

STATISTICAL RELEASE

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Quarterly financial statistics of municipalities

September 2017

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Key findings

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

Item	Quarter ended:					
	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
	Year-on-year % change, unadjusted					
Purchases of water	6,1	9,4	-9,6	-10,3	7,2	2,1
Sales of water	9,7	15,8	6,2	2,5	18,4	4,0
Purchases of electricity	15,6	0,1	-0,6	5,6	-7,6	1,0
Sales of electricity	5,3	12,2	6,9	-1,1	5,5	-3,7

* 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 September quarter of 2016 to the September quarter of 2017, purchases of water increased by 2,1% and sales of water increased by 4,0%, while purchases of electricity increased by 1,0% and sales of electricity decreased by 3,7%.

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

Item	Quarter ended:					
	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	-7,6	4,5	-4,3	-2,3	9,0	-0,2
Sales of water	-0,6	6,3	-2,6	-0,5	14,9	-6,3
Purchases of electricity	5,9	-3,1	1,4	-1,7	-4,1	2,8
Sales of electricity	-3,6	5,2	-2,9	2,7	0,9	-3,1

* Some figures have been revised

Table B shows quarterly growth rates in the purchases and sales of water and electricity, seasonally adjusted. From the June quarter of 2017 to the September 2017 quarter, purchases of water decreased by 0,2% and sales of water decreased by 6,3%, while purchases of electricity increased by 2,8% and sales of electricity decreased by 3,1%.

