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## STATISTICAL RELEASE

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# Quarterly financial statistics of municipalities

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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:					
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19*	Jun-19
	Year-on-year % change, unadjusted					
Purchases of water	19,5	14,5	2,6	11,7	15,6	0,4
Sales of water	19,8	9,0	18,3	18,6	6,7	-2,3
Purchases of electricity	-2,2	0,7	2,4	3,8	3,7	7,5
Sales of electricity	1,0	0,3	3,2	6,9	8,2	7,6

\* Some figures have been revised.

Table A shows annual growth rates in the purchases and sales of water and electricity, based on rand values. From the June 2018 quarter to the June 2019 quarter, purchases of water increased by 0,4% and sales of water decreased by 2,3%, while purchases of electricity increased by 7,5% and sales of electricity increased by 7,6%.

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

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

\* Some figures have been revised.

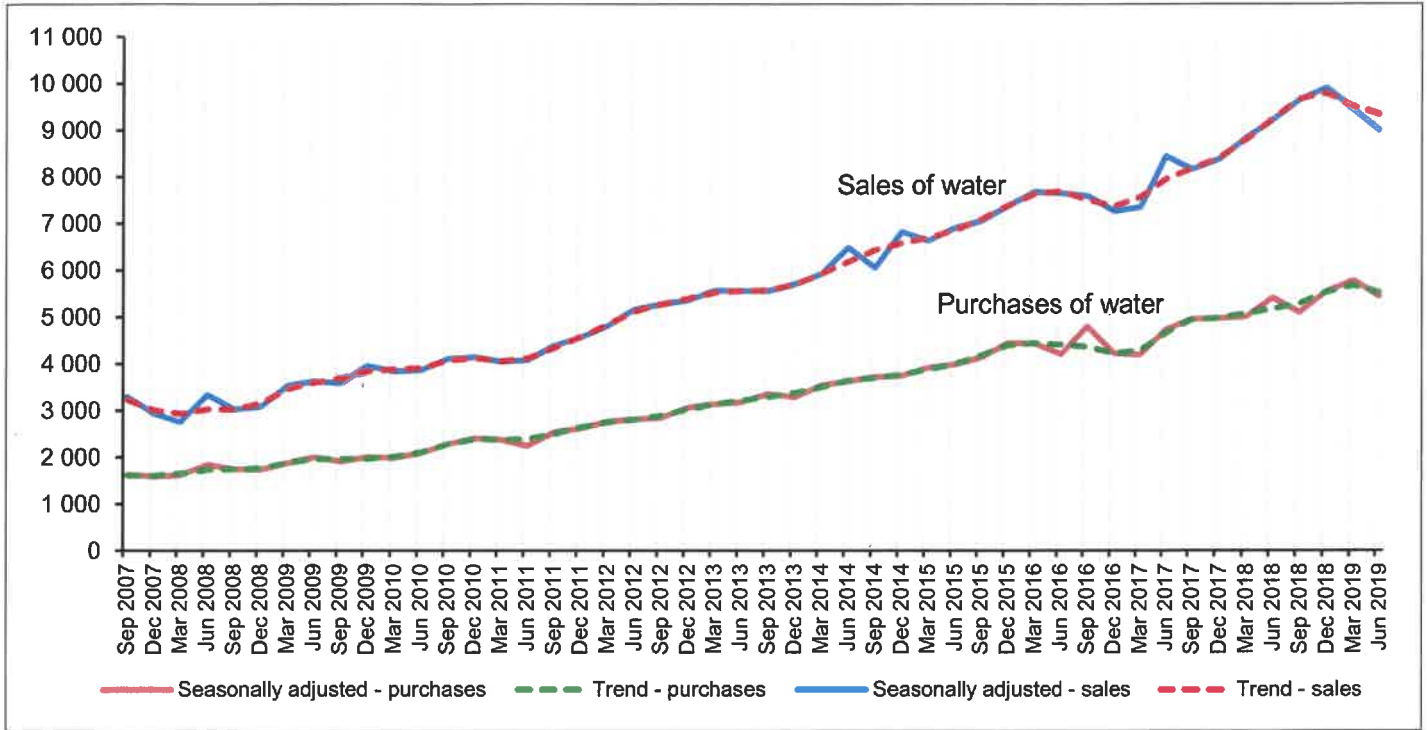
Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the March 2019 quarter to the June 2019 quarter, purchases of water decreased by 5,9% and sales of water decreased by 4,6%, while purchases of electricity increased by 1,5% and sales of electricity increased by 1,4%.

