

## STATISTICAL RELEASE

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# Quarterly financial statistics of municipalities

March 2019

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## Key findings

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

Item	Quarter ended:					
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
	Year-on-year % change, unadjusted (actual)					
Purchases of water	18,3	19,5	14,5	2,1	11,7	17,0
Sales of water	15,6	19,8	9,0	18,9	18,1	7,1
Purchases of electricity	-2,8	-2,2	0,7	2,2	3,7	5,0
Sales of electricity	0,2	1,0	0,3	3,2	7,1	10,7

\* 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 March 2018 quarter to the March 2019 quarter, purchases of water increased by 17,0% and sales of water increased by 7,1%, while purchases of electricity increased by 5,0% and sales of electricity increased by 10,7%.

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

Item	Quarter ended:					
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	0,6	1,1	4,5	-3,5	9,4	6,0
Sales of water	4,0	5,5	2,1	5,9	3,5	-4,1
Purchases of electricity	1,5	0,2	-0,3	0,0	1,8	5,1
Sales of electricity	0,4	1,0	0,6	2,5	4,6	0,8

\* Some figures have been revised.

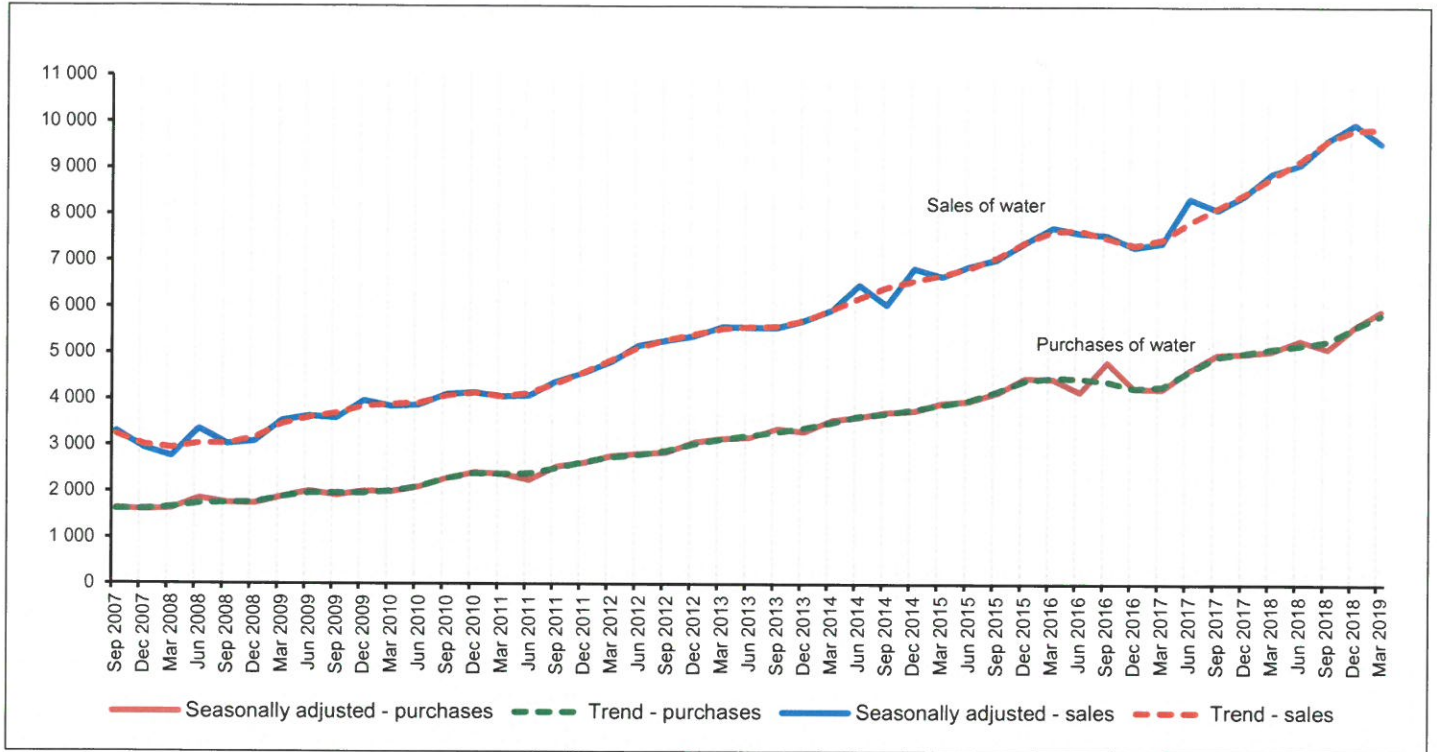
Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the December 2018 quarter to the March 2019 quarter, purchases of water increased by 6,0% and sales of water decreased by 4,1%, while purchases of electricity increased by 5,1% and sales of electricity increased by 0,8%.

