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Quarterly financial statistics of municipalities

September 2019

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

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The South Africa I know, the home I understand



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Key findings

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

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

* Some figures have been revised.

Table A shows annual growth rates in the purchases and sales of water and electricity, unadjusted. From the September 2018 quarter to the September 2019 quarter, purchases of water increased by 15,4% and sales of water increased by 6,0%, while purchases of electricity increased by 19,1% and sales of electricity increased by 6,0%.

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

Item	Quarter ended:					
	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19*	Sep-19
	Quarter-on-quarter % change, seasonally adjusted					
Purchases of water	9,6	-8,8	11,2	3,8	-4,3	4,4
Sales of water	3,1	4,6	2,9	-3,4	-6,0	13,3
Purchases of electricity	0,2	-1,3	1,7	5,4	2,2	5,4
Sales of electricity	0,6	2,2	3,9	-0,2	1,5	2,5

* 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 2019 quarter to the September 2019 quarter, purchases of water increased by 4,4% and sales of water increased by 13,3%, while purchases of electricity increased by 5,4% and sales of electricity increased by 2,5%.

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 13 for a short explanatory note on seasonal adjustment.

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

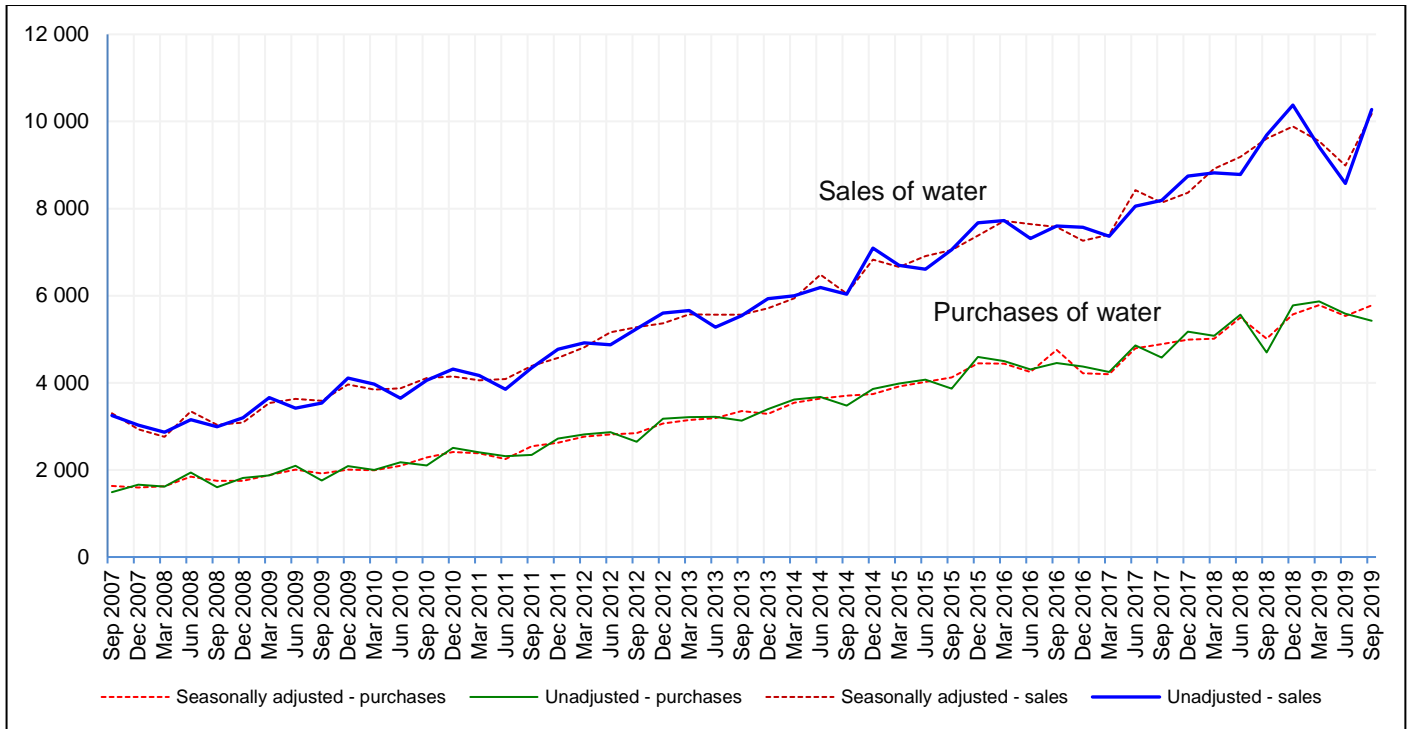
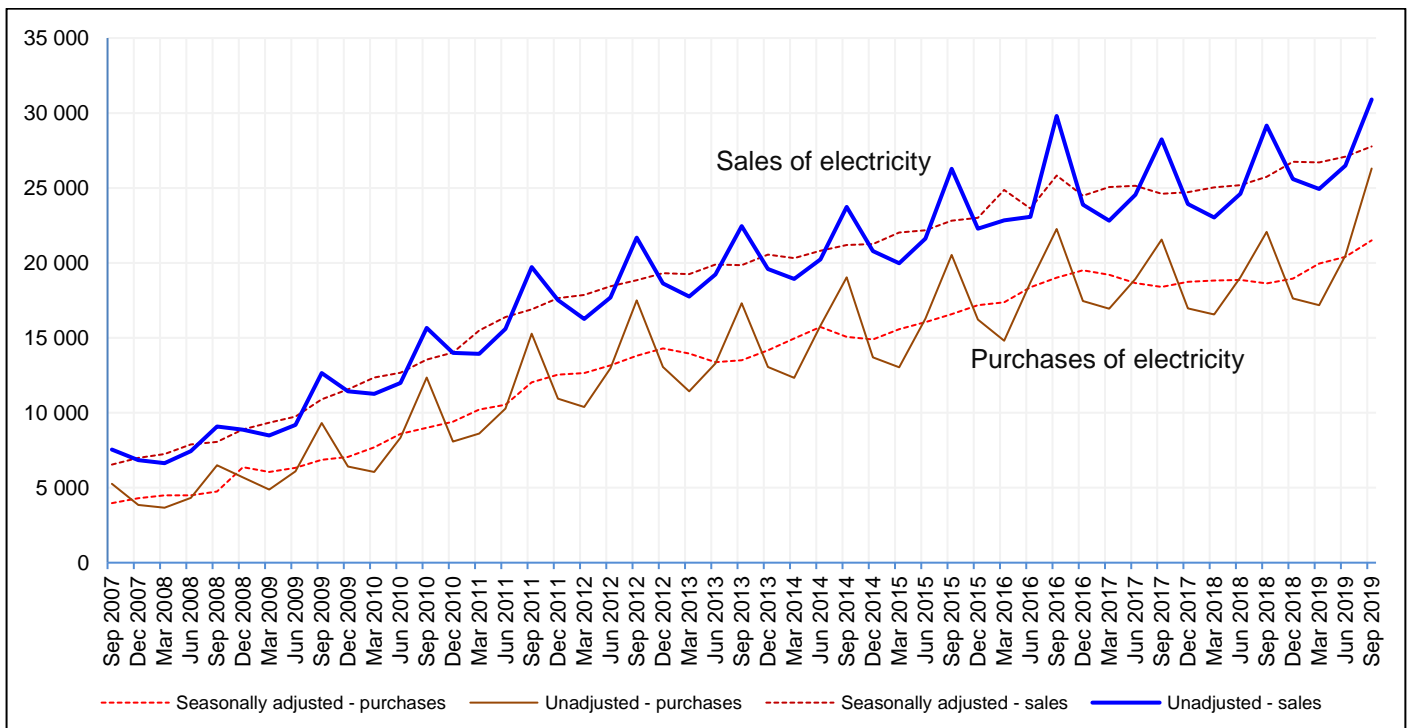


Figure 2 – Purchases and sales of electricity, unadjusted vs seasonally adjusted, R million



Risenga Maluleke
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Statistician-General