Seasonally adjusted purchases and sales of water are shown in Figure 1. Seasonally adjusted purchases and sales of electricity are shown in Figure 2.

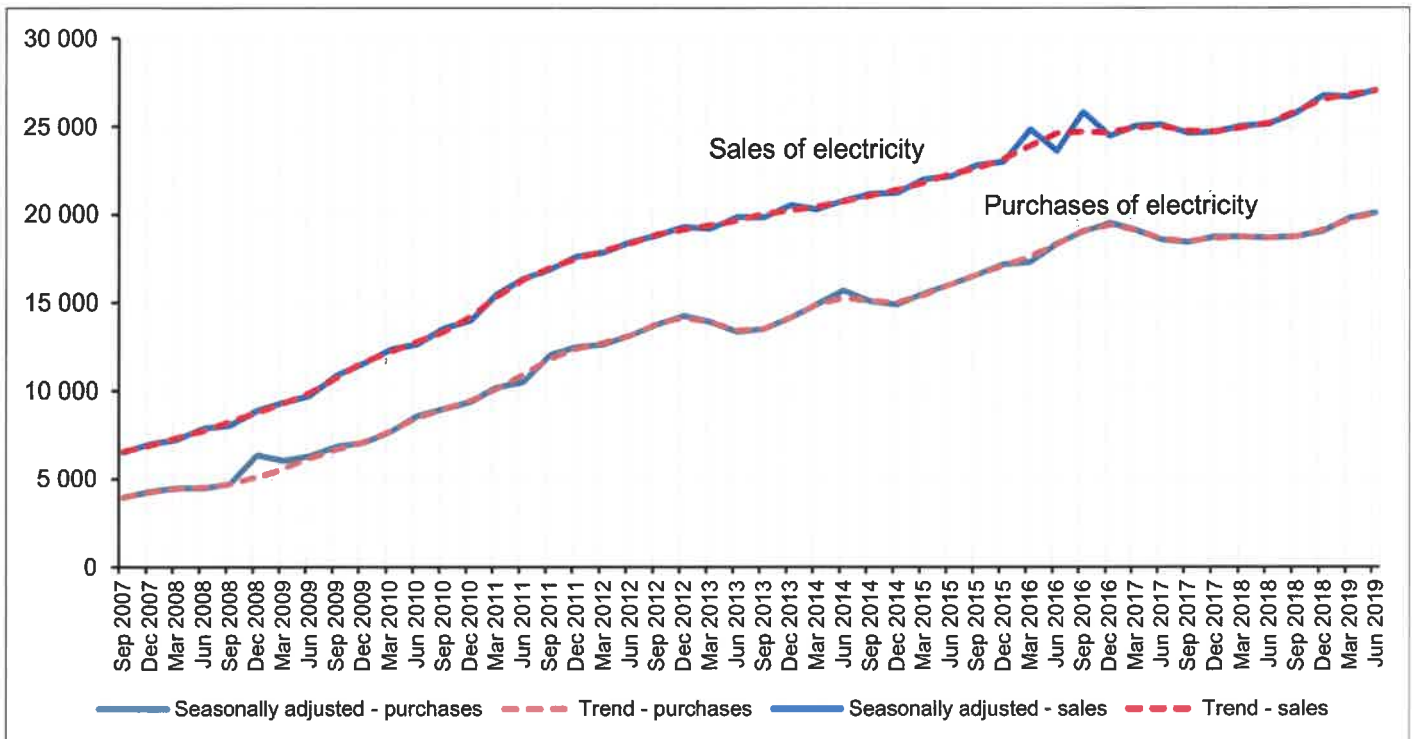
Annexures A and B provide more detail and longer time series for water and electricity purchases and sales.

