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## STATISTICAL RELEASE

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# Quarterly financial statistics of municipalities

June 2020

### Notes for users:

1. Owing to the COVID-19 lockdown, the usable response rate for this publication (74% - June 2020) is lower than usual. Consequently, revisions may be larger than usual.
2. With effect from the September 2020 quarter, Statistics South Africa (Stats SA) will be reducing the scope of this publication from 257 municipalities to the 130 largest municipalities. For further information regarding this decision, please contact Malibongwe Mhemhe at (012) 310 6928 / 082 906 8964 or MalibogweM@statssa.gov.za.

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## Key findings

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

Item	Quarter ended:					
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
	Year-on-year % change, unadjusted					
Purchases of water	28,1	11,2	5,2	0,2	-16,9	-12,3
Sales of water	10,2	0,8	3,9	0,5	25,1	-4,3
Purchases of electricity	8,5	10,8	15,2	9,6	-0,6	2,7
Sales of electricity	7,7	7,2	5,0	10,0	16,4	3,4

\*Some figures have been revised.

Table A shows annual growth rates in the purchases and sales of water and electricity, unadjusted. From the June 2019 quarter to the June 2020 quarter, purchases and sales of water decreased by 12,3% and 4,3% respectively. In contrast, purchases and sales of electricity increased by 2,7% and 3,4% respectively over the same period.

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

Item	Quarter ended:					
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	7,7	-7,3	-2,5	2,5	-10,4	-1,9
Sales of water	-6,6	-6,2	14,8	-0,2	16,1	-28,0
Purchases of electricity	8,8	-0,5	2,0	-1,6	-0,3	2,6
Sales of electricity	-2,6	5,9	0,3	6,8	3,3	-6,0

\* Some figures have been revised.

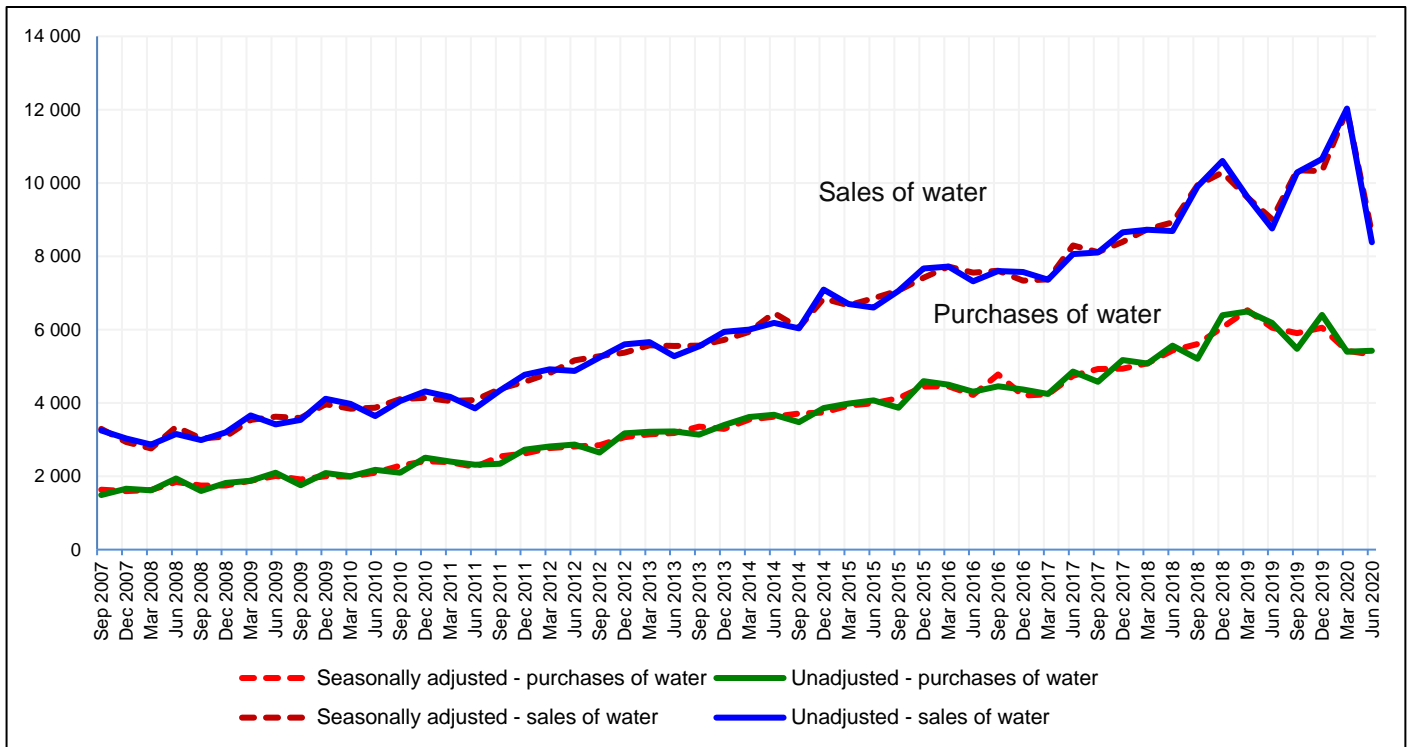
Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the March 2020 quarter to the June 2020 quarter, purchases of water decreased by 1,9% while sales of water decreased by 28,0%. Purchases of electricity increased by 2,6% while sales of electricity decreased by 6,0% over the same period.