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

Expenditure	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Employee-related costs	26 702	25 755	26 693	26 871	178
Remuneration of board of directors/councillors	989	1 126	1 060	1 012	-48
Interest paid	2 094	2 382	2 797	1 967	-830
Loss on the disposal of property, plant and equipment	1	25	203	11	-192
Bad debts	3 206	3 566	5 287	4 532	-755
Contracted services	8 036	8 817	9 849	5 711	-4 138
Collection costs	105	134	327	78	-249
Depreciation and amortisation	5 268	4 932	7 294	4 947	-2 347
Impairment loss (PPE)	0	0	16	0	-16
Repairs and maintenance	1 193	1 170	2 234	1 108	-1 126
Bulk purchases:					
Purchases of water	5 774	5 869	5 587	5 425	-162
Purchases of electricity	17 617	17 187	20 478	26 295	5 817
Other bulk purchases	35	36	23	41	18
Grants and subsidies paid to:					
Other local government institutions	35	20	43	14	-29
Tertiary institutions of higher learning	2	2	2	1	-1
Households or individuals	149	148	296	134	-162
Non-profit institutions serving households	24	42	1	75	74
Other	572	830	968	476	-492
General expenditure:					
Accommodation, travelling and subsistence	292	245	285	226	-59
Advertising, promotions and marketing	190	184	216	112	-104
Audit fees	435	284	182	115	-67
Bank charges	158	126	158	133	-25
Cleaning services	67	82	177	67	-110
Consultancy and professional fees	445	794	862	347	-515
Entertainment costs	17	14	36	13	-23
Fuel and oil	547	431	525	370	-155
Hiring of plant and equipment	242	270	1 289	440	-849
Insurance costs	325	226	214	561	347
Pharmaceutical	44	64	55	31	-24
Postal and courier services	70	87	115	65	-50
Printing and stationery	121	129	213	150	-63
Rebates for property rates	874	1 157	763	882	119
Rebates for service charges	142	140	183	249	66
Rental of land, buildings and other structures	189	180	204	184	-20
Rental of office equipment	161	173	185	129	-56
Security services	438	455	593	587	-6
Subscriptions and membership fees	138	96	201	234	33
Telecommunication services	205	285	275	204	-71
Training and education	115	137	210	125	-85
Transport costs	138	104	221	80	-141
Other expenditure	7 519	8 291	10 962	7 414	-3 548
Surplus	30 403	26 270	16 830	44 765	27 935
Total expenditure	115 077	112 265	118 112	136 181	18 069

* Some figures have been revised.

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

Income	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Property rates from:					
Residential	11 698	10 157	11 346	13 718	2 372
Commercial or business	3 529	3 713	3 412	5 649	2 237
State	977	976	1 039	1 693	654
Other (includes agricultural, municipal, etc.)	1 482	1 393	1 283	1 674	391
Property rates - penalties imposed and collection charges	42	123	14	48	34
Service charges					
Sales of water	10 376	9 414	8 577	10 272	1 695
Sales of electricity	25 592	24 933	26 497	30 901	4 404
Refuse removal charges	2 898	2 909	2 963	3 250	287
Sewerage and sanitation charges	4 044	3 786	3 617	4 158	541
Other service charges (e.g. fresh produce market)	109	107	96	1	-95
Interest earned from:					
External investments	1 102	1 134	1 733	1 241	-492
Outstanding debtors	1 948	2 260	2 094	1 889	-205
Dividends received	2	18	24	6	-18
Fines	1 042	1 229	1 322	1 038	-284
Licences and permits	260	277	299	272	-27
Income for agency services	334	361	351	306	-45
Rental of facilities and equipment	518	837	873	545	-328
Bad debts recovered	12	11	16	6	-10
Public contributions and donations (including PPE)	61	61	242	72	-170
Gains on the disposal of property, plant and equipment	20	125	275	25	-250
Grants and subsidies from:					
National government	23 091	20 398	15 206	27 715	12 509
Provincial government	518	595	509	384	-125
Local government	2	3	2	1	-1
Other	54	97	187	56	-131
Spent conditional grant	4 196	4 897	8 715	3 555	-5 160
Other income	3 961	5 328	7 482	4 531	-2 951
Deficit	17 209	17 123	19 938	23 175	3 237
Total income	115 077	112 265	118 112	136 181	18 069

* Some figures have been revised.