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

Quarterly financial statistics of municipalities September 2017

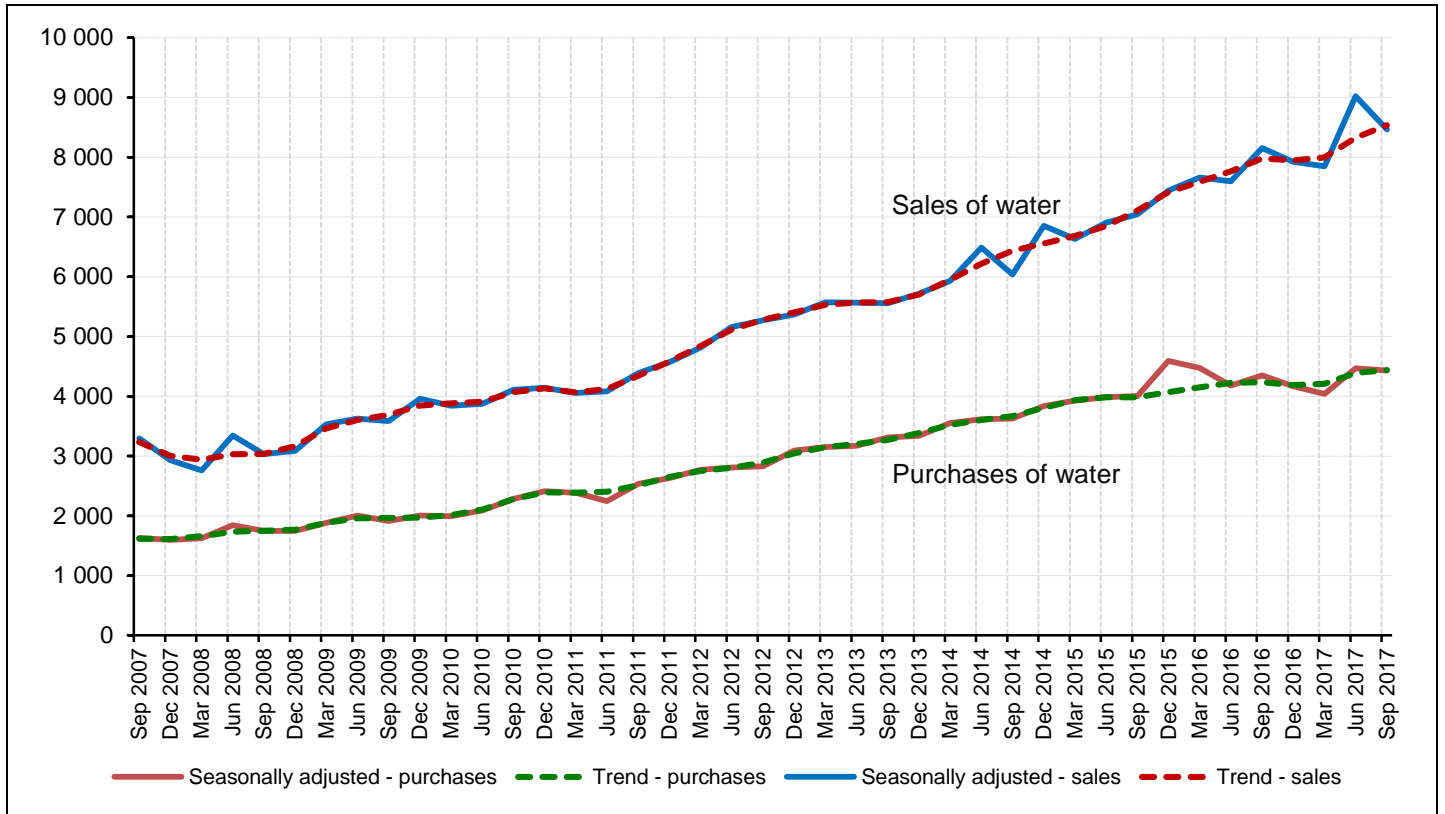
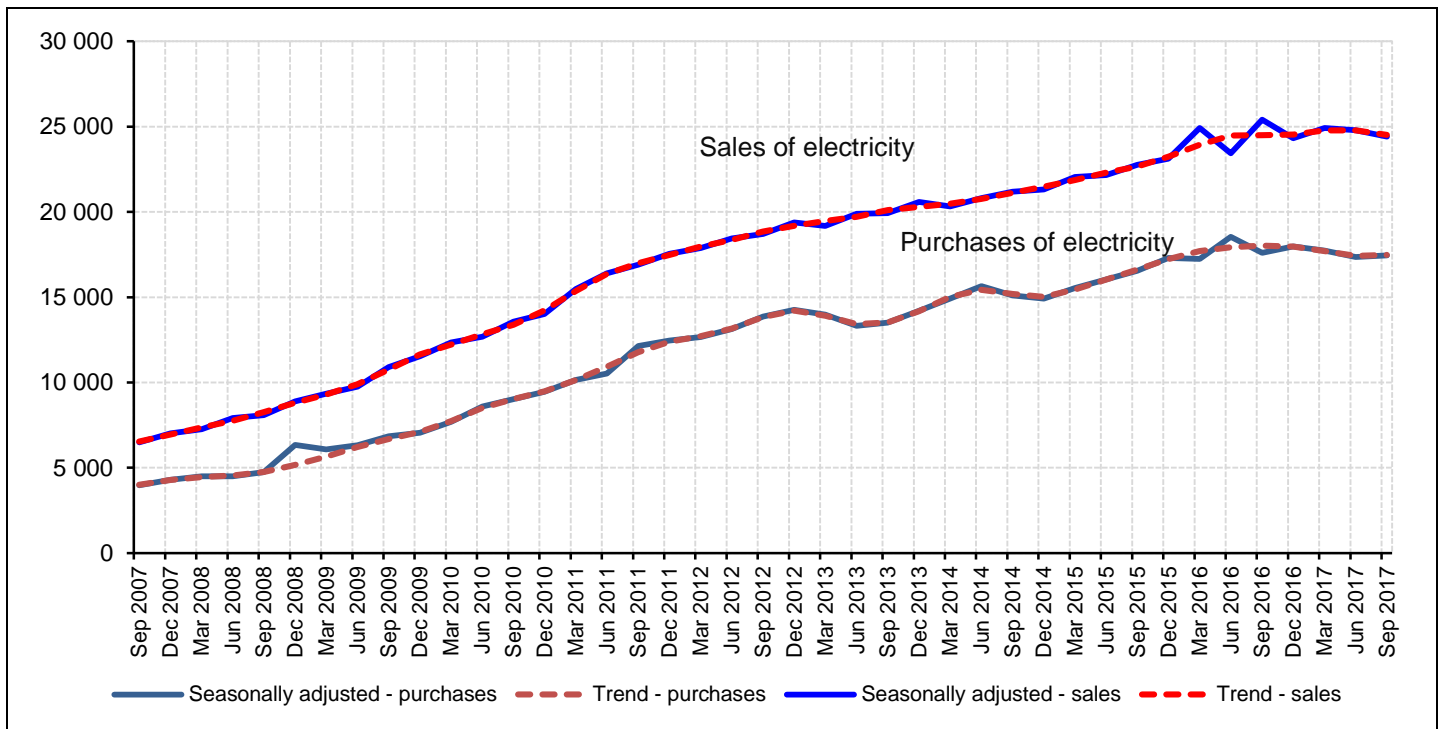