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

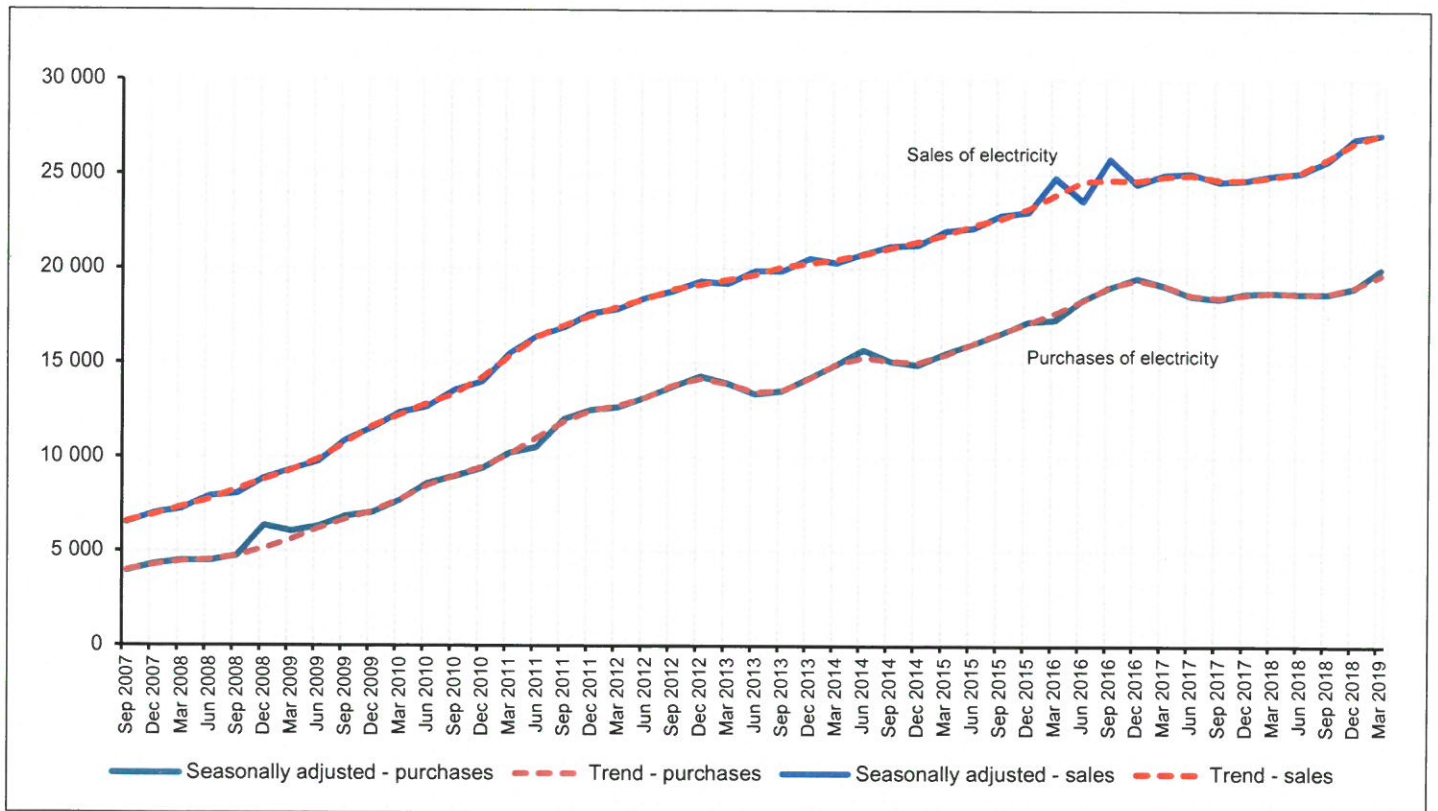
Annexures A and B provide more detail and longer time series for water and electricity purchases and sales.

See page 17 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 and March 2019: Expenditure – South Africa**