See page 14 for a short explanatory note on seasonal adjustment.

**Figure 1 – Purchases and sales of water, seasonally adjusted, R million**



**Figure 2 – Purchases and sales of electricity, seasonally adjusted, R million**



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**Statistician-General**

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

Expenditure	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
Employee-related costs	23 834	26 702	25 755	26 688	933
Remuneration of board of directors/councillors	958	989	1 126	1 060	-66
Interest paid	1 353	2 094	2 382	2 797	415
Loss on the disposal of property, plant and equipment	0	1	25	203	178
Bad debts	3 527	3 206	3 566	5 295	1 729
Contracted services	5 271	8 036	8 817	9 850	1 033
Collection costs	84	105	134	327	193
Depreciation and amortisation	4 201	5 268	4 932	7 294	2 362
Impairment loss (PPE)	60	0	0	16	16
Repairs and maintenance	814	1 193	1 170	2 234	1 064
<b>Bulk purchases:</b>					
Purchases of water	4 700	5 774	5 869	5 587	-282
Purchases of electricity	22 072	17 617	17 187	20 477	3 290
Other bulk purchases	12	35	36	23	-13
<b>Grants and subsidies paid to:</b>					
Other local government institutions	24	35	20	43	23
Tertiary institutions of higher learning	1	2	2	2	0
Households or individuals	100	149	148	295	147
Non-profit institutions serving households	18	24	42	1	-41
Other	409	572	830	968	138
<b>General expenditure:</b>					
Accommodation, travelling and subsistence	188	292	245	285	40
Advertising, promotions and marketing	86	190	184	216	32
Audit fees	126	435	284	183	-101
Bank charges	125	158	126	158	32
Cleaning services	34	67	82	177	95
Consultancy and professional fees	318	445	794	862	68
Entertainment costs	10	17	14	36	22
Fuel and oil	300	547	431	525	94
Hiring of plant and equipment	114	242	270	1 289	1 019
Insurance costs	361	325	226	214	-12
Pharmaceutical	29	44	64	55	-9
Postal and courier services	51	70	87	115	28
Printing and stationery	80	121	129	213	84
Rebates for property rates	822	874	1 157	763	-394
Rebates for service charges	141	142	140	183	43
Rental of land, buildings and other structures	147	189	180	204	24
Rental of office equipment	110	161	173	185	12
Security services	321	438	455	593	138
Subscriptions and membership fees	169	138	96	202	106
Telecommunication services	175	205	285	275	-10
Training and education	91	115	137	210	73
Transport costs	83	138	104	220	116
Other expenditure	6 113	7 519	8 291	10 956	2 665
Surplus	45 676	30 403	26 270	16 862	-9 408
<b>Total expenditure</b>	<b>123 108</b>	<b>115 077</b>	<b>112 265</b>	<b>118 141</b>	<b>5 876</b>

\* Some figures have been revised.