Figure 2 – Purchases and sales of electricity, seasonally adjusted, R million



R Maluleke
 Statistician-General

Table 1 – Consolidated statement of financial performance of municipalities for the quarters ended December 2016, March 2017, June 2017 and September 2017: Expenditure – South Africa

Expenditure	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
	R million				
Employee-related costs	21 869	20 563	22 712	22 549	-163
Remuneration of board of directors/councillors	847	981	946	882	-64
Interest paid	2 313	2 509	2 938	1 629	-1 309
Loss on the disposal of property, plant and equipment	7	9	81	17	-64
Bad debts	3 241	2 934	4 846	3 447	-1 399
Contracted services	4 087	3 168	5 116	3 412	-1 704
Collection costs	83	114	283	119	-164
Depreciation and amortisation	4 399	5 166	5 402	3 596	-1 806
Impairment loss (PPE)	5	2	160	32	-128
Repairs and maintenance	3 001	3 708	3 857	1 623	-2 234
Bulk purchases:					
Purchases of water	4 151	4 035	4 615	4 323	-292
Purchases of electricity	16 102	15 638	17 461	20 745	3 284
Other bulk purchases	4	7	33	20	-13
Grants and subsidies paid to:					
Other local government institutions	54	22	56	8	-48
Tertiary institutions of higher learning	1	3	76	0	-76
Households or individuals	952	454	773	212	-561
Non-profit institutions serving households	4	3	18	2	-16
Other	1 438	1 614	2 350	1 601	-749
General expenditure:					
Accommodation, travelling and subsistence	218	194	231	186	-45
Advertising, promotions and marketing	136	97	193	74	-119
Audit fees	423	268	127	134	7
Bank charges	107	99	127	131	4
Cleaning services	110	87	118	73	-45
Consultancy and professional fees	829	849	819	498	-321
Entertainment costs	41	22	54	14	-40
Fuel and oil	335	440	463	294	-169
Hiring of plant and equipment	352	273	335	204	-131
Insurance costs	269	173	162	377	215
Pharmaceutical	37	44	43	41	-2
Postal and courier services	61	68	75	60	-15
Printing and stationery	134	164	152	88	-64
Rebates for property rates	1 256	1 803	1 601	1 382	-219
Rebates for service charges	113	114	176	133	-43
Rental of land, buildings and other structures	200	100	187	150	-37
Rental of office equipment	262	472	375	85	-290
Security services	758	615	926	482	-444
Subscriptions and membership fees	72	55	115	140	25
Telecommunication services	243	215	263	216	-47
Training and education	195	120	233	139	-94
Transport costs	260	241	259	161	-98
Other expenditure	8 071	7 317	11 224	6 765	-4 459
Surplus	23 450	24 359	6 835	40 776	33 941
Total expenditure	100 490	99 119	96 816	116 821	20 005

* Some figures have been revised.

Table 2 – Consolidated statement of financial performance of municipalities for the quarters ended December 2016, March 2017, June 2017 and September 2017: Income – South Africa

Income	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
	R million				
Property rates from:					
Residential	8 370	8 620	9 058	10 130	1 072
Commercial or business	2 776	3 152	2 792	3 993	1 201
State	599	712	658	1 489	831
Other (includes agricultural, municipal, etc.)	1 659	1 623	1 140	2 613	1 473
Property rates - penalties imposed and collection charges	52	53	64	33	-31
Service charges					
Sales of water	8 142	7 919	8 666	8 501	-165
Sales of electricity	23 620	22 570	24 288	28 383	4 095
Refuse removal charges	2 511	2 468	2 567	2 726	159
Sewerage and sanitation charges	3 061	3 120	3 307	3 590	283
Other service charges (e.g. fresh produce market etc.)	1	48	44	24	-20
Interest earned from:					
External investments	1 267	1 669	1 394	1 361	-33
Outstanding debtors	1 257	1 609	1 697	1 443	-254
Dividends received	0	0	0	1	1
Fines	853	823	1 003	692	-311
Licences and permits	297	337	276	294	18
Income for agency services	164	211	262	308	46
Rental of facilities and equipment	658	528	601	458	-143
Bad debts recovered	1	1	26	18	-8
Public contributions and donations (including PPE)	110	146	467	112	-355
Gains on the disposal of property, plant and equipment	15	59	93	28	-65
Grants and subsidies from:					
National government	21 163	16 913	7 101	24 784	17 683
Provincial government	596	644	575	453	-122
Local government	96	1	4	7	3
Other	538	206	195	159	-36
Spent conditional grant	4 658	6 511	6 720	3 390	-3 330
Other income	4 005	4 006	3 886	5 074	1 188
Deficit	14 021	15 170	19 932	16 757	-3 175
Total income	100 490	99 119	96 816	116 821	20 005