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

Expenditure	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Employee-related costs	17 186	16 643	17 099	17 462	363
Remuneration of board of directors/councillors	989	1 126	1 060	1 012	-48
Interest paid	1 426	1 738	2 079	1 362	-717
Loss on the disposal of property, plant and equipment	1	10	194	10	-184
Bad debts	1 240	1 481	2 946	1 930	-1 016
Contracted services	3 384	3 621	4 076	2 335	-1 741
Collection costs	100	131	324	77	-247
Depreciation and amortisation	1 470	1 487	2 353	1 371	-982
Impairment loss (PPE)	0	0	2	0	-2
Repairs and maintenance	252	217	622	166	-456
Grants and subsidies paid to:					
Other local government institutions	16	5	17	14	-3
Tertiary institutions of higher learning	2	2	2	1	-1
Households or individuals	44	46	148	42	-106
Non-profit institutions serving households	24	42	1	75	74
Other	236	497	510	371	-139
General expenditure:					
Accommodation, travelling and subsistence	227	195	226	186	-40
Advertising, promotions and marketing	155	137	197	89	-108
Audit fees	396	266	173	104	-69
Bank charges	149	115	149	129	-20
Cleaning services	35	29	95	30	-65
Consultancy and professional fees	357	532	584	262	-322
Entertainment costs	16	13	34	13	-21
Fuel and oil	328	244	285	230	-55
Hiring of plant and equipment	139	135	364	72	-292
Insurance costs	269	165	175	476	301
Pharmaceutical	44	64	54	31	-23
Postal and courier services	69	85	113	64	-49
Printing and stationery	99	107	176	114	-62
Rebates for property rates	874	1 157	763	882	119
Rental of land, buildings and other structures	158	140	153	138	-15
Rental of office equipment	114	114	115	73	-42
Security services	285	303	420	342	-78
Subscriptions and membership fees	130	92	188	228	40
Telecommunication services	170	240	216	167	-49
Training and education	99	116	184	107	-77
Transport costs	85	79	118	55	-63
Other expenditure	3 177	2 857	4 836	2 923	-1 913
Surplus	20 862	17 587	8 166	30 983	22 817
Total expenditure	54 607	51 818	49 217	63 926	14 709

* Some figures have been revised.

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

Income	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Taxes on property					
Property rates from:					
Residential	11 698	10 157	11 346	13 718	2 372
Commercial or business	3 529	3 713	3 412	5 649	2 237
State	977	976	1 039	1 693	654
Other (includes agricultural, municipal, etc.)	1 482	1 393	1 283	1 674	391
Property rates – penalties imposed and collection charges	42	123	14	48	34
Interest earned from:					
External investments	1 084	1 078	1 668	1 130	-538
Outstanding debtors	1 048	972	1 035	1 064	29
Dividends received	2	7	24	6	-18
Fines	998	1 175	1 212	984	-228
Licences and permits	108	93	108	79	-29
Income for agency services	106	119	140	167	27
Rental of facilities and equipment	298	293	308	273	-35
Bad debts recovered	12	11	16	6	-10
Public contributions and donations (including property, plant and equipment)	6	25	16	3	-13
Gains on the disposal of property, plant and equipment	18	118	125	21	-104
Grants and subsidies from:					
National government	17 722	15 562	7 831	20 897	13 066
Provincial government	268	210	222	201	-21
Local government	2	3	2	1	-1
Other	2	3	4	9	5
Spent conditional grants	2 237	2 604	4 602	2 269	-2 333
Other income	2 419	2 971	2 607	2 833	226
Deficit	10 549	10 212	12 203	11 201	-1 002
Total income	54 607	51 818	49 217	63 926	14 709

* Some figures have been revised.

