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Quarterly financial statistics of selected municipalities

March 2023

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Please note:

1. Seasonally adjusted data for purchases and sales of water and electricity are under investigation and will be published when our analysis is complete.
2. This release provides an analysis of revisions. For any questions or comments, please contact Malibongwe Mhemhe at malibongwem@statssa.gov.za.

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Key findings

Table A – Purchases and sales of water and electricity

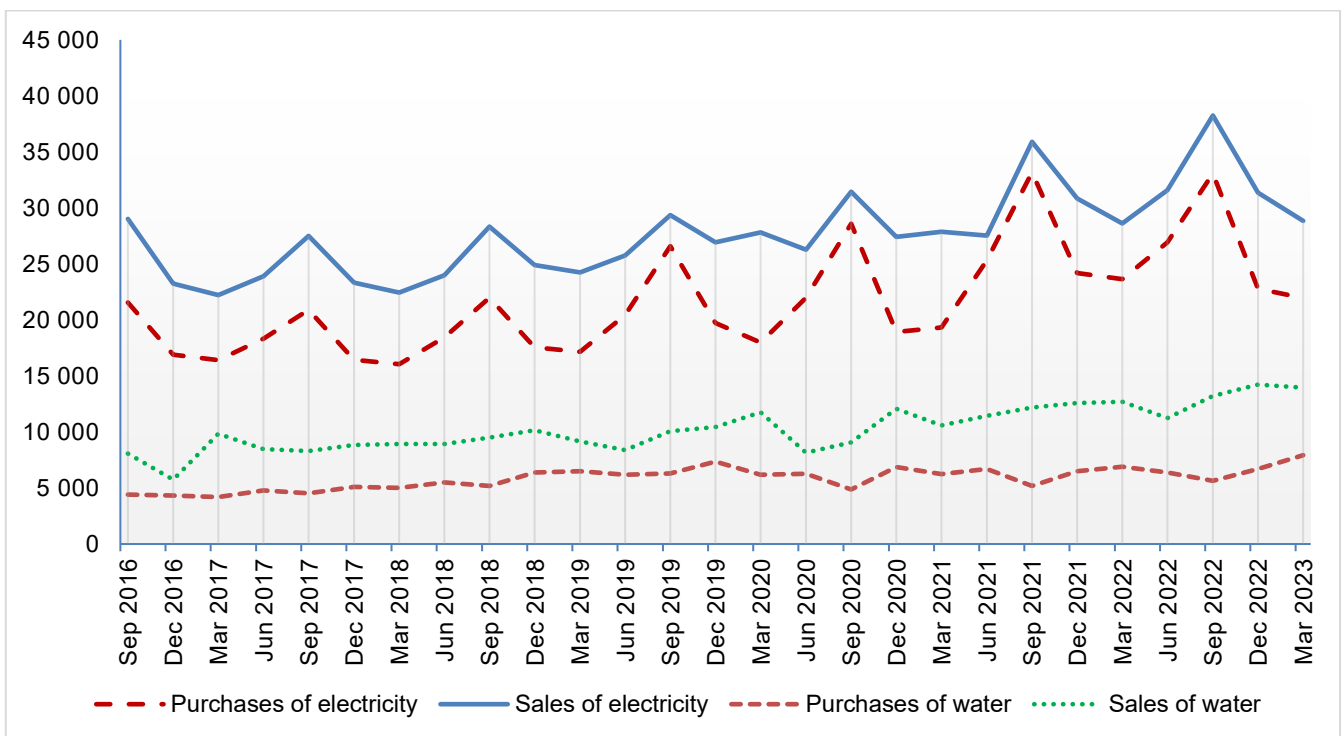
Item	Quarter ended				
	Mar-22**	Jun-22**	Sep-22*	Dec-22*	Mar-23
	Year-on-year % change				
Purchases of water	10,5	-5,0	8,9	2,9	15,1
Sales of water	17,6	-3,5	9,7	14,4	11,0
Purchases of electricity	22,4	6,2	-0,3	-5,8	-7,2
Sales of electricity	2,7	14,7	6,6	1,6	0,8

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table A shows annual growth rates in the purchases and sales of water and electricity. Purchases of water increased by 15,1% from the quarter ended March 2022 to the quarter ended March 2023 while sales of water increased by 11,0%. Purchases of electricity decreased by 7,2% while sales of electricity increased by 0,8% over the same period.