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).

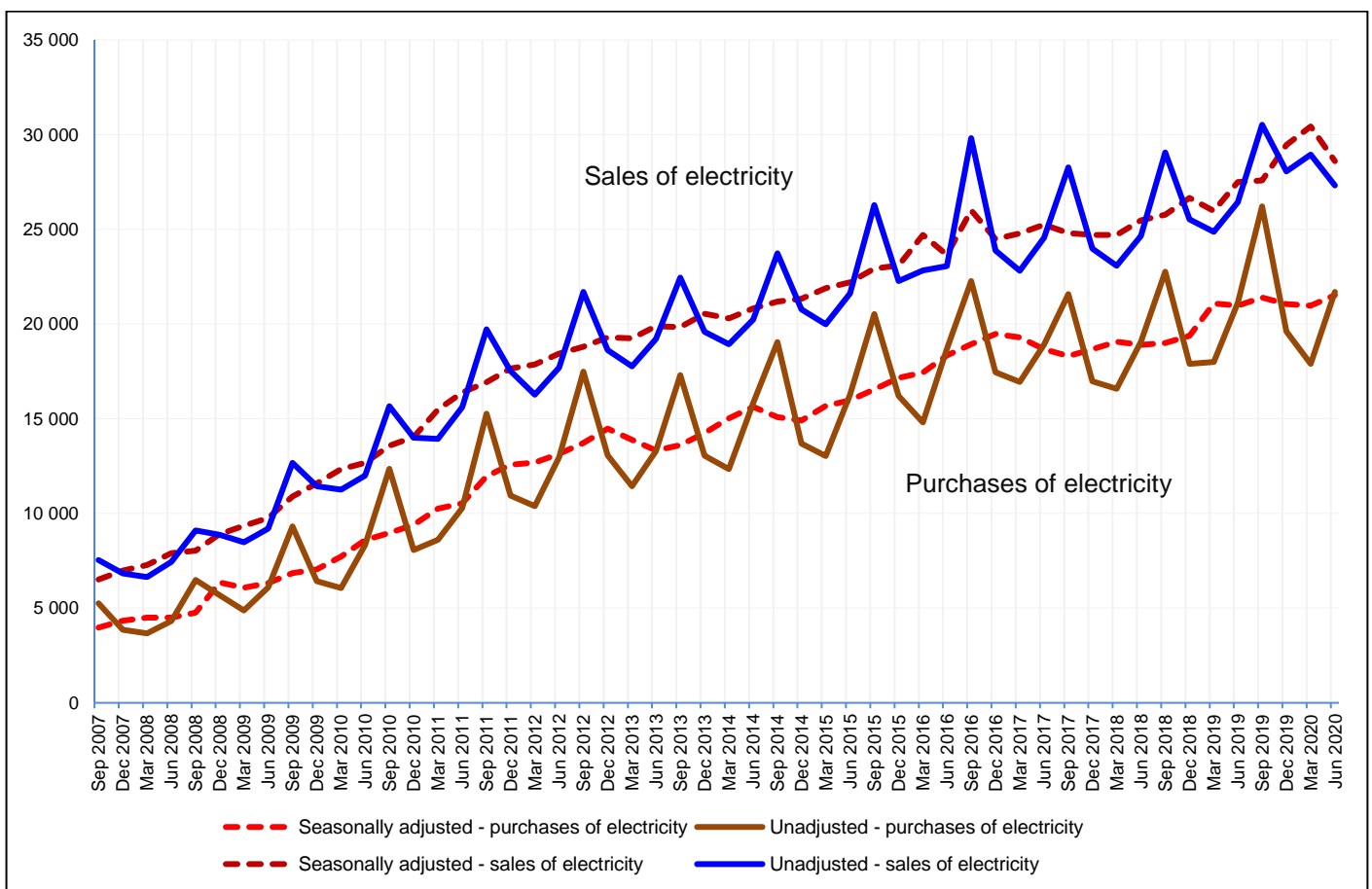
Annexures A and B provide more detail and longer time series for water and electricity purchases and sales.