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

Income	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
<b>Property rates from:</b>					
Residential	11 623	11 698	10 157	11 350	1 193
Commercial or business	4 435	3 529	3 713	3 412	-301
State	1 772	977	976	1 039	63
Other (includes agricultural, municipal, etc.)	1 804	1 482	1 393	1 283	-110
Property rates - penalties imposed and collection charges	53	42	123	14	-109
<b>Service charges</b>					
Sales of water	9 689	10 376	9 414	8 578	-836
Sales of electricity	29 151	25 592	24 933	26 487	1 554
Refuse removal charges	3 026	2 898	2 909	2 963	54
Sewerage and sanitation charges	3 905	4 044	3 786	3 617	-169
Other service charges (e.g. fresh produce market)	94	109	107	96	-11
<b>Interest earned from:</b>					
External investments	943	1 102	1 134	1 733	599
Outstanding debtors	1 852	1 948	2 260	2 094	-166
Dividends received	0	2	18	24	6
Fines	537	1 042	1 229	1 316	87
Licences and permits	269	260	277	299	22
Income for agency services	278	334	361	351	-10
Rental of facilities and equipment	465	518	837	873	36
Bad debts recovered	17	12	11	16	5
Public contributions and donations (including PPE)	32	61	61	242	181
Gains on the disposal of property, plant and equipment	17	20	125	275	150
<b>Grants and subsidies from:</b>					
National government	25 774	23 091	20 398	15 226	-5 172
Provincial government	350	518	595	509	-86
Local government	0	2	3	2	-1
Other	55	54	97	187	90
Spent conditional grant	3 399	4 196	4 897	8 729	3 832
Other income	5 178	3 961	5 328	7 482	2 154
Deficit	18 390	17 209	17 123	19 944	2 821
<b>Total income</b>	<b>123 108</b>	<b>115 077</b>	<b>112 265</b>	<b>118 141</b>	<b>5 876</b>

\* Some figures have been revised.

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

Expenditure	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
Employee-related costs	15 177	17 186	16 643	17 094	451
Remuneration of board of directors/councillors	958	989	1 126	1 060	-66
Interest paid	1 067	1 426	1 738	2 079	341
Loss on the disposal of property, plant and equipment	0	1	10	194	184
Bad debts	1 300	1 240	1 481	2 954	1 473
Contracted services	2 000	3 384	3 621	4 076	455
Collection costs	82	100	131	324	193
Depreciation and amortisation	1 240	1 470	1 487	2 353	866
Impairment loss (PPE)	60	0	0	2	2
Repairs and maintenance	129	252	217	622	405
<b>Grants and subsidies paid to:</b>					
Other local government institutions	7	16	5	17	12
Tertiary institutions of higher learning	1	2	2	2	0
Households or individuals	42	44	46	148	102
Non-profit institutions serving households	18	24	42	1	-41
Other	231	236	497	510	13
<b>General expenditure:</b>					
Accommodation, travelling and subsistence	161	227	195	226	31
Advertising, promotions and marketing	64	155	137	197	60
Audit fees	117	396	266	174	-92
Bank charges	117	149	115	149	34
Cleaning services	22	35	29	95	66
Consultancy and professional fees	250	357	532	584	52
Entertainment costs	10	16	13	34	21
Fuel and oil	159	328	244	285	41
Hiring of plant and equipment	67	139	135	364	229
Insurance costs	300	269	165	175	10
Pharmaceutical	29	44	64	54	-10
Postal and courier services	50	69	85	113	28
Printing and stationery	65	99	107	176	69
Rebates for property rates	822	874	1 157	763	-394
Rental of land, buildings and other structures	125	158	140	153	13
Rental of office equipment	60	114	114	115	1
Security services	204	285	303	420	117
Subscriptions and membership fees	165	130	92	189	97
Telecommunication services	144	170	240	216	-24
Training and education	80	99	116	184	68
Transport costs	54	85	79	118	39
Other expenditure	3 299	3 177	2 857	4 835	1 978
Surplus	30 989	20 862	17 587	8 191	-9 396
<b>Total expenditure</b>	<b>59 665</b>	<b>54 607</b>	<b>51 818</b>	<b>49 246</b>	<b>-2 572</b>

\* Some figures have been revised.