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

Expenditure	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Employee-related costs	9 516	9 112	9 594	9 409	-185
Interest paid	668	644	718	605	-113
Loss on disposal of property, plant and equipment	0	15	9	1	-8
Bad debts	1 966	2 085	2 341	2 602	261
Contracted services	4 652	5 196	5 773	3 376	-2 397
Collection costs	5	3	3	1	-2
Depreciation and amortisation	3 798	3 445	4 941	3 576	-1 365
Impairment loss (PPE)	0	0	14	0	-14
Repairs and maintenance	941	953	1 612	942	-670
Bulk purchases:					
Purchases of water	5 774	5 869	5 587	5 425	-162
Purchases of electricity	17 617	17 187	20 478	26 295	5 817
Other bulk purchases	35	36	23	41	18
Grants and subsidies paid to:					
Other local government institutions	19	15	26	0	-26
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	105	102	148	92	-56
Non-profit institutions serving households	0	0	0	0	
Other	336	333	458	105	-353
General expenditure:					
Accommodation, travelling and subsistence	65	50	59	40	-19
Advertising, promotions and marketing	35	47	19	23	4
Audit fees	39	18	9	11	2
Bank charges	9	11	9	4	-5
Cleaning services	32	53	82	37	-45
Consultancy and professional fees	88	262	278	85	-193
Entertainment costs	1	1	2	0	-2
Fuel and oil	219	187	240	140	-100
Hiring of plant and equipment	103	135	925	368	-557
Insurance costs	56	61	39	85	46
Pharmaceutical	0	0	1	0	-1
Postal and courier services	1	2	2	1	-1
Printing and stationery	22	22	37	36	-1
Rebates for service charges	142	140	183	249	66
Rental of land, buildings and other structures	31	40	51	46	-5
Rental of office equipment	47	59	70	56	-14
Security services	153	152	173	245	72
Subscriptions and membership fees	8	4	13	6	-7
Telecommunication services	35	45	59	37	-22
Training and education	16	21	26	18	-8
Transport costs	53	25	103	25	-78
Other expenditure	4 342	5 434	6 126	4 491	-1 635
Surplus	9 541	8 683	8 664	13 782	5 118
Total expenditure	60 470	60 447	68 895	72 255	3 360

* Some figures have been revised.

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

Income	December 2018*	March 2019*	June 2019*	September 2019	Difference between quarters ended Jun. 2019 and Sep. 2019
	R million				
Interest earned from:					
External investments	18	56	65	111	46
Outstanding debtors	900	1 288	1 059	825	-234
Dividends received	0	11	0	0	0
Fines	44	54	110	54	-56
Licences and permits	152	184	191	193	2
Income for agency services	228	242	211	139	-72
Rental of facilities and equipment	220	544	565	272	-293
Bad debts recovered	0	0	0	0	0
Public contributions and donations (including property, plant and equipment)	55	36	226	69	-157
Gains on the disposal of property, plant and equipment	2	7	150	4	-146
Service charges:					
Sales of water	10 376	9 414	8 577	10 272	1 695
Sales of electricity	25 592	24 933	26 497	30 901	4 404
Refuse removal charges	2 898	2 909	2 963	3 250	287
Sewerage and sanitation charges	4 044	3 786	3 617	4 158	541
Other service charges (e.g. fresh produce market)	109	107	96	1	-95
Grants and subsidies from:					
National government	5 369	4 836	7 375	6 818	-557
Provincial government	250	385	287	183	-104
Local government	0	0	0	0	0
Other	52	94	183	47	-136
Spent conditional grants	1 959	2 293	4 113	1 286	-2 827
Other income	1 542	2 357	4 875	1 698	-3 177
Deficit	6 660	6 911	7 735	11 974	4 239
Total income	60 470	60 447	68 895	72 255	3 360