* Some figures have been revised.

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2016, March 2017, June 2017 and September 2017: Expenditure – South Africa

Expenditure	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
	R million				
Employee-related costs	13 956	13 352	14 788	14 439	-349
Remuneration of board of directors/councillors	847	981	946	882	-64
Interest paid	1 279	1 130	1 366	1 144	-222
Loss on the disposal of property, plant and equipment	5	8	74	1	-73
Bad debts	1 370	438	2 292	1 203	-1 089
Contracted services	1 531	1 600	2 160	1 434	-726
Collection costs	55	113	276	115	-161
Depreciation and amortisation	1 257	1 434	1 564	931	-633
Impairment loss (PPE)	5	0	141	24	-117
Repairs and maintenance	752	678	1 087	345	-742
Grants and subsidies paid to:					
Other local government institutions	41	10	39	2	-37
Tertiary institutions of higher learning	1	3	76	0	-76
Households or individuals	214	250	202	147	-55
Non-profit institutions serving households	4	3	9	2	-7
Other	1 157	1 252	2 202	1 304	-898
General expenditure:					
Accommodation, travelling and subsistence	189	167	198	164	-34
Advertising, promotions and marketing	115	86	170	61	-109
Audit fees	408	245	120	133	13
Bank charges	98	96	124	120	-4
Cleaning services	40	51	46	31	-15
Consultancy and professional fees	455	556	579	385	-194
Entertainment costs	39	21	48	13	-35
Fuel and oil	157	270	214	161	-53
Hiring of plant and equipment	210	148	208	123	-85
Insurance costs	205	125	121	310	189
Pharmaceutical	35	42	39	38	-1
Postal and courier services	59	63	72	57	-15
Printing and stationery	108	139	133	68	-65
Rebates for property rates	1 256	1 803	1 601	1 382	-219
Rental of land, buildings and other structures	164	89	155	121	-34
Rental of office equipment	96	103	82	59	-23
Security services	517	482	695	313	-382
Subscriptions and membership fees	71	54	103	136	33
Telecommunication services	206	170	199	165	-34
Training and education	167	107	195	115	-80
Transport costs	60	81	30	41	11
Other expenditure	3 899	3 003	6 175	3 114	-3 061
Surplus	16 270	16 495	-632	27 690	28 322
Total expenditure	47 298	45 648	37 897	56 773	18 876

* Some figures have been revised.

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended December 2016, March 2017, June 2017 and September 2017: Income – South Africa

Income	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
	R million				
Taxes on property					
Property rates from:					
Residential	8 370	8 620	9 058	10 130	1 072
Commercial or business	2 776	3 152	2 792	3 993	1 201
State	599	712	658	1 489	831
Other (includes agricultural, municipal, etc.)	1 659	1 623	1 140	2 613	1 473
Property rates – penalties imposed and collection charges	52	53	64	33	-31
Interest earned from:					
External investments	1 179	1 309	1 336	1 304	-32
Outstanding debtors	933	1 222	1 229	699	-530
Dividends received	0	0	0	1	1
Fines	618	577	762	650	-112
Licences and permits	93	90	89	100	11
Income for agency services	47	87	93	138	45
Rental of facilities and equipment	446	218	346	268	-78
Bad debts recovered	1	1	26	16	-10
Public contributions and donations (including property, plant and equipment)	52	24	203	7	-196
Gains on the disposal of property, plant and equipment	13	42	75	21	-54
Grants and subsidies from:					
National government	15 219	12 110	3 786	20 034	16 248
Provincial government	260	349	260	333	73
Local government	10	1	3	2	-1
Other	393	39	121	88	-33
Spent conditional grants	2 333	2 923	2 818	1 905	-913
Other income	2 717	3 023	1 832	3 743	1 911
Deficit	9 528	9 473	11 206	9 206	-2 000
Total income	47 298	45 648	37 897	56 773	18 876