Expenditure	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
Employee-related costs	24 084	26 743	25 900	-843
Remuneration of board of directors/councillors	953	990	1 122	132
Interest paid	1 362	2 091	2 444	353
Loss on disposal of property, plant and equipment	58	1	19	18
Bad debts	3 642	3 205	3 179	-26
Contracted services	5 264	8 197	8 939	742
Collection costs	86	105	136	31
Depreciation and amortisation	4 217	5 248	4 880	-368
Impairment loss (PPE)	60	0	0	0
Repairs and maintenance	829	1 302	1 208	-94
<b>Bulk purchases:</b>				
Purchases of water	4 678	5 774	5 938	164
Purchases of electricity	22 024	17 594	17 397	-197
Other bulk purchases	12	35	36	1
<b>Grants and subsidies paid to:</b>				
Other local government institutions	25	31	25	-6
Tertiary institutions of higher learning	1	2	2	0
Households or individuals	134	155	160	5
Non-profit institutions serving households	18	24	43	19
Other	434	579	808	229
<b>General expenditure:</b>				
Accommodation, travelling and subsistence	213	315	272	-43
Advertising, promotions and marketing	98	191	185	-6
Audit fees	129	437	272	-165
Bank charges	129	159	124	-35
Cleaning services	39	67	82	15
Consultancy and professional fees	329	468	827	359
Entertainment costs	18	17	14	-3
Fuel and oil	304	553	433	-120
Hiring of plant and equipment	116	244	267	23
Insurance costs	362	323	230	-93
Pharmaceutical	29	44	64	20
Postal and courier services	51	71	88	17
Printing and stationery	79	124	132	8
Rebates for property rates	833	1 036	1 242	206
Rebates for service charges	139	145	140	-5
Rental of land, buildings and other structures	149	195	182	-13
Rental of office equipment	111	167	176	9
Security services	352	439	523	84
Subscriptions and membership fees	180	140	97	-43
Telecommunication services	176	206	284	78
Training and education	101	125	156	31
Transport costs	109	170	130	-40
Other expenditure	9 416	7 763	7 431	-332
Surplus	44 984	30 227	27 776	-2 451
<b>Total expenditure</b>	<b>126 327</b>	<b>115 702</b>	<b>113 363</b>	<b>-2 339</b>

\* Some figures have been revised.

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

Income	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
<b>Property rates from:</b>				
Residential	11 811	11 708	10 213	-1 495
Commercial or business	4 437	3 507	3 717	210
State	1 727	978	1 045	67
Other (includes agricultural, municipal, etc.)	1 854	1 507	1 537	30
Property rates - penalties imposed and collection charges	52	41	72	31
<b>Service charges</b>				
Sales of water	9 737	10 330	9 450	-880
Sales of electricity	29 144	25 624	25 513	-111
Refuse removal charges	3 120	2 866	2 898	32
Sewerage and sanitation charges	3 992	4 023	3 800	-223
Other service charges (e.g. fresh produce market etc.)	94	109	107	-2
<b>Interest earned from:</b>				
External investments	1 040	1 097	1 127	30
Outstanding debtors	1 738	1 938	2 277	339
Dividends received	0	2	0	-2
Fines	546	1 043	1 168	125
Licences and permits	319	313	322	9
Income for agency services	289	334	588	254
Rental of facilities and equipment	476	524	590	66
Bad debts recovered	17	12	11	-1
Public contributions and donations (including property, plant and equipment)	74	98	102	4
Gains on the disposal of property, plant and equipment	18	20	111	91
<b>Grants and subsidies from:</b>				
National government	26 096	23 231	20 817	-2 414
Provincial government	351	518	598	80
Local government	2	10	6	-4
Other	55	54	119	65
Spent conditional grants	3 797	4 192	4 939	747
Other income	5 987	4 117	5 648	1 531
Deficit	19 554	17 506	16 588	-918
<b>Total income</b>	<b>126 327</b>	<b>115 702</b>	<b>113 363</b>	<b>-2 339</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 and March 2019: Expenditure – South Africa**

Expenditure	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
Employee-related costs	15 270	17 215	16 788	-427
Remuneration of board of directors/councillors	953	990	1 122	132
Interest paid	1 092	1 425	1 776	351
Loss on disposal of property, plant and equipment	58	1	15	14
Bad debts	1 310	1 240	1 330	90
Contracted services	1 995	3 414	3 625	211
Collection costs	84	100	133	33
Depreciation and amortisation	1 262	1 465	1 465	0
Impairment loss (PPE)	60	0	0	0
Repairs and maintenance	128	293	240	-53
<b>Grants and subsidies paid to:</b>				
Other local government institutions	8	12	10	-2
Tertiary institutions of higher learning	1	2	2	0
Households or individuals	45	45	48	3
Non-profit institutions serving households	18	24	43	19
Other	256	243	503	260
<b>General expenditure:</b>				
Accommodation, travelling and subsistence	185	250	219	-31
Advertising, promotions and marketing	76	156	138	-18
Audit fees	120	398	254	-144
Bank charges	118	150	113	-37
Cleaning services	27	35	29	-6
Consultancy and professional fees	260	380	558	178
Entertainment costs	16	16	13	-3
Fuel and oil	161	333	246	-87
Hiring of plant and equipment	69	141	137	-4
Insurance costs	301	267	168	-99
Pharmaceutical	29	44	64	20
Postal and courier services	50	70	86	16
Printing and stationery	64	101	109	8
Rebates for property rates	833	1 036	1 242	206
Rental of land, buildings and other structures	127	164	141	-23
Rental of office equipment	61	120	119	-1
Security services	228	286	309	23
Subscriptions and membership fees	176	132	93	-39
Telecommunication services	145	171	241	70
Training and education	90	109	124	15
Transport costs	78	113	102	-11
Other expenditure	3 757	3 285	3 024	-261
Surplus	31 125	20 887	18 578	-2 309
<b>Total expenditure</b>	<b>60 636</b>	<b>55 113</b>	<b>53 207</b>	<b>-1 906</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 and March 2019: Income – South Africa**