* 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	4 142	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	4 084	0,7
Sep 2011	2 345	11,7	2 540	12,8	4 342	7,1	4 388	7,4
Dec 2011	2 723	8,7	2 622	3,2	4 769	10,5	4 570	4,1
Mar 2012	2 813	16,9	2 766	5,5	4 919	18,0	4 815	5,4
Jun 2012	2 865	23,9	2 818	1,9	4 876	26,7	5 162	7,2
Sep 2012	2 646	12,8	2 847	1,0	5 239	20,7	5 276	2,2
Dec 2012	3 172	16,5	3 064	7,6	5 597	17,4	5 367	1,7
Mar 2013	3 211	14,1	3 143	2,6	5 658	15,0	5 573	3,8
Jun 2013	3 221	12,4	3 188	1,4	5 279	8,3	5 563	-0,2
Sep 2013	3 134	18,4	3 353	5,2	5 542	5,8	5 561	0,0
Dec 2013	3 396	7,1	3 288	-1,9	5 935	6,0	5 708	2,6
Mar 2014	3 617	12,6	3 542	7,7	6 000	6,0	5 937	4,0
Jun 2014	3 676	14,1	3 641	2,8	6 186	17,2	6 485	9,2
Sep 2014	3 474	10,8	3 704	1,7	6 037	8,9	6 048	-6,7
Dec 2014	3 861	13,7	3 739	0,9	7 092	19,5	6 828	12,9
Mar 2015	3 982	10,1	3 914	4,7	6 697	11,6	6 658	-2,5
Jun 2015	4 071	10,7	4 022	2,8	6 607	6,8	6 907	3,7
Sep 2015	3 868	11,3	4 121	2,5	7 057	16,9	7 052	2,1
Dec 2015	4 593	19,0	4 443	7,8	7 670	8,2	7 377	4,6
Mar 2016	4 497	12,9	4 438	-0,1	7 723	15,3	7 720	4,6
Jun 2016	4 310	5,9	4 248	-4,3	7 316	10,7	7 642	-1,0
Sep 2016	4 457	15,2	4 753	11,9	7 601	7,7	7 575	-0,9
Dec 2016	4 371	-4,8	4 222	-11,2	7 571	-1,3	7 262	-4,1
Mar 2017	4 249	-5,5	4 197	-0,6	7 363	-4,7	7 401	1,9
Jun 2017	4 859	12,7	4 792	14,2	8 058	10,1	8 424	13,8
Sep 2017	4 582	2,8	4 886	2,0	8 191	7,8	8 138	-3,4
Dec 2017	5 171	18,3	4 988	2,1	8 750	15,6	8 364	2,8
Mar 2018	5 076	19,5	5 013	0,5	8 821	19,8	8 915	6,6
Jun 2018	5 563	14,5	5 496	9,6	8 783	9,0	9 188	3,1
Sep 2018	4 700	2,6	5 010	-8,8	9 689	18,3	9 609	4,6
Dec 2018	5 774	11,7	5 570	11,2	10 376	18,6	9 888	2,9
Mar 2019	5 869	15,6	5 784	3,8	9 414	6,7	9 550	-3,4
Jun 2019	5 587	0,4	5 533	-4,3	8 577	-2,3	8 980	-6,0
Sep 2019	5 425	15,4	5 779	4,4	10 272	6,0	10 175	13,3