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**  
**Statistician-General**

**Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Expenditure – South Africa**

Expenditure	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
	R million						
Employee-related costs	26 693	26 816	28 651	29 807	29 730	-77	3 037
Remuneration of board of directors/councillors	1 060	1 014	1 013	1 074	1 166	92	106
Interest paid	2 797	1 855	2 308	2 324	2 710	386	-87
Loss on the disposal of property, plant and equipment	203	7	3	75	147	72	-56
Bad debts	5 287	4 147	4 069	4 341	7 320	2 979	2 033
Contracted services	9 849	5 739	8 091	8 439	10 449	2 010	600
Collection costs	327	79	102	153	148	-5	-179
Depreciation and amortisation	7 294	4 737	5 909	6 103	6 794	691	-500
Impairment loss (PPE)	16	0	1	4	5	1	-11
Repairs and maintenance	2 234	927	1 407	1 251	1 545	294	-689
<b>Bulk purchases:</b>							
Purchases of water	5 587	5 473	6 402	5 395	5 421	26	-166
Purchases of electricity	20 478	26 210	19 601	17 889	21 693	3 804	1 215
Other bulk purchases	23	41	51	5	97	92	74
<b>Grants and subsidies paid to:</b>							
Other local government institutions	43	11	19	18	32	14	-11
Tertiary institutions of higher learning	2	1	1	1	1	0	-1
Households or individuals	296	133	216	178	435	257	139
Non-profit institutions serving households	1	75	102	2	3	1	2
Other	968	353	642	692	1 201	509	233
<b>General expenditure:</b>							
Accommodation, travelling and subsistence	285	203	262	226	169	-57	-116
Advertising, promotions and marketing	216	104	153	121	140	19	-76
Audit fees	182	109	532	297	186	-111	4
Bank charges	158	132	112	169	248	79	90
Cleaning services	177	62	118	131	100	-31	-77
Consultancy and professional fees	862	286	684	674	622	-52	-240
Entertainment costs	36	11	15	11	9	-2	-27
Fuel and oil	525	365	448	449	360	-89	-165
Hiring of plant and equipment	1 289	412	597	837	719	-118	-570
Insurance costs	214	535	292	286	230	-56	16
Pharmaceutical	55	30	60	52	58	6	3
Postal and courier services	115	65	72	79	51	-28	-64
Printing and stationery	213	140	148	144	146	2	-67
Rebates for property rates	763	904	811	801	803	2	40
Rebates for service charges	183	245	243	233	232	-1	49
Rental of land, buildings and other structures	204	166	232	1 450	409	-1 041	205
Rental of office equipment	185	124	153	187	374	187	189
Security services	593	529	802	532	674	142	81
Subscriptions and membership fees	201	218	88	104	168	64	-33
Telecommunication services	275	195	244	261	288	27	13
Training and education	210	120	136	153	117	-36	-93
Transport costs	221	78	100	140	86	-54	-135
Other expenditure	10 962	6 726	9 538	10 616	10 837	221	-125
Surplus	16 830	45 059	28 569	36 982	23 000	-13 982	6 170
<b>Total expenditure</b>	<b>118 112</b>	<b>134 436</b>	<b>122 997</b>	<b>132 686</b>	<b>128 923</b>	<b>-3 763</b>	<b>10 811</b>

\* Some figures have been revised.

**Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Income – South Africa**

Income	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
	R million						
<b>Property rates from:</b>							
Residential	11 346	13 504	10 377	10 853	11 214	361	-132
Commercial or business	3 412	5 901	3 857	5 108	4 566	-542	1 154
State	1 039	1 683	1 029	1 019	1 155	136	116
Other (includes agricultural, municipal, etc.)	1 283	1 667	985	1 223	1 106	-117	-177
Property rates - penalties imposed and collection charges	14	48	44	239	107	-132	93
<b>Service charges</b>							
Sales of water	8 577	10 289	10 656	12 030	8 382	-3 648	-195
Sales of electricity	26 497	30 519	28 057	28 934	27 319	-1 615	822
Refuse removal charges	2 963	3 192	3 011	3 192	3 089	-103	126
Sewerage and sanitation charges	3 617	4 247	4 235	4 682	4 072	-610	455
Other service charges (e.g. fresh produce market)	96	1	1	1	1	0	-95
<b>Interest earned from:</b>							
External investments	1 733	1 096	1 056	1 148	1 477	329	-256
Outstanding debtors	2 094	1 905	2 130	2 393	1 976	-417	-118
Dividends received	24	6	27	42	23	-19	-1
Fines	1 322	1 006	1 056	1 223	1 692	469	370
Licences and permits	299	230	229	200	190	-10	-109
Income for agency services	351	552	521	1 014	579	-435	228
Rental of facilities and equipment	873	534	564	918	556	-362	-317
Bad debts recovered	16	6	7	6	7	1	-9
Public contributions and donations (including PPE)	242	72	101	102	88	-14	-154
Gains on the disposal of property, plant and equipment	275	26	59	51	106	55	-169
<b>Grants and subsidies from:</b>							
National government	15 206	27 963	23 432	26 556	13 183	-13 373	-2 023
Provincial government	509	313	521	495	490	-5	-19
Local government	2	1	3	2	1	-1	-1
Other	187	30	78	92	26	-66	-161
Spent conditional grant	8 715	2 986	6 338	7 596	14 385	6 789	5 670
Other income	7 482	4 154	4 576	4 032	9 661	5 629	2 179
Deficit	19 938	22 505	20 047	19 535	23 472	3 937	3 534
<b>Total income</b>	<b>118 112</b>	<b>134 436</b>	<b>122 997</b>	<b>132 686</b>	<b>128 923</b>	<b>-3 763</b>	<b>10 811</b>

\* Some figures have been revised.

**Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Expenditure – South Africa**

Expenditure	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
	R million						
Employee-related costs	17 099	17 495	18 383	19 541	19 372	-169	2 273
Remuneration of board of directors/councillors	1 060	1 014	1 013	1 074	1 166	92	106
Interest paid	2 079	1 343	1 581	1 699	1 796	97	-283
Loss on the disposal of property, plant and equipment	194	6	3	3	19	16	-175
Bad debts	2 946	1 633	1 489	1 854	3 792	1 938	846
Contracted services	4 076	2 329	3 418	3 620	4 156	536	80
Collection costs	324	78	101	150	145	-5	-179
Depreciation and amortisation	2 353	1 360	1 802	2 197	2 403	206	50
Impairment loss (PPE)	2	0	1	4	2	-2	0
Repairs and maintenance	622	104	229	255	348	93	-274
<b>Grants and subsidies paid to:</b>							
Other local government institutions	17	11	19	18	32	14	15
Tertiary institutions of higher learning	2	1	1	1	1	0	-1
Households or individuals	148	42	62	56	265	209	117
Non-profit institutions serving households	1	75	102	2	3	1	2
Other	510	260	393	393	776	383	266
<b>General expenditure:</b>							
Accommodation, travelling and subsistence	226	174	223	190	128	-62	-98
Advertising, promotions and marketing	197	84	126	105	122	17	-75
Audit fees	173	98	494	280	170	-110	-3
Bank charges	149	128	108	163	244	81	95
Cleaning services	95	25	46	63	39	-24	-56
Consultancy and professional fees	584	204	380	499	429	-70	-155
Entertainment costs	34	11	15	10	9	-1	-25
Fuel and oil	285	224	268	273	213	-60	-72
Hiring of plant and equipment	364	69	150	309	218	-91	-146
Insurance costs	175	456	221	224	173	-51	-2
Pharmaceutical	54	30	60	47	56	9	2
Postal and courier services	113	64	70	76	48	-28	-65
Printing and stationery	176	108	119	123	109	-14	-67
Rebates for property rates	763	904	811	801	803	2	40
Rental of land, buildings and other structures	153	134	210	522	147	-375	-6
Rental of office equipment	115	68	93	120	209	89	94
Security services	420	285	465	354	444	90	24
Subscriptions and membership fees	188	212	85	96	150	54	-38
Telecommunication services	216	158	198	220	243	23	27
Training and education	184	105	115	135	94	-41	-90
Transport costs	118	61	67	128	77	-51	-41
Other expenditure	4 836	2 658	3 853	4 143	4 881	738	45
Surplus	8 166	31 803	20 186	22 272	10 389	-11 883	2 223
<b>Total expenditure</b>	<b>49 217</b>	<b>63 814</b>	<b>56 960</b>	<b>62 020</b>	<b>53 671</b>	<b>-8 349</b>	<b>4 454</b>