* Some figures have been revised.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2016, March 2017, June 2017 and September 2017: Expenditure – South Africa

Expenditure	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
Employee-related costs	7 913	7 211	7 924	8 110	186
Interest paid	1 034	1 379	1 572	485	-1 087
Loss on disposal of property, plant and equipment	2	1	7	16	9
Bad debts	1 871	2 496	2 554	2 244	-310
Contracted services	2 556	1 568	2 956	1 978	-978
Collection costs	28	1	7	4	-3
Depreciation and amortisation	3 142	3 732	3 838	2 665	-1 173
Impairment loss (PPE)	0	2	19	8	-11
Repairs and maintenance	2 249	3 030	2 770	1 278	-1 492
Bulk purchases:					
Purchases of water	4 151	4 035	4 615	4 323	-292
Purchases of electricity	16 102	15 638	17 461	20 745	3 284
Other bulk purchases	4	7	33	20	-13
Grants and subsidies paid to:					
Other local government institutions	13	12	17	6	-11
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	738	204	571	65	-506
Non-profit institutions serving households	0	0	9	0	-9
Other	281	362	148	297	149
General expenditure:					
Accommodation, travelling and subsistence	29	27	33	22	-11
Advertising, promotions and marketing	21	11	23	13	-10
Audit fees	15	23	7	1	-6
Bank charges	9	3	3	11	8
Cleaning services	70	36	72	42	-30
Consultancy and professional fees	374	293	240	113	-127
Entertainment costs	2	1	6	1	-5
Fuel and oil	178	170	249	133	-116
Hiring of plant and equipment	142	125	127	81	-46
Insurance costs	64	48	41	67	26
Pharmaceutical	2	2	4	3	-1
Postal and courier services	2	5	3	3	0
Printing and stationery	26	25	19	21	2
Rebates for service charges	113	114	176	133	-43
Rental of land, buildings and other structures	36	11	32	29	-3
Rental of office equipment	166	369	293	26	-267
Security services	241	133	231	169	-62
Subscriptions and membership fees	1	1	12	4	-8
Telecommunication services	37	45	64	51	-13
Training and education	28	13	38	24	-14
Transport costs	200	160	229	120	-109
Other expenditure	4 172	4 314	5 049	3 651	-1 398
Surplus	7 180	7 864	7 467	13 086	5 619
Total expenditure	53 192	53 471	58 919	60 048	1 129

* Some figures have been revised.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended December 2016, March 2017, June 2017 and September 2017: Income – South Africa

Income	December 2016	March 2017	June 2017*	September 2017	Difference between quarters ended Jun. 2017 and Sep. 2017
	R million				
Interest earned from:					
External investments	88	360	58	57	-1
Outstanding debtors	324	387	468	744	276
Dividends received	0	0	0	0	0
Fines	235	246	241	42	-199
Licences and permits	204	247	187	194	7
Income for agency services	117	124	169	170	1
Rental of facilities and equipment	212	310	255	190	-65
Bad debts recovered	0	0	0	2	2
Public contributions and donations (including property, plant and equipment)	58	122	264	105	-159
Gains on the disposal of property, plant and equipment	2	17	18	7	-11
Service charges:					
Sales of water	8 142	7 919	8 666	8 501	-165
Sales of electricity	23 620	22 570	24 288	28 383	4 095
Refuse removal charges	2 511	2 468	2 567	2 726	159
Sewerage and sanitation charges	3 061	3 120	3 307	3 590	283
Other service charges (e.g. fresh produce market)	1	48	44	24	-20
Grants and subsidies from:					
National government	5 944	4 803	3 315	4 750	1 435
Provincial government	336	295	315	120	-195
Local government	86	0	1	5	4
Other	145	167	74	71	-3
Spent conditional grants	2 325	3 588	3 902	1 485	-2 417
Other income	1 288	983	2 054	1 331	-723
Deficit	4 493	5 697	8 726	7 551	-1 175
Total income	53 192	53 471	58 919	60 048	1 129