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

Income	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
<b>Taxes on property</b>					
<b>Property rates from:</b>					
Residential	11 623	11 698	10 157	11 350	1 193
Commercial or business	4 435	3 529	3 713	3 412	-301
State	1 772	977	976	1 039	63
Other (includes agricultural, municipal, etc.)	1 804	1 482	1 393	1 283	-110
Property rates – penalties imposed and collection charges	53	42	123	14	-109
<b>Interest earned from:</b>					
External investments	922	1 084	1 078	1 668	590
Outstanding debtors	963	1 048	972	1 035	63
Dividends received	0	2	7	24	17
Fines	502	998	1 175	1 206	31
Licences and permits	97	108	93	108	15
Income for agency services	80	106	119	140	21
Rental of facilities and equipment	248	298	293	308	15
Bad debts recovered	17	12	11	16	5
Public contributions and donations (including property, plant and equipment)	11	6	25	16	-9
Gains on the disposal of property, plant and equipment	15	18	118	125	7
<b>Grants and subsidies from:</b>					
National government	20 367	17 722	15 562	7 851	-7 711
Provincial government	163	268	210	222	12
Local government	0	2	3	2	-1
Other	2	2	3	4	1
Spent conditional grants	2 328	2 237	2 604	4 606	2 002
Other income	4 258	2 419	2 971	2 607	-364
Deficit	10 005	10 549	10 212	12 210	1 998
<b>Total income</b>	<b>59 665</b>	<b>54 607</b>	<b>51 818</b>	<b>49 246</b>	<b>-2 572</b>

\* Some figures have been revised.



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

Expenditure	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
Employee-related costs	8 657	9 516	9 112	9 594	482
Interest paid	286	668	644	718	74
Loss on disposal of property, plant and equipment	0	0	15	9	-6
Bad debts	2 227	1 966	2 085	2 341	256
Contracted services	3 271	4 652	5 196	5 774	578
Collection costs	2	5	3	3	0
Depreciation and amortisation	2 961	3 798	3 445	4 941	1 496
Impairment loss (PPE)	0	0	0	14	14
Repairs and maintenance	685	941	953	1 612	659
<b>Bulk purchases:</b>					
Purchases of water	4 700	5 774	5 869	5 587	-282
Purchases of electricity	22 072	17 617	17 187	20 477	3 290
Other bulk purchases	12	35	36	23	-13
<b>Grants and subsidies paid to:</b>					
Other local government institutions	17	19	15	26	11
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	58	105	102	147	45
Non-profit institutions serving households	0	0	0	0	0
Other	178	336	333	458	125
<b>General expenditure:</b>					
Accommodation, travelling and subsistence	27	65	50	59	9
Advertising, promotions and marketing	22	35	47	19	-28
Audit fees	9	39	18	9	-9
Bank charges	8	9	11	9	-2
Cleaning services	12	32	53	82	29
Consultancy and professional fees	68	88	262	278	16
Entertainment costs	0	1	1	2	1
Fuel and oil	141	219	187	240	53
Hiring of plant and equipment	47	103	135	925	790
Insurance costs	61	56	61	39	-22
Pharmaceutical	0	0	0	1	1
Postal and courier services	1	1	2	2	0
Printing and stationery	15	22	22	37	15
Rebates for service charges	141	142	140	183	43
Rental of land, buildings and other structures	22	31	40	51	11
Rental of office equipment	50	47	59	70	11
Security services	117	153	152	173	21
Subscriptions and membership fees	4	8	4	13	9
Telecommunication services	31	35	45	59	14
Training and education	11	16	21	26	5
Transport costs	29	53	25	102	77
Other expenditure	2 814	4 342	5 434	6 121	687
Surplus	14 687	9 541	8 683	8 671	-12
<b>Total expenditure</b>	<b>63 443</b>	<b>60 470</b>	<b>60 447</b>	<b>68 895</b>	<b>8 448</b>

\* Some figures have been revised.