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 2007	5 256		3 973		7 546		6 544	
Dec 2007	3 857		4 311	8,5	6 837		7 001	7,0
Mar 2008	3 667		4 502	4,4	6 639		7 253	3,6
Jun 2008	4 317		4 500	0,0	7 440		7 898	8,9
Sep 2008	6 491	23,5	4 743	5,4	9 093	20,5	8 061	2,1
Dec 2008	5 685	47,4	6 377	34,5	8 874	29,8	8 893	10,3
Mar 2009	4 870	32,8	6 062	-4,9	8 476	27,7	9 342	5,0
Jun 2009	6 085	41,0	6 321	4,3	9 199	23,6	9 747	4,3
Sep 2009	9 318	43,6	6 855	8,4	12 661	39,2	10 892	11,7
Dec 2009	6 424	13,0	7 061	3,0	11 442	28,9	11 557	6,1
Mar 2010	6 058	24,4	7 706	9,1	11 262	32,9	12 350	6,9
Jun 2010	8 336	37,0	8 599	11,6	11 994	30,4	12 665	2,6
Sep 2010	12 361	32,7	8 990	4,5	15 662	23,7	13 557	7,0
Dec 2010	8 070	25,6	9 412	4,7	13 999	22,3	14 008	3,3
Mar 2011	8 605	42,0	10 215	8,5	13 942	23,8	15 498	10,6
Jun 2011	10 277	23,3	10 537	3,2	15 608	30,1	16 385	5,7
Sep 2011	15 271	23,5	12 029	14,2	19 719	25,9	16 890	3,1
Dec 2011	10 934	35,5	12 541	4,3	17 514	25,1	17 647	4,5
Mar 2012	10 390	20,7	12 661	1,0	16 269	16,7	17 861	1,2
Jun 2012	12 965	26,2	13 167	4,0	17 695	13,4	18 445	3,3
Sep 2012	17 492	14,5	13 794	4,8	21 692	10,0	18 853	2,2
Dec 2012	13 058	19,4	14 286	3,6	18 626	6,3	19 311	2,4
Mar 2013	11 432	10,0	13 954	-2,3	17 763	9,2	19 244	-0,3
Jun 2013	13 297	2,6	13 374	-4,2	19 218	8,6	19 887	3,3
Sep 2013	17 309	-1,0	13 507	1,0	22 445	3,5	19 853	-0,2
Dec 2013	13 049	-0,1	14 173	4,9	19 583	5,1	20 548	3,5
Mar 2014	12 334	7,9	14 959	5,5	18 925	6,5	20 326	-1,1
Jun 2014	15 821	19,0	15 718	5,1	20 222	5,2	20 810	2,4
Sep 2014	19 038	10,0	15 074	-4,1	23 726	5,7	21 185	1,8
Dec 2014	13 688	4,9	14 898	-1,2	20 779	6,1	21 262	0,4
Mar 2015	13 035	5,7	15 572	4,5	19 979	5,6	22 031	3,6
Jun 2015	16 271	2,8	16 056	3,1	21 618	6,9	22 179	0,7
Sep 2015	20 521	7,8	16 577	3,2	26 281	10,8	22 820	2,9
Dec 2015	16 207	18,4	17 175	3,6	22 272	7,2	23 011	0,8
Mar 2016	14 812	13,6	17 379	1,2	22 829	14,3	24 863	8,0
Jun 2016	18 686	14,8	18 377	5,7	23 062	6,7	23 623	-5,0
Sep 2016	22 260	8,5	19 021	3,5	29 807	13,4	25 817	9,3
Dec 2016	17 446	7,6	19 496	2,5	23 877	7,2	24 472	-5,2
Mar 2017	16 943	14,4	19 202	-1,5	22 816	-0,1	25 048	2,4
Jun 2017	18 919	1,2	18 655	-2,8	24 553	6,5	25 134	0,3
Sep 2017	21 556	-3,2	18 385	-1,4	28 235	-5,3	24 614	-2,1
Dec 2017	16 964	-2,8	18 724	1,8	23 936	0,2	24 714	0,4
Mar 2018	16 566	-2,2	18 827	0,6	23 039	1,0	25 037	1,3
Jun 2018	19 046	0,7	18 862	0,2	24 620	0,3	25 184	0,6
Sep 2018	22 072	2,4	18 625	-1,3	29 151	3,2	25 741	2,2
Dec 2018	17 617	3,8	18 939	1,7	25 592	6,9	26 743	3,9
Mar 2019	17 187	3,7	19 958	5,4	24 933	8,2	26 693	-0,2
Jun 2019	20 478	7,5	20 390	2,2	26 497	7,6	27 097	1,5
Sep 2019	26 295	19,1	21 499	5,4	30 901	6,0	27 766	2,5

Notes

Forthcoming issue	Issue	Expected release date
	December 2019	March 2020
Purpose of survey	The <i>Quarterly financial statistics of municipalities</i> (QFSM) (Statistical release P9110) is a quarterly survey that covers local, district and metropolitan municipalities in South Africa. The results are used as inputs into the gross domestic product (GDP) calculation as well as to assist the public sector with policy formulation and the financial analysis of municipalities.	
Response rates	December 2018 quarter: 90% (of 257) March 2019 quarter: 86% (of 257) June 2019 quarter: 83% (of 257) September 2019 quarter: 85% (of 257)	
Imputation	Imputation was performed for 39 municipalities (15%) that did not respond or whose responses were not usable.	
Cautionary note	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