\* Some figures have been revised.

**Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Income – South Africa**

Income	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
	R million						
<b>Taxes on property</b>							
<b>Property rates from:</b>							
Residential	11 346	13 504	10 377	10 853	11 214	361	-132
Commercial or business	3 412	5 901	3 857	5 108	4 566	-542	1 154
State	1 039	1 683	1 029	1 019	1 155	136	116
Other (includes agricultural, municipal, etc.)	1 283	1 667	985	1 223	1 106	-117	-177
Property rates – penalties imposed and collection charges	14	48	44	239	107	-132	93
<b>Interest earned from:</b>							
External investments	1 668	1 082	1 034	1 127	1 455	328	-213
Outstanding debtors	1 035	1 053	1 302	1 179	1 061	-118	26
Dividends received	24	6	7	7	8	1	-16
Fines	1 212	971	1 007	1 175	1 524	349	312
Licences and permits	108	64	82	82	81	-1	-27
Income for agency services	140	219	200	274	160	-114	20
Rental of facilities and equipment	308	263	272	534	249	-285	-59
Bad debts recovered	16	6	7	6	6	0	-10
Public contributions and donations (including property, plant and equipment)	16	3	20	5	4	-1	-12
Gains on the disposal of property, plant and equipment	125	21	57	50	29	-21	-96
<b>Grants and subsidies from:</b>							
National government	7 831	22 176	18 344	19 425	10 056	-9 369	2 225
Provincial government	222	128	232	196	198	2	-24
Local government	2	1	3	2	1	-1	-1
Other	4	8	7	12	6	-6	2
Spent conditional grants	4 602	1 542	3 006	3 558	4 404	846	-198
Other income	2 607	2 695	2 991	2 616	2 433	-183	-174
Deficit	12 203	10 773	12 097	13 330	13 848	518	1 645
<b>Total income</b>	<b>49 217</b>	<b>63 814</b>	<b>56 960</b>	<b>62 020</b>	<b>53 671</b>	<b>-8 349</b>	<b>4 454</b>

\* Some figures have been revised.



**Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Expenditure – South Africa**

Expenditure	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
Employee-related costs	9 594	9 321	10 268	10 266	10 358	92	764
Interest paid	718	512	727	625	914	289	196
Loss on disposal of property plant and equipment	9	1	0	72	128	56	119
Bad debts	2 341	2 514	2 580	2 487	3 528	1 041	1 187
Contracted services	5 773	3 410	4 673	4 819	6 293	1 474	520
Collection costs	3	1	1	3	3	0	0
Depreciation and amortisation	4 941	3 377	4 107	3 906	4 391	485	-550
Impairment loss (PPE)	14	0	0	0	3	3	-11
Repairs and maintenance	1 612	823	1 178	996	1 197	201	-415
<b>Bulk purchases:</b>							
Purchases of water	5 587	5 473	6 402	5 395	5 421	26	-166
Purchases of electricity	20 478	26 210	19 601	17 889	21 693	3 804	1 215
Other bulk purchases	23	41	51	5	97	92	74
<b>Grants and subsidies paid to:</b>							
Other local government institutions	26	0	0	0	0	0	-26
Tertiary institutions of higher learning	0	0	0	0	0	0	0
Households or individuals	148	91	154	122	170	48	22
Non-profit institutions serving households	0	0	0	0	0	0	0
Other	458	93	249	299	425	126	-33
<b>General expenditure:</b>							
Accommodation travelling and subsistence	59	29	39	36	41	5	-18
Advertising promotions and marketing	19	20	27	16	18	2	-1
Audit fees	9	11	38	17	16	-1	7
Bank charges	9	4	4	6	4	-2	-5
Cleaning services	82	37	72	68	61	-7	-21
Consultancy and professional fees	278	82	304	175	193	18	-85
Entertainment costs	2	0	0	1	0	-1	-2
Fuel and oil	240	141	180	176	147	-29	-93
Hiring of plant and equipment	925	343	447	528	501	-27	-424
Insurance costs	39	79	71	62	57	-5	18
Pharmaceutical	1	0	0	5	2	-3	1
Postal and courier services	2	1	2	3	3	0	1
Printing and stationery	37	32	29	21	37	16	0
Rebates for service charges	183	245	243	233	232	-1	49
Rental of land buildings and other structures	51	32	22	928	262	-666	211
Rental of office equipment	70	56	60	67	165	98	95
Security services	173	244	337	178	230	52	57
Subscriptions and membership fees	13	6	3	8	18	10	5
Telecommunication services	59	37	46	41	45	4	-14
Training and education	26	15	21	18	23	5	-3
Transport costs	103	17	33	12	9	-3	-94
Other expenditure	6 126	4 068	5 685	6 473	5 956	-517	-170
Surplus	8 664	13 256	8 383	14 710	12 611	-2 099	3 947
<b>Total expenditure</b>	<b>68 895</b>	<b>70 622</b>	<b>66 037</b>	<b>70 666</b>	<b>75 252</b>	<b>4 586</b>	<b>6 357</b>