* 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 07	1 489		1 630		3 246		3 297	
Dec 07	1 661		1 597	-2,0	3 031		2 933	-11,0
Mar 08	1 615		1 624	1,7	2 865		2 759	-5,9
Jun 08	1 938		1 844	13,5	3 153		3 346	21,3
Sep 08	1 601	7,5	1 750	-5,1	2 989	-7,9	3 032	-9,4
Dec 08	1 816	9,3	1 747	-0,2	3 195	5,4	3 088	1,8
Mar 09	1 877	16,2	1 883	7,8	3 663	27,9	3 534	14,4
Jun 09	2 098	8,3	2 004	6,4	3 419	8,4	3 629	2,7
Sep 09	1 756	9,7	1 917	-4,3	3 537	18,3	3 586	-1,2
Dec 09	2 084	14,8	2 005	4,6	4 110	28,6	3 961	10,5
Mar 10	2 001	6,6	1 997	-0,4	3 972	8,4	3 844	-3,0
Jun 10	2 174	3,6	2 093	4,8	3 646	6,6	3 873	0,8
Sep 10	2 100	19,6	2 284	9,1	4 056	14,7	4 109	6,1
Dec 10	2 505	20,2	2 413	5,6	4 315	5,0	4 141	0,8
Mar 11	2 406	20,2	2 385	-1,2	4 169	5,0	4 058	-2,0
Jun 11	2 312	6,3	2 246	-5,8	3 848	5,5	4 085	0,7
Sep 11	2 345	11,7	2 533	12,8	4 342	7,1	4 387	7,4
Dec 11	2 723	8,7	2 632	3,9	4 769	10,5	4 567	4,1
Mar 12	2 813	16,9	2 774	5,4	4 919	18,0	4 818	5,5
Jun 12	2 865	23,9	2 807	1,2	4 876	26,7	5 165	7,2
Sep 12	2 646	12,8	2 828	0,7	5 239	20,7	5 275	2,1
Dec 12	3 172	16,5	3 090	9,3	5 597	17,4	5 361	1,6
Mar 13	3 211	14,1	3 157	2,2	5 658	15,0	5 577	4,0
Jun 13	3 221	12,4	3 168	0,3	5 279	8,3	5 572	-0,1
Sep 13	3 134	18,4	3 310	4,5	5 542	5,8	5 552	-0,4
Dec 13	3 396	7,1	3 337	0,8	5 935	6,0	5 704	2,7
Mar 14	3 617	12,6	3 566	6,9	6 000	6,0	5 942	4,2
Jun 14	3 676	14,1	3 608	1,2	6 186	17,2	6 498	9,4
Sep 14	3 474	10,8	3 627	0,5	6 037	8,9	6 031	-7,2
Dec 14	3 861	13,7	3 828	5,5	7 092	19,5	6 839	13,4
Mar 15	3 961	9,5	3 952	3,2	6 742	12,4	6 648	-2,8
Jun 15	4 048	10,1	3 972	0,5	6 651	7,5	6 925	4,2
Sep 15	3 868	11,3	4 002	0,8	7 057	16,9	7 023	1,4
Dec 15	4 593	19,0	4 582	14,5	7 670	8,2	7 422	5,7
Mar 16	4 497	13,5	4 503	-1,7	7 723	14,6	7 680	3,5
Jun 16	4 296	6,1	4 162	-7,6	7 295	9,7	7 631	-0,6
Sep 16	4 233	9,4	4 351	4,5	8 175	15,8	8 115	6,3
Dec 16	4 151	-9,6	4 162	-4,3	8 142	6,2	7 905	-2,6
Mar 17	4 035	-10,3	4 068	-2,3	7 919	2,5	7 867	-0,5
Jun 17	4 605	7,2	4 436	9,0	8 637	18,4	9 039	14,9
Sep 17	4 323	2,1	4 429	-0,2	8 501	4,0	8 466	-6,3