Introduction	1	<p>The purpose of the quarterly financial statistics survey of municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.</p> <p>This publication contains estimates for the quarters ended December 2018, March 2019, June 2019 and September 2019. The survey is designed to obtain financial information of local government institutions relating to:</p> <ul style="list-style-type: none"> • the consolidated statement of financial performance of municipalities; • the consolidated statement of financial performance of municipalities – rates and general services; and • the consolidated statement of financial performance of municipalities – housing and trading services.
Scope of the survey	2	<p>This survey covers quarterly financial information of all 257 municipalities. Unadjusted data for all municipalities are available with effect from September 2007. Only water (sales and purchases) and electricity (sales and purchases) have seasonally adjusted estimates, and these are available at the national level only (not at provincial or municipal level).</p>
Classification and accounting standards	3	<p>For the purposes of classification of local government institutions according to activities, Statistics South Africa (Stats SA) used the <i>Standard Industrial Classification of All Economic Activities</i> (SIC), Fifth Edition, Report No.09-90-02 of January 1993. Activities of local government institutions also adhere to the accounting standards and requirements in terms of the Generally Recognised Accounting Practice (GRAP).</p> <p>The Municipal Standard Chart of Accounts (MSCOA) was initially rolled out (piloted–tested) in 2016 in some municipalities. MSCOA has since been implemented in all municipalities from the beginning of the 2017 municipal financial year. This is a multi-dimensional classification framework providing the method and format for recording and classifying financial transaction information in the general ledger forming part of the books of account containing a standard list of all available accounts.</p>
Survey methodology and design	4	<p>The statistical unit for the collection of information is the municipality.</p>
Imputation	5	<p>The historical method is used to impute for non-response. According to this method previous information is used to arrive at current figures, after being appraised for its suitability.</p>
Revised figures	6	<p>Estimates for the current quarter are preliminary. Figures will be revised if respondents report revisions or corrections to their figures and also if the data were received late by Stats SA (after the cut-off date for submitting their questionnaires).</p>
Rounding off figures	7	<p>The figures in the tables have been rounded off to the nearest digit shown, and as a result there may be slight discrepancies between the sums of the constituent items and the totals shown.</p>
Related publications	8	<p>Users may wish to refer to the following Stats SA publications:</p> <ul style="list-style-type: none"> • P9101 <i>Capital expenditure of the public sector;</i> • P9114 <i>Financial census of municipalities;</i> • P9119.4 <i>Financial statistics of consolidated general government;</i> • P0441 <i>Gross domestic product; and</i> • P0277 <i>Quarterly employment statistics.</i>

Symbols and abbreviations used

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

Seasonal adjustment

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

Consolidated statement of financial performance	The aggregate or consolidated statement of financial performance (previously referred to as income statement) reports the institution's financial performance during a specific period in time. This statement covers all the revenue and expenditure of an entity over a specific period in time.
Current expenditure	Current expenditure refers to transactions that decrease the net worth of the institution, including interest paid, compensation of employees, grants and subsidies paid, and depreciation, but excluding the acquisition of fixed capital. It consists of the total expenditure of rates and general services (excluding the surplus), and the total expenditure of housing and trading services (excluding the surplus).
District municipality	District municipality refers to a municipality that has a municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Employee-related costs	<p>Employee-related costs include payment to full-time and part-time employees irrespective of whether the remuneration is paid out of revenue, capital or any other account.</p> <p>Employee-related costs also include:</p> <ul style="list-style-type: none">• basic compensation;• allowances;• contributions to other benefit funds of employees such as medical aid, pension funds, group life, etc. (excluding unemployment insurance and workmen's compensation, etc., which may be looked upon as a form of insurance and would appear under general expenditure), and other benefits such as housing subsidies; and• uniform and clothing allowances (clothing, boots, overalls, etc. supplied to uniformed employees). Also refer to the Quarterly employment statistics (QES – P9027), which measures employment and gross earnings of all employees on a given municipal payroll.
General expenditure	The following are included in general expenditure: accommodation, travelling and subsistence; advertising; audit fees; bank charges; cleaning services; consultancy fees; fuel and oil; hiring of plant and equipment; insurance costs; membership fees; pharmaceutical expenses; postage and stamps; printing and stationery; security fees; rental of land, buildings and other structures; rental of office equipment; telecommunication services; training and education; and transport costs.
Housing services	Housing includes all activities associated with the municipal provision of housing.
Local municipality	Local municipality refers to municipalities that share municipal executive and legislative authority in its area with a district municipality within whose area it falls, that is described in section 155(1) of the Constitution as a category B municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).

Metropolitan municipality	Metropolitan municipality refers to an institution that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category A municipality. Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Municipality	Municipality is a generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and includes district, local and metropolitan municipalities. A municipality is an institution consisting of a municipal council (elected political representatives) and the municipal administration (appointed officials). Refer to the Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998).
Other expenditure	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.
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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