Income	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
<b>Taxes on property</b>				
<b>Property rates from:</b>				
Residential	11 811	11 708	10 213	-1 495
Commercial or business	4 437	3 507	3 717	210
State	1 727	978	1 045	67
Other (includes agricultural, municipal, etc.)	1 854	1 507	1 537	30
Property rates - penalties imposed and collection charges	52	41	72	31
<b>Interest earned from:</b>				
External investments	1 017	1 079	1 060	-19
Outstanding debtors	866	1 038	972	-66
Dividends received	0	2	0	-2
Fines	511	999	1 115	116
Licences and permits	133	161	146	-15
Income for agency services	91	106	337	231
Rental of facilities and equipment	258	303	299	-4
Bad debts recovered	17	12	11	-1
Public contributions and donations (including property, plant and equipment)	19	11	34	23
Gains on the disposal of property, plant and equipment	15	18	109	91
<b>Grants and subsidies from:</b>				
National government	20 577	17 887	16 059	-1 828
Provincial government	164	268	214	-54
Local government	1	3	4	1
Other	2	2	2	0
Spent conditional grants	2 547	2 228	2 607	379
Other income	4 423	2 579	3 135	556
Deficit	10 114	10 676	10 519	-157
<b>Total income</b>	<b>60 636</b>	<b>55 113</b>	<b>53 207</b>	<b>-1 906</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 and March 2019: Expenditure – South Africa**

Expenditure	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
Employee-related costs	8 814	9 528	9 112	-416
Interest paid	270	666	668	2
Loss on disposal of property, plant and equipment	0	0	4	4
Bad debts	2 332	1 965	1 849	-116
Contracted services	3 269	4 783	5 314	531
Collection costs	2	5	3	-2
Depreciation and amortisation	2 955	3 783	3 415	-368
Impairment loss (PPE)	0	0	0	0
Repairs and maintenance	701	1 009	968	-41
<b>Bulk purchases:</b>				
Purchases of water	4 678	5 774	5 938	164
Purchases of electricity	22 024	17 594	17 397	-197
Other bulk purchases	12	35	36	1
<b>Grants and subsidies paid to:</b>				
Other local government institutions	17	19	15	-4
Tertiary institutions of higher learning	0	0	0	0
Households or individuals	89	110	112	2
Non-profit institutions serving households	0	0	0	0
Other	178	336	305	-31
<b>General expenditure:</b>				
Accommodation, travelling and subsistence	28	65	53	-12
Advertising, promotions and marketing	22	35	47	12
Audit fees	9	39	18	-21
Bank charges	11	9	11	2
Cleaning services	12	32	53	21
Consultancy and professional fees	69	88	269	181
Entertainment costs	2	1	1	0
Fuel and oil	143	220	187	-33
Hiring of plant and equipment	47	103	130	27
Insurance costs	61	56	62	6
Pharmaceutical	0	0	0	0
Postal and courier services	1	1	2	1
Printing and stationery	15	23	23	0
Rebates for service charges	139	145	140	-5
Rental of land, buildings and other structures	22	31	41	10
Rental of office equipment	50	47	57	10
Security services	124	153	214	61
Subscriptions and membership fees	4	8	4	-4
Telecommunication services	31	35	43	8
Training and education	11	16	32	16
Transport costs	31	57	28	-29
Other expenditure	5 659	4 478	4 407	-71
Surplus	13 859	9 340	9 198	-142
<b>Total expenditure</b>	<b>65 691</b>	<b>60 589</b>	<b>60 156</b>	<b>-433</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 and March 2019: Income – South Africa**

Income	September 2018	December 2018*	March 2019	Difference between quarters ended Dec. 2018 and Mar. 2019
	R million			
<b>Interest earned from:</b>				
External investments	23	18	67	49
Outstanding debtors	872	900	1 305	405
Dividends received	0	0	0	0
Fines	35	44	53	9
Licences and permits	186	152	176	24
Income for agency services	198	228	251	23
Rental of facilities and equipment	218	221	291	70
Bad debts recovered	0	0	0	0
Public contributions and donations (including property, plant and equipment)	55	87	68	-19
Gains on the disposal of property, plant and equipment	3	2	2	0
<b>Service charges:</b>				
Sales of water	9 737	10 330	9 450	-880
Sales of electricity	29 144	25 624	25 513	-111
Refuse removal charges	3 120	2 866	2 898	32
Sewerage and sanitation charges	3 992	4 023	3 800	-223
Other service charges (e.g. fresh produce market etc.)	94	109	107	-2
<b>Grants and subsidies from:</b>				
National government	5 519	5 344	4 758	-586
Provincial government	187	250	384	134
Local government	1	7	2	-5
Other	53	52	117	65
Spent conditional grants	1 250	1 964	2 332	368
Other income	1 564	1 538	2 513	975
Deficit	9 440	6 830	6 069	-761
<b>Total income</b>	<b>65 691</b>	<b>60 589</b>	<b>60 156</b>	<b>-433</b>

\* Some figures have been revised.

