossary of the selected terms

Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance (previously referred to as income statement) 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.
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).
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).
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; • contributions to other benefit funds of employees such as medical aid pension funds 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 subsidies; and • uniform and clothing allowances (clothing boots overalls etc. supplied to uniformed employees). Also refer to the Quarterly employment statistics (QES – P9027) which measures employment and gross earnings of all employees on a given municipal payroll.
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.
Housing services	Housing includes all activities associated with the municipal provision of 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).

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).
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). Refer to the Local Government: Municipal Structures Act 1998 (Act No.117 of 1998).
Other expenditure	<p>The following are included in other expenditure:</p> <ul style="list-style-type: none"> • departmental charges/fees; • books and magazines; • consumables; • licences and trade licences; • workshops; • refreshments; and • sundries.
Rates and general services	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.).
Repairs and maintenance	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 subdivision 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.
Trading services	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). These include waste management (refuse removal solid waste disposal (landfill sites) street cleaning recycling etc.) waste water management (sewerage storm water management and public toilets) water (water distribution water storage) electricity (electricity distribution electricity generation street lighting) etc.

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