\* Some figures have been revised.

**Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended June 2019, September 2019, December 2019, March 2020 and June 2020: Income – South Africa**

Income	June 2019*	September 2019*	December 2019*	March 2020*	June 2020	Quarter-on-quarter difference between Mar. 2020 and Jun. 2020	Year-on-year difference between Jun. 2019 and Jun. 2020
	R million						
<b>Interest earned from:</b>							
External investments	65	14	22	21	22	1	-43
Outstanding debtors	1 059	852	828	1 214	915	-299	-144
Dividends received	0	0	20	35	15	-20	15
Fines	110	35	49	48	168	120	58
Licences and permits	191	166	147	118	109	-9	-82
Income for agency services	211	333	321	740	419	-321	208
Rental of facilities and equipment	565	271	292	384	307	-77	-258
Bad debts recovered	0	0	0	0	1	1	1
Public contributions and donations (including property plant and equipment)	226	69	81	97	84	-13	-142
Gains on the disposal of property plant and equipment	150	5	2	1	77	76	-73
<b>Service charges:</b>							
Sales of water	8 577	10 289	10 656	12 030	8 382	-3 648	-195
Sales of electricity	26 497	30 519	28 057	28 934	27 319	-1 615	822
Refuse removal charges	2 963	3 192	3 011	3 192	3 089	-103	126
Sewerage and sanitation charges	3 617	4 247	4 235	4 682	4 072	-610	455
Other service charges (e.g. fresh produce market)	96	1	1	1	1	0	-95
<b>Grants and subsidies from:</b>							
National government	7 375	5 787	5 088	7 131	3 127	-4 004	-4 248
Provincial government	287	185	289	299	292	-7	5
Local government	0	0	0	0	0	0	0
Other	183	22	71	80	20	-60	-163
Spent conditional grants	4 113	1 444	3 332	4 038	9 981	5 943	5 868
Other income	4 875	1 459	1 585	1 416	7 228	5 812	2 353
Deficit	7 735	11 732	7 950	6 205	9 624	3 419	1 889
<b>Total income</b>	<b>68 895</b>	<b>70 622</b>	<b>66 037</b>	<b>70 666</b>	<b>75 252</b>	<b>4 586</b>	<b>6 357</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		3 297	
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	2 003	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	2 382	-1,1	4 169	5,0	4 057	-2,1
Jun 2011	2 312	6,3	2 252	-5,5	3 848	5,5	4 082	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	2 623	3,3	4 769	10,5	4 573	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	2 816	1,8	4 876	26,7	5 158	7,1
Sep 2012	2 646	12,8	2 847	1,1	5 239	20,7	5 275	2,3
Dec 2012	3 172	16,5	3 067	7,7	5 597	17,4	5 374	1,9
Mar 2013	3 211	14,1	3 146	2,6	5 658	15,0	5 572	3,7
Jun 2013	3 221	12,4	3 179	1,0	5 279	8,3	5 554	-0,3
Sep 2013	3 134	18,4	3 356	5,6	5 542	5,8	5 560	0,1
Dec 2013	3 396	7,1	3 291	-1,9	5 935	6,0	5 721	2,9
Mar 2014	3 617	12,6	3 548	7,8	6 000	6,0	5 941	3,8
Jun 2014	3 676	14,1	3 624	2,1	6 186	17,2	6 458	8,7
Sep 2014	3 474	10,8	3 711	2,4	6 037	8,9	6 054	-6,3
Dec 2014	3 861	13,7	3 742	0,8	7 092	19,5	6 850	13,1
Mar 2015	3 982	10,1	3 927	4,9	6 697	11,6	6 662	-2,7
Jun 2015	4 071	10,7	3 995	1,7	6 607	6,8	6 860	3,0
Sep 2015	3 868	11,3	4 134	3,5	7 057	16,9	7 067	3,0
Dec 2015	4 593	19,0	4 443	7,5	7 670	8,2	7 417	5,0
Mar 2016	4 497	12,9	4 458	0,3	7 723	15,3	7 723	4,1
Jun 2016	4 310	5,9	4 215	-5,5	7 316	10,7	7 555	-2,2
Sep 2016	4 457	15,2	4 776	13,3	7 601	7,7	7 606	0,7
Dec 2016	4 371	-4,8	4 204	-12,0	7 571	-1,3	7 335	-3,6
Mar 2017	4 249	-5,5	4 237	0,8	7 363	-4,7	7 375	0,5
Jun 2017	4 859	12,7	4 744	12,0	8 058	10,1	8 300	12,5
Sep 2017	4 580	2,8	4 924	3,8	8 104	6,6	8 111	-2,3
Dec 2017	5 168	18,2	4 935	0,2	8 657	14,3	8 394	3,5
Mar 2018	5 073	19,4	5 082	3,0	8 727	18,5	8 745	4,2
Jun 2018	5 560	14,4	5 433	6,9	8 690	7,8	8 928	2,1
Sep 2018	5 202	13,6	5 605	3,2	9 899	22,1	9 935	11,3
Dec 2018	6 391	23,7	6 062	8,2	10 601	22,5	10 284	3,5
Mar 2019	6 496	28,1	6 530	7,7	9 618	10,2	9 606	-6,6
Jun 2019	6 183	11,2	6 053	-7,3	8 762	0,8	9 013	-6,2
Sep 2019	5 473	5,2	5 903	-2,5	10 289	3,9	10 350	14,8
Dec 2019	6 402	0,2	6 050	2,5	10 656	0,5	10 326	-0,2
Mar 2020	5 395	-16,9	5 423	-10,4	12 030	25,1	11 992	16,1
Jun 2020	5 421	-12,3	5 319	-1,9	8 382	-4,3	8 632	-28,0