**Table 7 - Rebased tables for the financial year ended 30 June 2018: Statement of financial performance of municipalities for rates and general services: Expenditure**

Expenditure	September 2017	December 2017	March 2018	June 2018	Total 2018 <sup>1</sup>
	R million				
Employee-related costs	14 982	16 473	15 194	16 111	62 760
Remuneration of board of directors/councillors	878	904	1 057	1 167	4 006
Interest paid	1 633	3 128	1 895	1 260	7 916
Loss on the disposal of property, plant and equipment	3	-8	37	711	743
Bad debts	3 462	3 270	2 460	4 369	13 561
Contracted services	1 911	3 239	3 429	4 040	12 619
Collection costs	86	157	224	304	771
Depreciation and amortisation	2 187	3 762	3 170	5 873	14 992
Impairment loss (PPE)	101	284	96	149	630
Repairs and maintenance	302	1 229	118	721	2 370
<b>Grants and subsidies paid to:</b>					
Other local government institutions	10	25	136	137	308
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	347	219	322	321	1 209
Non-profit institutions serving households	2	0	0	1	3
Other	668	602	564	407	2 241
<b>General expenditure:</b>					
Accommodation, travelling and subsistence	168	234	189	243	834
Advertising, promotions and marketing	102	183	224	239	748
Audit fees	139	428	224	156	947
Bank charges	95	94	145	139	473
Cleaning services	22	35	29	39	125
Consultancy and professional fees	340	420	458	525	1 743
Entertainment costs	11	17	16	44	88
Fuel and oil	163	232	329	314	1 038
Hiring of plant and equipment	108	181	187	171	647
Insurance costs	286	250	95	196	827
Pharmaceutical	39	45	50	39	173
Postal and courier services	60	72	60	79	271
Printing and stationery	77	153	104	168	502
Rebates for property rates	1 024	936	492	455	2 907
Rental of land, buildings and other structures	202	277	217	237	933
Rental of office equipment	29	53	89	94	265
Security services	157	296	243	289	985
Subscriptions and membership fees	145	104	46	137	432
Telecommunication services	264	324	279	332	1 199
Training and education	84	114	99	214	511
Transport costs	23	52	35	65	175
Other expenditure	2 951	4 063	3 240	4 571	14 825
Surplus	25 603	13 879	12 099	5 691	57 272
<b>Total expenditure</b>	<b>58 664</b>	<b>55 726</b>	<b>47 651</b>	<b>50 008</b>	<b>212 049</b>

<sup>1</sup> The total of September 2017, December 2017, March 2018 and June 2018 quarters (refer to Publication P9114).

**Table 8 - Rebased tables for the financial year ended 30 June 2018: Statement of financial performance of municipalities for rates and general services: Income**

Income	September 2017	December 2017	March 2018	June 2018	Total 2018 <sup>1</sup>
	R million				
<b>Taxes on property</b>					
<b>Property rates from:</b>					
Residential	8 229	7 586	7 286	7 246	30 347
Commercial or business	4 783	4 207	5 287	4 665	18 942
State	947	499	651	609	2 706
Other (includes agricultural, municipal etc.)	3 464	2 212	1 613	1 955	9 244
Property rates - penalties imposed and collection charges	101	132	46	62	341
<b>Interest earned from:</b>					
External investments	1 270	1 425	1 336	836	4 867
Outstanding debtors	1 000	862	693	1 083	3 638
Dividends received	1	0	0	0	1
Fines	973	1 358	1 198	1 541	5 070
Licences and permits	99	119	203	32	453
Income for agency services	153	186	143	245	727
Rental of facilities and equipment	306	346	352	351	1 355
Bad debts recovered	57	125	-29	26	179
Public contribution, donations (including property, plant and equipment)	159	658	681	295	1 793
Gains on the disposal of property, plant and equipment	28	43	80	93	244
<b>Grants and subsidies from:</b>					
National government	16 581	13 801	10 741	6 503	47 626
Provincial government	0	0	0	0	0
Local government	0	0	0	0	0
Other	0	0	0	0	0
Spent conditional grant	5 442	6 774	5 762	9 406	27 384
Other income	5 171	3 832	2 030	1 840	12 873
Deficit	9 900	11 561	9 578	13 220	44 259
<b>Total income</b>	<b>58 664</b>	<b>55 726</b>	<b>47 651</b>	<b>50 008</b>	<b>212 049</b>

<sup>1</sup> The total of September 2017, December 2017, March 2018 and June 2018 quarters (refer to Publication P9114).