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

Income	September 2018*	December 2018*	March 2019*	June 2019	Difference between quarters ended Mar. 2019 and Jun. 2019
	R million				
<b>Interest earned from:</b>					
External investments	21	18	56	65	9
Outstanding debtors	889	900	1 288	1 059	-229
Dividends received	0	0	11	0	-11
Fines	35	44	54	110	56
Licences and permits	172	152	184	191	7
Income for agency services	198	228	242	211	-31
Rental of facilities and equipment	217	220	544	565	21
Bad debts recovered	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	21	55	36	226	190
Gains on the disposal of property, plant and equipment	2	2	7	150	143
<b>Service charges:</b>					
Sales of water	9 689	10 376	9 414	8 578	-836
Sales of electricity	29 151	25 592	24 933	26 487	1 554
Refuse removal charges	3 026	2 898	2 909	2 963	54
Sewerage and sanitation charges	3 905	4 044	3 786	3 617	-169
Other service charges (e.g. fresh produce market)	94	109	107	96	-11
<b>Grants and subsidies from:</b>					
National government	5 407	5 369	4 836	7 375	2 539
Provincial government	187	250	385	287	-98
Local government	0	0	0	0	0
Other	53	52	94	183	89
Spent conditional grants	1 071	1 959	2 293	4 123	1 830
Other income	920	1 542	2 357	4 875	2 518
Deficit	8 385	6 660	6 911	7 734	823
<b>Total income</b>	<b>63 443</b>	<b>60 470</b>	<b>60 447</b>	<b>68 895</b>	<b>8 448</b>

\* 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		3 298	
Dec 2007	1 661		1 596	-2,1	3 031		2 933	-11,1
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	3 629	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	2 003	4,4	4 110	28,6	3 961	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	4 110	6,1
Dec 2010	2 505	20,2	2 408	5,3	4 315	5,0	4 142	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	4 084	0,7
Sep 2011	2 345	11,7	2 540	12,8	4 342	7,1	4 389	7,5
Dec 2011	2 723	8,7	2 623	3,3	4 769	10,5	4 570	4,1
Mar 2012	2 813	16,9	2 765	5,4	4 919	18,0	4 814	5,3
Jun 2012	2 865	23,9	2 816	1,8	4 876	26,7	5 163	7,2
Sep 2012	2 646	12,8	2 848	1,1	5 239	20,7	5 278	2,2
Dec 2012	3 172	16,5	3 066	7,7	5 597	17,4	5 366	1,7
Mar 2013	3 211	14,1	3 143	2,5	5 658	15,0	5 571	3,8
Jun 2013	3 221	12,4	3 181	1,2	5 279	8,3	5 564	-0,1
Sep 2013	3 134	18,4	3 358	5,6	5 542	5,8	5 564	0,0
Dec 2013	3 396	7,1	3 291	-2,0	5 935	6,0	5 709	2,6
Mar 2014	3 617	12,6	3 543	7,7	6 000	6,0	5 928	3,8
Jun 2014	3 676	14,1	3 627	2,4	6 186	17,2	6 489	9,5
Sep 2014	3 474	10,8	3 716	2,5	6 037	8,9	6 054	-6,7
Dec 2014	3 861	13,7	3 744	0,8	7 092	19,5	6 832	12,9
Mar 2015	3 982	10,1	3 916	4,6	6 697	11,6	6 638	-2,8
Jun 2015	4 071	10,7	3 995	2,0	6 607	6,8	6 915	4,2
Sep 2015	3 868	11,3	4 146	3,8	7 057	16,9	7 063	2,1
Dec 2015	4 593	19,0	4 448	7,3	7 670	8,2	7 385	4,6
Mar 2016	4 497	12,9	4 440	-0,2	7 723	15,3	7 683	4,0
Jun 2016	4 310	5,9	4 208	-5,2	7 316	10,7	7 657	-0,3
Sep 2016	4 457	15,2	4 799	14,0	7 601	7,7	7 593	-0,8
Dec 2016	4 371	-4,8	4 224	-12,0	7 571	-1,3	7 272	-4,2
Mar 2017	4 249	-5,5	4 200	-0,6	7 363	-4,7	7 352	1,1
Jun 2017	4 859	12,7	4 731	12,6	8 058	10,1	8 446	14,9
Sep 2017	4 582	2,8	4 960	4,8	8 191	7,8	8 165	-3,3
Dec 2017	5 171	18,3	4 983	0,5	8 750	15,6	8 380	2,6
Mar 2018	5 076	19,5	5 014	0,6	8 821	19,8	8 837	5,5
Jun 2018	5 563	14,5	5 416	8,0	8 783	9,0	9 221	4,3
Sep 2018	4 700	2,6	5 105	-5,7	9 689	18,3	9 646	4,6
Dec 2018	5 774	11,7	5 557	8,9	10 376	18,6	9 908	2,7
Mar 2019	5 869	15,6	5 784	4,1	9 414	6,7	9 453	-4,6
Jun 2019	5 587	0,4	5 444	-5,9	8 578	-2,3	9 018	-4,6