Figure 1 – Purchases and sales of water and electricity, R million



Risenga Maluleke
Risenga Maluleke
 Statistician-General

Table 1 – Combined consolidated statement of financial performance of municipalities for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Expenditure

Expenditure	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Employee-related costs	28 174	29 206	29 015	31 848	29 277	-2 571	1 103
Remuneration of councillors	757	871	855	886	863	-23	106
Finance costs	3 890	4 024	1 761	2 580	2 713	133	-1 177
Loss on disposal of assets	526	494	414	1 444	926	-518	400
Debt impairment	12 009	13 345	5 348	5 570	8 415	2 845	-3 594
Contracted services:							
Consultants and professional services	1 257	1 837	1 064	1 425	1 261	-164	4
Contractors	4 023	5 155	4 375	5 995	6 070	75	2 047
Outsourced services	4 468	4 179	3 165	4 676	4 389	-287	-79
Operating leases:	0	0					
Buildings and infrastructure	293	305	286	345	739	394	446
Computer, furniture and office equipment	28	36	92	124	81	-43	53
Transport assets, machinery and equipment	89	151	570	619	539	-80	450
Other operating leases	146	307	68	117	76	-41	-70
Inventory consumed	2 351	2 601	1 797	2 170	2 280	110	-71
Depreciation, amortisation and impairment	10 218	8 998	6 014	7 574	7 403	-171	-2 815
Bulk purchases:							
Purchases of water	6 887	6 370	5 647	6 684	7 928	1 244	1 041
Purchases of electricity	23 648	26 920	33 071	22 780	21 943	-837	-1 705
Other bulk purchases	27	28	6	5	1	-4	-26
Transfers and subsidies paid to:							
Other local government institutions	28	123	75	126	142	16	114
Tertiary institutions of higher learning	0	0	0	0	1	1	1
Households or individuals	126	206	88	178	228	50	102
Non-profit institutions	86	98	27	29	39	10	-47
Other transfers and subsidies	519	1 058	1 350	1 500	1 226	-274	707
Operational costs:							
Advertising, publicity and marketing	143	207	101	127	128	1	-15
Bank charges, facility and card fees	129	183	134	153	151	-2	22
Communication	320	313	158	227	226	-1	-94
Courier and delivery services	48	42	16	21	27	6	-21
Entertainment costs	3	6	10	18	21	3	18
External audit fees	428	185	82	477	243	-234	-185
Hire charges	290	382	186	265	331	66	41
Insurance underwriting	284	146	929	316	264	-52	-20
Printing, publications and books	75	110	42	55	53	-2	-22
Professional bodies, membership and subscriptions	109	180	209	88	82	-6	-27
Transport costs	21	33	14	22	21	-1	0
Travel and subsistence	133	252	137	169	158	-11	25
Wet fuel	649	688	336	601	588	-13	-61
Other operational costs	11 463	8 107	3 040	3 573	3 656	83	-7 807
Other expenditure	808	1 175	3 918	4 381	5 608	1 227	4 800
Taxation	12	13	0	0	0	0	-12
Surplus	23 480	6 470	56 134	35 626	38 837	3 211	15 357
Total expenditure	137 945	124 804	160 534	142 794	146 934	4 140	8 989

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 2 – Combined consolidated statement of financial performance of municipalities for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Revenue

Revenue	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Property rates from:							
Residential	8 127	8 365	12 125	9 614	9 201	-413	1 074
Commercial or business	5 756	6 316	9 534	7 514	8 103	589	2 347
State	582	698	1 629	846	903	57	321
Other (includes agricultural, municipal, etc.)	2 532	2 978	2 131	1 928	1 984	56	-548
Property rates – penalties imposed and collection charges	187	211	86	107	125	18	-62
Service charges:							
Sales of water	12 563	11 130	13 208	14 229	13 951	-278	1 388
Sales of electricity	28 621	31 586	38 248	31 344	28 850	-2 494	229
Refuse removal charges	3 290	2 799	3 613	3 391	3 489	98	199
Sewerage and sanitation charges	4 844	4 829	5 198	5 539	5 516	-23	672
Other service charges (e.g. fresh produce market)	309	309	76	76	29	-47	-280
Interest on:							
Investments	1 101	983	838	1 044	1 234	190	133
Receivables	2 291	2 417	2 937	3 213	3 369	156	1 078
Dividends	5	6	0	0	0	0	-5
Fines, penalties and forfeits	1 318	1 390	703	907	1 125	218	-193
Licences and permits	129	123	227	191	194	3	65
Agency services	429	528	551	537	560	23	131
Rental	700	616	512	557	742	185	42
Sales of goods and rendering of services	500	903	748	828	1 339	511	839
Gains on the disposal of assets	37	119	17	51	50	-1	13
Government transfers and subsidies received:							
Capital	7 347	10 843	3 299	8 266	6 490	-1 776	-857
Operational	23 529	11 644	35 557	22 571	32 093	9 522	8 564
Other transfers and subsidies (incl. contributions and donations)	490	336	174	190	237	47	-253
Operational revenue	5 052	4 016	3 954	6 670	6 056	-614	1 004
Deficit	28 206	21 659	25 169	23 181	21 294	-1 887	-6 912
Total revenue	137 945	124 804	160 534	142 794	146 934	4 140	8 989