**Table 9 - Rebased tables for the financial year ended 30 June 2018: Statement of financial performance of municipalities for housing and trading services: Expenditure**

Expenditure	September 2017	December 2017	March 2018	June 2018	Total 2018 <sup>1</sup>
	R million				
Employee-related costs	8 103	8 861	8 496	8 713	34 173
Interest paid	423	849	597	639	2 508
Loss on the disposal of property, plant and equipment	14	-13	3	205	209
Bad debts	2 696	2 227	1 791	3 424	10 138
Contracted services	2 391	3 911	3 631	5 091	15 024
Collection costs	7	10	7	7	31
Depreciation and amortisation	2 976	4 532	3 368	4 927	15 803
Impairment loss (PPE)	85	43	117	393	638
Repairs and maintenance	812	1 006	1 668	1 419	4 905
<b>Bulk purchases:</b>					
Purchases of water	4 582	5 171	5 076	5 563	20 392
Purchases of electricity	21 556	16 964	16 566	19 046	74 132
Other bulk purchases	4	3	12	16	35
<b>Grant and subsidies paid to:</b>					
Other local government institutions	7	88	37	21	153
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	136	212	263	208	819
Non-profit institutions serving households	0	0	0	0	0
Other	314	520	378	188	1 400
<b>General expenditure</b>					
Accommodation, travelling and subsistence	15	27	51	17	110
Advertising, promotions and marketing	27	29	37	54	147
Audit fees	0	36	17	14	67
Bank charges	8	4	3	10	25
Cleaning services	36	38	35	56	165
Consultancy and professional fees	54	109	70	183	416
Entertainment costs	2	0	2	2	6
Fuel and oil	107	130	146	278	661
Hiring of plant and equipment	78	141	122	149	490
Insurance costs	63	52	45	34	194
Pharmaceutical	0	0	0	0	0
Postal and courier services	2	2	1	3	8
Printing and stationery	23	20	22	27	92
Rebates for service charges	88	41	376	166	671
Rental of land, buildings and other structures	213	266	206	259	944
Rental of office equipment	1	1	21	9	32
Security services	111	162	176	164	613
Subscriptions and membership fees	3	3	0	5	11
Telecommunication services	43	38	44	48	173
Training and education	13	16	16	25	70
Transport costs	56	80	-85	4	55
Other expenditure	2 615	2 902	1 907	2 731	10 155
Surplus	11 483	9 390	10 358	8 754	39 985
<b>Total Expenditure</b>	<b>59 147</b>	<b>57 871</b>	<b>55 580</b>	<b>62 852</b>	<b>235 450</b>

<sup>1</sup> The total of September 2017, December 2017, March 2018 and June 2018 quarters (refer to Publication P9114).

**Table 10 - Rebased tables for the financial year ended 30 June 2018: Statement of financial performance of municipalities for housing and trading services: Income**

Income	September 2017	December 2017	March 2018	June 2018	Total 2018 <sup>1</sup>
	R million				
<b>Interest earned from:</b>					
External investments	134	167	68	16	385
Outstanding debtors	479	616	619	544	2 258
Dividends received	0	0	0	0	0
Fines	64	186	108	44	402
Licences and permits	72	63	76	48	259
Income for agency services	308	338	452	72	1 170
Rental of facilities and equipment	237	312	310	366	1 225
Bad debts recovered	1	0	1	0	2
Public contributions, donations (including property, plant and equipment)	113	117	241	330	801
Gains on the disposal of property, plant and equipment	1	1	1	10	13
<b>Service charges:</b>					
Sales of water	8 191	8 750	8 821	8 783	34 545
Sales of electricity	28 235	23 936	23 039	24 620	99 830
Refuse removal charges	2 674	2 702	2 661	2 533	10 570
Sewerage and sanitation charges	3 609	3 390	3 433	3 412	13 844
Other services charges (e.g. fresh produce market)	57	416	286	323	1 082
<b>Grants and subsidies from:</b>					
National government	2 554	3 351	4 049	2 096	12 050
Provincial government	0	0	0	0	0
Local government	0	0	0	0	0
Other	0	0	0	0	0
Spent conditional grant	3 603	6 585	5 071	8 283	23 542
Other income	1 051	874	1 224	985	4 134
Deficit	7 764	6 067	5 120	10 387	29 338
<b>Total income</b>	<b>59 147</b>	<b>57 871</b>	<b>55 580</b>	<b>62 852</b>	<b>235 450</b>

<sup>1</sup> The total of September 2017, December 2017, March 2018 and June 2018 quarters (refer to Publication P9114).