## 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		3 967		7 546		6 542	
Dec 2007	3 857		4 314	8,7	6 837		7 003	7,0
Mar 2008	3 667		4 503	4,4	6 639		7 253	3,6
Jun 2008	4 317		4 500	-0,1	7 440		7 898	8,9
Sep 2008	6 491	23,5	4 751	5,6	9 093	20,5	8 063	2,1
Dec 2008	5 685	47,4	6 376	34,2	8 874	29,8	8 893	10,3
Mar 2009	4 870	32,8	6 059	-5,0	8 476	27,7	9 341	5,0
Jun 2009	6 085	41,0	6 319	4,3	9 199	23,6	9 747	4,3
Sep 2009	9 318	43,6	6 865	8,6	12 661	39,2	10 894	11,8
Dec 2009	6 424	13,0	7 057	2,8	11 442	28,9	11 556	6,1
Mar 2010	6 058	24,4	7 701	9,1	11 262	32,9	12 350	6,9
Jun 2010	8 336	37,0	8 592	11,6	11 994	30,4	12 665	2,6
Sep 2010	12 361	32,7	9 006	4,8	15 662	23,7	13 559	7,1
Dec 2010	8 070	25,6	9 399	4,4	13 999	22,3	14 006	3,3
Mar 2011	8 605	42,0	10 213	8,7	13 942	23,8	15 499	10,7
Jun 2011	10 277	23,3	10 524	3,0	15 608	30,1	16 385	5,7
Sep 2011	15 271	23,5	12 052	14,5	19 719	25,9	16 890	3,1
Dec 2011	10 934	35,5	12 510	3,8	17 514	25,1	17 643	4,5
Mar 2012	10 390	20,7	12 656	1,2	16 269	16,7	17 862	1,2
Jun 2012	12 965	26,2	13 156	4,0	17 695	13,4	18 445	3,3
Sep 2012	17 492	14,5	13 790	4,8	21 692	10,0	18 846	2,2
Dec 2012	13 058	19,4	14 287	3,6	18 626	6,3	19 315	2,5
Mar 2013	11 432	10,0	13 932	-2,5	17 763	9,2	19 238	-0,4
Jun 2013	13 297	2,6	13 368	-4,0	19 218	8,6	19 886	3,4
Sep 2013	17 309	-1,0	13 541	1,3	22 445	3,5	19 861	-0,1
Dec 2013	13 049	-0,1	14 180	4,7	19 583	5,1	20 549	3,5
Mar 2014	12 334	7,9	14 937	5,3	18 925	6,5	20 323	-1,1
Jun 2014	15 821	19,0	15 719	5,2	20 222	5,2	20 809	2,4
Sep 2014	19 038	10,0	15 095	-4,0	23 726	5,7	21 190	1,8
Dec 2014	13 688	4,9	14 914	-1,2	20 779	6,1	21 263	0,3
Mar 2015	13 035	5,7	15 545	4,2	19 979	5,6	22 026	3,6
Jun 2015	16 271	2,8	16 055	3,3	21 618	6,9	22 178	0,7
Sep 2015	20 521	7,8	16 593	3,4	26 281	10,8	22 827	2,9
Dec 2015	16 207	18,4	17 206	3,7	22 272	7,2	23 011	0,8
Mar 2016	14 812	13,6	17 327	0,7	22 829	14,3	24 855	8,0
Jun 2016	18 686	14,8	18 366	6,0	23 062	6,7	23 619	-5,0
Sep 2016	22 260	8,5	19 040	3,7	29 807	13,4	25 830	9,4
Dec 2016	17 446	7,6	19 538	2,6	23 877	7,2	24 468	-5,3
Mar 2017	16 943	14,4	19 133	-2,1	22 816	-0,1	25 041	2,3
Jun 2017	18 919	1,2	18 587	-2,9	24 553	6,5	25 120	0,3
Sep 2017	21 556	-3,2	18 452	-0,7	28 235	-5,3	24 635	-1,9
Dec 2017	16 964	-2,8	18 766	1,7	23 936	0,2	24 700	0,3
Mar 2018	16 566	-2,2	18 759	0,0	23 039	1,0	25 038	1,4
Jun 2018	19 046	0,7	18 701	-0,3	24 620	0,3	25 160	0,5
Sep 2018	22 072	2,4	18 752	0,3	29 151	3,2	25 764	2,4
Dec 2018	17 617	3,8	19 066	1,7	25 592	6,9	26 747	3,8
Mar 2019	17 187	3,7	19 805	3,9	24 933	8,2	26 679	-0,3
Jun 2019	20 477	7,5	20 104	1,5	26 487	7,6	27 050	1,4