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 07	5 256		3 995		7 546		6 506	
Dec 07	3 857		4 298	7,6	6 837		7 022	7,9
Mar 08	3 667		4 489	4,4	6 639		7 288	3,8
Jun 08	4 317		4 501	0,3	7 440		7 903	8,4
Sep 08	6 491	23,5	4 731	5,1	9 093	20,5	8 063	2,0
Dec 08	5 685	47,4	6 350	34,2	8 874	29,8	8 910	10,5
Mar 09	4 870	32,8	6 075	-4,3	8 476	27,7	9 358	5,0
Jun 09	6 085	41,0	6 319	4,0	9 199	23,6	9 751	4,2
Sep 09	9 318	43,6	6 841	8,3	12 661	39,2	10 885	11,6
Dec 09	6 424	13,0	7 053	3,1	11 442	28,9	11 586	6,4
Mar 10	6 058	24,4	7 695	9,1	11 262	32,9	12 367	6,7
Jun 10	8 336	37,0	8 591	11,6	11 994	30,4	12 668	2,4
Sep 10	12 361	32,7	9 019	5,0	15 662	23,7	13 546	6,9
Dec 10	8 070	25,6	9 450	4,8	13 999	22,3	14 116	4,2
Mar 11	8 605	42,0	10 152	7,4	13 942	23,8	15 444	9,4
Jun 11	10 277	23,3	10 519	3,6	15 608	30,1	16 386	6,1
Sep 11	15 271	23,5	12 133	15,3	19 719	25,9	16 950	3,4
Dec 11	10 934	35,5	12 537	3,3	17 514	25,1	17 354	2,4
Mar 12	10 390	20,7	12 655	0,9	16 269	16,7	17 924	3,3
Jun 12	12 965	26,2	13 134	3,8	17 695	13,4	18 442	2,9
Sep 12	17 492	14,5	13 885	5,7	21 692	10,0	18 730	1,6
Dec 12	13 058	19,4	14 257	2,7	18 626	6,3	19 434	3,8
Mar 13	11 432	10,0	13 980	-1,9	17 763	9,2	19 194	-1,2
Jun 13	13 297	2,6	13 324	-4,7	19 218	8,6	19 921	3,8
Sep 13	17 309	-1,0	13 491	1,3	22 445	3,5	19 835	-0,4
Dec 13	13 049	-0,1	14 165	5,0	19 583	5,1	20 692	4,3
Mar 14	12 334	7,9	14 967	5,7	18 925	6,5	20 257	-2,1
Jun 14	15 821	19,0	15 634	4,5	20 222	5,2	20 929	3,3
Sep 14	19 038	10,0	15 081	-3,5	23 726	5,7	21 031	0,5
Dec 14	13 688	4,9	14 895	-1,2	20 779	6,1	21 503	2,2
Mar 15	12 997	5,4	15 566	4,5	20 115	6,3	21 904	1,9
Jun 15	16 222	2,5	15 959	2,5	21 764	7,6	22 421	2,4
Sep 15	20 521	7,8	16 606	4,1	26 281	10,8	22 482	0,3
Dec 15	16 207	18,4	17 230	3,8	22 272	7,2	23 420	4,2
Mar 16	14 812	14,0	17 313	0,5	22 829	13,5	24 725	5,6
Jun 16	18 751	15,6	18 337	5,9	22 908	5,3	23 831	-3,6
Sep 16	20 545	0,1	17 763	-3,1	29 486	12,2	25 070	5,2
Dec 16	16 102	-0,6	18 017	1,4	23 802	6,9	24 342	-2,9
Mar 17	15 638	5,6	17 707	-1,7	22 570	-1,1	24 990	2,7
Jun 17	17 328	-7,6	16 983	-4,1	24 163	5,5	25 210	0,9
Sep 17	20 745	1,0	17 452	2,8	28 383	-3,7	24 420	-3,1

Notes**Forthcoming issue** **Issue** **Expected release date**

December 2017 March 2018

Purpose of survey The *Quarterly financial statistics of municipalities* is a quarterly survey that covers local, district and metropolitan municipalities in South Africa. The results are used as inputs into the gross domestic product (GDP) calculation as well as to assist the public sector with policy formulation and the financial analysis of municipalities.

Response rates

December quarter 2016: 100% (of 257)
March quarter 2017: 100% (of 257)
June quarter 2017: 100% (of 257)
September quarter 2017: 84% (of 257)

Imputation Imputation was performed for 41 municipalities (16%) that did not respond or whose responses were not usable.