## 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
Sep2007	1 489		1 630		3 246		3 297	
Dec2007	1 661		1 596	-2,1	3 031		2 933	-11,0
Mar2008	1 615		1 623	1,7	2 865		2 759	-5,9
Jun2008	1 938		1 846	13,7	3 153		3 345	21,2
Sep2008	1 601	7,5	1 750	-5,2	2 989	-7,9	3 032	-9,4
Dec2008	1 816	9,3	1 746	-0,2	3 195	5,4	3 088	1,8
Mar2009	1 877	16,2	1 881	7,7	3 663	27,9	3 534	14,4
Jun2009	2 098	8,3	2 007	6,7	3 419	8,4	3 628	2,7
Sep2009	1 756	9,7	1 918	-4,4	3 537	18,3	3 586	-1,2
Dec2009	2 084	14,8	2 003	4,4	4 110	28,6	3 962	10,5
Mar2010	2 001	6,6	1 994	-0,4	3 972	8,4	3 844	-3,0
Jun2010	2 174	3,6	2 096	5,1	3 646	6,6	3 872	0,7
Sep2010	2 100	19,6	2 287	9,1	4 056	14,7	4 109	6,1
Dec2010	2 505	20,2	2 409	5,3	4 315	5,0	4 143	0,8
Mar2011	2 406	20,2	2 381	-1,2	4 169	5,0	4 057	-2,1
Jun2011	2 312	6,3	2 251	-5,5	3 848	5,5	4 083	0,6
Sep2011	2 345	11,7	2 540	12,8	4 342	7,1	4 387	7,4
Dec2011	2 723	8,7	2 624	3,3	4 769	10,5	4 572	4,2
Mar2012	2 813	16,9	2 765	5,4	4 919	18,0	4 815	5,3
Jun2012	2 865	23,9	2 815	1,8	4 876	26,7	5 161	7,2
Sep2012	2 646	12,8	2 847	1,1	5 239	20,7	5 275	2,2
Dec2012	3 172	16,5	3 069	7,8	5 597	17,4	5 370	1,8
Mar2013	3 211	14,1	3 145	2,5	5 658	15,0	5 573	3,8
Jun2013	3 221	12,4	3 175	1,0	5 279	8,3	5 561	-0,2
Sep2013	3 134	18,4	3 358	5,8	5 542	5,8	5 559	0,0
Dec2013	3 396	7,1	3 296	-1,8	5 935	6,0	5 713	2,8
Mar2014	3 617	12,6	3 546	7,6	6 000	6,0	5 938	3,9
Jun2014	3 676	14,1	3 615	1,9	6 186	17,2	6 479	9,1
Sep2014	3 474	10,8	3 717	2,8	6 037	8,9	6 045	-6,7
Dec2014	3 861	13,7	3 754	1,0	7 092	19,5	6 839	13,1
Mar2015	3 982	10,1	3 923	4,5	6 697	11,6	6 660	-2,6
Jun2015	4 071	10,7	3 971	1,2	6 607	6,8	6 894	3,5
Sep2015	3 868	11,3	4 151	4,5	7 057	16,9	7 046	2,2
Dec2015	4 593	19,0	4 466	7,6	7 670	8,2	7 399	5,0
Mar2016	4 497	12,9	4 455	-0,2	7 723	15,3	7 729	4,5
Jun2016	4 310	5,9	4 164	-6,5	7 316	10,7	7 607	-1,6
Sep2016	4 457	15,2	4 810	15,5	7 601	7,7	7 564	-0,6
Dec2016	4 371	-4,8	4 245	-11,7	7 571	-1,3	7 307	-3,4
Mar2017	4 249	-5,5	4 230	-0,4	7 363	-4,7	7 405	1,3
Jun2017	4 859	12,7	4 652	10,0	8 058	10,1	8 365	13,0
Sep2017	4 582	2,8	4 983	7,1	8 191	7,8	8 123	-2,9
Dec2017	5 171	18,3	5 013	0,6	8 750	15,6	8 446	4,0
Mar2018	5 076	19,5	5 067	1,1	8 821	19,8	8 913	5,5
Jun2018	5 563	14,5	5 296	4,5	8 783	9,0	9 099	2,1
Sep2018	4 678	2,1	5 112	-3,5	9 737	18,9	9 636	5,9
Dec2018	5 774	11,7	5 594	9,4	10 330	18,1	9 977	3,5
Mar2019	5 938	17,0	5 932	6,0	9 450	7,1	9 567	-4,1