## Notes

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	September 2019	December 2019
<b>Purpose of survey</b>	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.	
<b>Response rates</b>	September 2018 quarter:	80% (of 257)
	December 2018 quarter:	90% (of 257)
	March 2019 quarter:	86% (of 257)
	June 2019 quarter:	83% (of 257)
<b>Imputation</b>	Imputation was performed for 44 municipalities (17%) that did not respond or whose responses were not usable.	
<b>Cautionary note</b>	The Quarterly financial statistics of municipalities (QFSM) survey provides quarterly updates based on preliminary figures from municipalities. For a more complete report please refer to the annual Financial census of municipalities (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

<b>Introduction</b>	<b>1</b>	<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 September 2018, December 2018, March 2019 and June 2019. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> <li>• the consolidated statement of financial performance of municipalities;</li> <li>• the consolidated statement of financial performance of municipalities – rates and general services; and</li> <li>• the consolidated statement of financial performance of municipalities – housing and trading services.</li> </ul>
<b>Scope of the survey</b>	<b>2</b>	<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>
<b>Classification and accounting standards</b>	<b>3</b>	<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>
<b>Survey methodology and design</b>	<b>4</b>	<p>The statistical unit for the collection of information is the municipality.</p>
<b>Imputation</b>	<b>5</b>	<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>
<b>Revised figures</b>	<b>6</b>	<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>
<b>Rounding off figures</b>	<b>7</b>	<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>
<b>Related publications</b>	<b>8</b>	<p>Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> <li>• P9101                    <i>Capital expenditure of the public sector;</i></li> <li>• P9114                    <i>Financial census of municipalities;</i></li> <li>• P9119.4                <i>Financial statistics of consolidated general government;</i></li> <li>• P0441                    <i>Gross domestic product; and</i></li> <li>• P0277                    <i>Quarterly employment statistics.</i></li> </ul>

**Symbols and abbreviations used**

<b>9</b>	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**

<b>10</b>	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.	
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## Glossary of selected variables used in this publication

<b>Consolidated statement of financial performance</b>	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.
<b>Current expenditure</b>	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).
<b>District municipality</b>	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).
<b>Employee-related costs</b>	<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"><li>• basic compensation;</li><li>• allowances;</li><li>• 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</li><li>• 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.</li></ul>
<b>General expenditure</b>	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.
<b>Housing services</b>	Housing includes all activities associated with the municipal provision of housing.
<b>Local municipality</b>	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).



<b>Metropolitan municipality</b>	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).
<b>Municipality</b>	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).
<b>Other expenditure</b>	The following are included in other expenditure: <ul style="list-style-type: none"><li>• departmental charges/fees;</li><li>• books and magazines;</li><li>• consumables;</li><li>• licences and trade licences;</li><li>• workshops;</li><li>• refreshments; and</li><li>• sundries.</li></ul>
<b>Rates and general services</b>	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.).
<b>Repairs and maintenance</b>	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.
<b>Trading services</b>	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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