**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		3 972		7 546		6 510	
Dec 2007	3 857		4 339	9,2	6 837		6 986	7,3
Mar 2008	3 667		4 503	3,8	6 639		7 269	4,1
Jun 2008	4 317		4 500	-0,1	7 440		7 906	8,8
Sep 2008	6 491	23,5	4 760	5,8	9 093	20,5	8 033	1,6
Dec 2008	5 685	47,4	6 354	33,5	8 874	29,8	8 904	10,8
Mar 2009	4 870	32,8	6 071	-4,5	8 476	27,7	9 345	5,0
Jun 2009	6 085	41,0	6 322	4,1	9 199	23,6	9 754	4,4
Sep 2009	9 318	43,6	6 845	8,3	12 661	39,2	10 893	11,7
Dec 2009	6 424	13,0	7 046	2,9	11 442	28,9	11 584	6,3
Mar 2010	6 058	24,4	7 719	9,6	11 262	32,9	12 338	6,5
Jun 2010	8 336	37,0	8 598	11,4	11 994	30,4	12 669	2,7
Sep 2010	12 361	32,7	8 962	4,2	15 662	23,7	13 579	7,2
Dec 2010	8 070	25,6	9 403	4,9	13 999	22,3	14 034	3,4
Mar 2011	8 605	42,0	10 246	9,0	13 942	23,8	15 481	10,3
Jun 2011	10 277	23,3	10 532	2,8	15 608	30,1	16 384	5,8
Sep 2011	15 271	23,5	11 963	13,6	19 719	25,9	16 921	3,3
Dec 2011	10 934	35,5	12 575	5,1	17 514	25,1	17 642	4,3
Mar 2012	10 390	20,7	12 683	0,9	16 269	16,7	17 866	1,3
Jun 2012	12 965	26,2	13 137	3,6	17 695	13,4	18 438	3,2
Sep 2012	17 492	14,5	13 719	4,4	21 692	10,0	18 802	2,0
Dec 2012	13 058	19,4	14 479	5,5	18 626	6,3	19 288	2,6
Mar 2013	11 432	10,0	13 878	-4,2	17 763	9,2	19 250	-0,2
Jun 2013	13 297	2,6	13 320	-4,0	19 218	8,6	19 885	3,3
Sep 2013	17 309	-1,0	13 605	2,1	22 445	3,5	19 839	-0,2
Dec 2013	13 049	-0,1	14 248	4,7	19 583	5,1	20 537	3,5
Mar 2014	12 334	7,9	15 016	5,4	18 925	6,5	20 296	-1,2
Jun 2014	15 821	19,0	15 625	4,1	20 222	5,2	20 818	2,6
Sep 2014	19 038	10,0	15 092	-3,4	23 726	5,7	21 185	1,8
Dec 2014	13 688	4,9	14 903	-1,3	20 779	6,1	21 329	0,7
Mar 2015	13 035	5,7	15 682	5,2	19 979	5,6	21 885	2,6
Jun 2015	16 271	2,8	15 975	1,9	21 618	6,9	22 202	1,4
Sep 2015	20 521	7,8	16 540	3,5	26 281	10,8	22 920	3,2
Dec 2015	16 207	18,4	17 155	3,7	22 272	7,2	23 093	0,8
Mar 2016	14 812	13,6	17 441	1,7	22 829	14,3	24 703	7,0
Jun 2016	18 686	14,8	18 334	5,1	23 062	6,7	23 651	-4,3
Sep 2016	22 260	8,5	18 934	3,3	29 807	13,4	25 994	9,9
Dec 2016	17 446	7,6	19 480	2,9	23 877	7,2	24 489	-5,8
Mar 2017	16 943	14,4	19 290	-1,0	22 816	-0,1	24 776	1,2