## 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
Sep2007	5 256		3 960		7 546		6 523	
Dec2007	3 857		4 316	9,0	6 837		7 012	7,5
Mar2008	3 667		4 507	4,4	6 639		7 251	3,4
Jun2008	4 317		4 502	-0,1	7 440		7 917	9,2
Sep2008	6 491	23,5	4 754	5,6	9 093	20,5	8 059	1,8
Dec2008	5 685	47,4	6 376	34,1	8 874	29,8	8 892	10,3
Mar2009	4 870	32,8	6 062	-4,9	8 476	27,7	9 335	5,0
Jun2009	6 085	41,0	6 323	4,3	9 199	23,6	9 767	4,6
Sep2009	9 318	43,6	6 859	8,5	12 661	39,2	10 886	11,5
Dec2009	6 424	13,0	7 060	2,9	11 442	28,9	11 552	6,1
Mar2010	6 058	24,4	7 708	9,2	11 262	32,9	12 349	6,9
Jun2010	8 336	37,0	8 599	11,6	11 994	30,4	12 684	2,7
Sep2010	12 361	32,7	8 991	4,6	15 662	23,7	13 549	6,8
Dec2010	8 070	25,6	9 403	4,6	13 999	22,3	13 994	3,3
Mar2011	8 605	42,0	10 227	8,8	13 942	23,8	15 508	10,8
Jun2011	10 277	23,3	10 534	3,0	15 608	30,1	16 398	5,7
Sep2011	15 271	23,5	12 020	14,1	19 719	25,9	16 878	2,9
Dec2011	10 934	35,5	12 516	4,1	17 514	25,1	17 616	4,4
Mar2012	10 390	20,7	12 668	1,2	16 269	16,7	17 870	1,4
Jun2012	12 965	26,2	13 160	3,9	17 695	13,4	18 450	3,2
Sep2012	17 492	14,5	13 751	4,5	21 692	10,0	18 817	2,0
Dec2012	13 058	19,4	14 315	4,1	18 626	6,3	19 338	2,8
Mar2013	11 432	10,0	13 930	-2,7	17 763	9,2	19 214	-0,6
Jun2013	13 297	2,6	13 368	-4,0	19 218	8,6	19 886	3,5
Sep2013	17 309	-1,0	13 544	1,3	22 445	3,5	19 898	0,1
Dec2013	13 049	-0,1	14 203	4,9	19 583	5,1	20 555	3,3
Mar2014	12 334	7,9	14 929	5,1	18 925	6,5	20 315	-1,2
Jun2014	15 821	19,0	15 715	5,3	20 222	5,2	20 804	2,4
Sep2014	19 038	10,0	15 108	-3,9	23 726	5,7	21 210	2,0
Dec2014	13 688	4,9	14 924	-1,2	20 779	6,1	21 270	0,3
Mar2015	13 035	5,7	15 539	4,1	19 979	5,6	22 017	3,5
Jun2015	16 271	2,8	16 054	3,3	21 618	6,9	22 163	0,7
Sep2015	20 521	7,8	16 596	3,4	26 281	10,8	22 846	3,1
Dec2015	16 207	18,4	17 219	3,8	22 272	7,2	23 033	0,8
Mar2016	14 812	13,6	17 312	0,5	22 829	14,3	24 827	7,8
Jun2016	18 686	14,8	18 369	6,1	23 062	6,7	23 595	-5,0
Sep2016	22 260	8,5	19 035	3,6	29 807	13,4	25 842	9,5
Dec2016	17 446	7,6	19 528	2,6	23 877	7,2	24 494	-5,2
Mar2017	16 943	14,4	19 130	-2,0	22 816	-0,1	25 006	2,1
Jun2017	18 919	1,2	18 590	-2,8	24 553	6,5	25 087	0,3
Sep2017	21 556	-3,2	18 450	-0,8	28 235	-5,3	24 641	-1,8
Dec2017	16 964	-2,8	18 732	1,5	23 936	0,2	24 739	0,4
Mar2018	16 566	-2,2	18 769	0,2	23 039	1,0	24 986	1,0
Jun2018	19 046	0,7	18 705	-0,3	24 620	0,3	25 125	0,6
Sep2018	22 024	2,2	18 707	0,0	29 144	3,2	25 755	2,5
Dec2018	17 594	3,7	19 039	1,8	25 624	7,1	26 929	4,6
Mar2019	17 397	5,0	20 014	5,1	25 513	10,7	27 136	0,8

## Notes

<b>Forthcoming issue</b>	<b>Issue</b>	<b>Expected release date</b>
	June 2019	September 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: 89% (of 257) March 2019 quarter: 84% (of 257)	
<b>Rebasing</b>	Data for the QFSM for the year ended 30 June 2018 are aligned to the annual financial census of municipalities for the respective year (which is verified by using the annual financial statements from municipalities). Refer to <i>Financial census of municipalities</i> (P9114).	
<b>Imputation</b>	Imputation was performed for 41 municipalities (16%) 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 <i>Quarterly financial statistics of municipalities</i> survey is to provide stakeholders with information for analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended September 2018, December 2018 and March 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. Actual (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, 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 was 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>	<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 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>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>• contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy, etc.; and</li> <li>• uniform and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees).</li> <li>• also refer to the Quarterly employment statistics (QES) (Statistical release P0277) which measure 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</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).



**Other expenditure**

The following are included in other expenditure:

- 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. These 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 and plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this sub-division and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.

**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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