Explanatory notes

Introduction	1	<p>The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended December 2016, March 2017, June 2017 and September 2017. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> • the consolidated statement of financial performance of municipalities • the consolidated statement of financial performance of municipalities – rates and general services; and • the consolidated statement of financial performance of municipalities – housing and trading services.
Scope of the survey	2	<p>This survey covers quarterly financial information of all 257 municipalities. Unadjusted data for all municipalities are available with effect from September 2007. Only water (sales and purchases) and electricity (sales and purchases) have seasonally adjusted estimates, and these are available at the national level only (not at provincial or municipal level).</p>
Classification and accounting standards	3	<p>For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the Standard Industrial Classification of All Economic Activities, Fifth Edition, and Report No.09-90-02 of January 1993 (SIC). Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Recognised Accounting Practice (GRAP).</p> <p>The Municipal Standard Chart of Accounts (MSCOA) was initially rolled out (piloted–tested) in 2016 in some municipalities. MSCOA has since been implemented in all municipalities from the beginning of the 2017 municipal financial year. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.</p>
Survey methodology and design	4	<p>The statistical unit for the collection of information is the municipality.</p>
Imputation	5	<p>The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.</p>
Revised figures	6	<p>Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after the cut-off date for submitting their questionnaires).</p>
Rounding off figures	7	<p>The figures in the tables have been rounded off to the nearest digit shown, and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.</p>
Related publications	8	<p>Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • P9101 <i>Capital expenditure of the public sector;</i> • P9114 <i>Financial census of municipalities;</i> • P9119.4 <i>Financial statistics of consolidated general government;</i> • P0441 <i>Gross domestic product; and</i> • P0277 <i>Quarterly employment statistics</i>

Symbols and abbreviations used

9	GRAP	Generally Recognised Accounting Practice
	MSCOA	Municipal Standard Chart of Accounts
	QES	Quarterly Employment Statistics
	SIC	Standard Industrial Classification of All Economic Activities
	Stats SA	Statistics South Africa
	0	Nil or not applicable

Seasonal adjustment

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

Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance (previously referred to as income statement) reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure of housing and trading services (excluding the surplus).
District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Employee-related costs	<p>Employee-related costs include payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none"> • basic compensation; • allowances; • contribution to other benefit funds of employees such as medical aid, pension fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which may be looked upon as a form of insurance and would appear under general expenditure) and other benefits such as housing subsidy, etc.; and • uniform and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees). • also refer to the Quarterly Employment Statistics (QES, P0277) which measure employment and gross earnings of all employees on a given municipal payroll.
General expenditure	The following are included in general expenditure: accommodation, travelling and subsistence; advertising; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
Housing and trading services	Housing includes all activities associated with the municipal provision of housing. Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). Trading services include waste management (refuse removal, solid waste disposal (landfill sites), street cleaning, recycling etc.), waste water management (sewerage, storm water management and public toilets), road transport (roads, public buses, parking garages, vehicle licensing and testing), water (water distribution, water storage), electricity (electricity distribution, electricity generation, street lighting) and other trading services which include environmental protection (such as pollution control, biodiversity & landscape and coastal protection etc.), air transport, abattoirs, tourism, forestry, markets and licensing & regulation (such as licensing of food and liquor sales to the public and licensing of street traders (hawkers control) and business).
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).

Metropolitan municipality	Metropolitan municipality refers to an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials). Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Other expenditure	The following are included in other expenditure: <ul style="list-style-type: none">• departmental charges/fees;• books and magazines;• consumables;• licences and trade licences;• workshops;• refreshments; and• sundries.
Rates and general services	Rates and general services refer to municipal services that are not economically self-supporting and are financed by imposing assessment and other rates, the receipt of subsidies and other contributions. This includes ambulance services, fire control (or fire-fighting), health services (clinics, old-age homes), roads and storm water drainage, parks and recreation (libraries, cultural activities, museums, sport administration, community halls, swimming pools, sports grounds, nature reserves, etc.), sewerage and cleansing, traffic (licensing offices) and other services (city engineers, administration, personnel, legal services, city treasurer, etc.).
Repairs and maintenance	Repairs and maintenance include all expenditure on repairs and maintenance of the various assets of the municipality. Where considered necessary, the cost of repairs in respect of the various types of assets, e.g. buildings, plant, may be subdivided. Where repairs and maintenance have been charged to a 'provision for repairs account', the actual expenditure incurred during the current year has been reflected under this subdivision and the amount chargeable to the 'provision for repairs' is reflected as a deduction from the actual cost. Any balance of expenditure still remaining is treated as a charge against the current year.

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