Jun 2017	18 919	1,2	18 669	-3,2	24 553	6,5	25 243	1,9
Sep 2017	21 577	-3,1	18 309	-1,9	28 276	-5,1	24 800	-1,8
Dec 2017	16 980	-2,7	18 664	1,9	23 971	0,4	24 699	-0,4
Mar 2018	16 582	-2,1	19 067	2,2	23 072	1,1	24 697	0,0
Jun 2018	19 064	0,8	18 896	-0,9	24 655	0,4	25 474	3,1
Sep 2018	22 759	5,5	18 998	0,5	29 065	2,8	25 773	1,2
Dec 2018	17 891	5,4	19 368	1,9	25 517	6,4	26 657	3,4
Mar 2019	17 995	8,5	21 078	8,8	24 860	7,7	25 963	-2,6
Jun 2019	21 114	10,8	20 971	-0,5	26 419	7,2	27 491	5,9
Sep 2019	26 210	15,2	21 391	2,0	30 519	5,0	27 581	0,3
Dec 2019	19 601	9,6	21 046	-1,6	28 057	10,0	29 450	6,8
Mar 2020	17 889	-0,6	20 973	-0,3	28 934	16,4	30 429	3,3
Jun 2020	21 693	2,7	21 520	2,6	27 319	3,4	28 594	-6,0

## Notes

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	September 2020	December 2020/January 2021
<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>	March 2019 quarter: 86% (of 257) September 2019 quarter: 85% (of 257) December 2019 quarter: 88% (of 257) March 2020 quarter: 74% (of 257) June 2020 quarter: 74% (of 257)	
<b>Imputation</b>	Imputation was performed for 66 municipalities (26%) that did not respond or whose responses were not usable.	
<b>Cautionary note</b>	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

<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 June 2019, September 2019, December 2019, March 2020 and June 2020. 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                    <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>	<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

<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 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 subsidies; and</li><li>• uniform and clothing allowances (clothing, boots, overalls etc. supplied to uniformed employees).</li><li>• 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>	<p>The following are included in other expenditure:</p> <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, etc.), electricity (electricity distribution, electricity generation, street lighting, etc.) etc.

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