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only

Table 3 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Expenditure

Expenditure	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Employee-related costs	17 927	18 697	18 714	20 398	18 639	-1 759	712
Remuneration of councillors	757	871	855	886	863	-23	106
Finance costs	3 338	2 988	801	1 551	1 695	144	-1 643
Loss on disposal of assets	350	444	13	17	22	5	-328
Debt impairment	5 919	6 823	1 650	1 685	2 530	845	-3 389
Contracted services:							
Consultants and professional services	793	1 104	769	946	921	-25	128
Contractors	1 240	1 888	1 274	1 920	1 866	-54	626
Outsourced services	1825	1 753	1378	1919	1 770	-149	-55
Operating leases:							
Buildings and infrastructure	178	175	101	226	132	-94	-46
Computer, furniture and office equipment	26	33	57	79	75	-4	49
Transport assets, machinery and equipment	70	120	269	292	231	-61	161
Other operating leases	93	241	47	81	53	-28	-40
Inventory consumed	904	995	468	611	723	112	-181
Depreciation, amortisation and impairment	3 222	3 419	1 839	2 239	2 412	173	-810
Transfers and subsidies paid to:							
Other local government institutions	28	123	75	126	142	16	114
Tertiary institutions of higher learning	0	0	0	0	1	1	1
Households	110	180	23	37	37	0	-73
Non-profit institutions	86	86	24	26	16	-10	-70
Other transfers and subsidies paid	323	626	1 311	1 355	1 086	-269	763
Operational costs:							
Advertising, publicity and marketing	114	175	69	91	91	0	-23
Bank charges, facility and card fees	123	177	129	148	146	-2	23
Communication	279	258	130	195	192	-3	-87
Courier and delivery services	48	42	16	21	26	5	-22
Entertainment	3	5	8	16	20	4	17
External audit fees	404	179	76	433	217	-216	-187
Hire charges	160	133	82	80	89	9	-71
Insurance underwriting	212	116	831	246	199	-47	-13
Printing, publications and books	63	94	32	40	44	4	-19
Professional bodies, membership and subscriptions	106	176	207	86	78	-8	-28
Transport	21	33	9	17	14	-3	-7
Travel and subsistence	105	226	114	132	117	-15	12
Wet fuel	449	468	227	294	352	58	-97
Other operational costs	3 523	4 230	1 750	2 114	2 252	138	-1 271
Other expenditure	485	731	1 358	1 612	2 027	415	1 542
Taxation	12	13	0	0	0	0	-12
Surplus	16 171	82	37 787	21 846	27 044	5 198	10 873
Total expenditure	59 467	47 704	72 493	61 765	66 122	4 357	6 655

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only

Table 4 – Consolidated statement of financial performance of municipalities for rates and general services for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Revenue

Revenue	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Property rates from:							
Residential	8 127	8 365	12 125	9 614	9 201	-413	1 074
Commercial or business	5 756	6 316	9 534	7 514	8 103	589	2 347
State	582	698	1 629	846	903	57	321
Other (includes agricultural, municipal, etc.)	2 532	2 978	2 131	1 928	1 984	56	-548
Property rates – penalties imposed and collection charges	187	211	86	107	125	18	-62
Interest on:							
Investments	1 080	955	763	995	1 163	168	83
Receivables	1 102	1 090	1 391	1 407	1 482	75	380
Dividends	5	6	0	0	0	0	-5
Fines, penalties and forfeits	1 199	1 294	687	886	1 102	216	-97
Licences and permits	57	53	76	47	54	7	-3
Agency services	215	206	204	207	259	52	44
Rental	362	367	278	288	353	65	-9
Sales of goods and rendering of services	271	643	410	471	808	337	537
Gains on the disposal of assets	16	96	16	17	23	6	7
Government transfers and subsidies received:							
Capital	2 275	3 340	1 134	1 724	1 718	-6	-557
Operational	17 550	5 646	27 196	16 290	22 458	6 168	4 908
Other transfers and subsidies (incl. contributions and donations)	389	17	80	82	123	41	-266
Operational revenue	3 745	2 722	2 774	5 462	4 203	-1 259	458
Deficit	14 017	12 701	11 979	13 880	12 060	-1 820	-1 957
Total revenue	59 467	47 704	72 493	61 765	66 122	4 357	6 655

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 5 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Expenditure

Expenditure	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Employee-related costs	10 247	10 509	10 301	11 450	10 638	-812	391
Finance costs	552	1 036	960	1 029	1 018	-11	466
Loss on disposal of assets	176	50	401	1 427	904	-523	728
Debt impairment	6 090	6 522	3 698	3 885	5 885	2 000	-205
Contracted services:							
Consultancy and professional fees	464	733	295	479	340	-139	-124
Contractors	2 783	3 267	3 101	4 075	4 204	129	1 421
Outsourced services	2 643	2 426	1 787	2 757	2 619	-138	-24
Operating leases:							
Buildings and infrastructure	115	130	185	119	607	488	492
Computer, furniture and office equipment	2	3	35	45	6	-39	4
Transport assets, machinery and equipment	19	31	301	327	308	-19	289
Other operating leases	53	66	21	36	23	-13	-30
Inventory consumed	1 447	1 606	1 329	1 559	1 557	-2	110
Depreciation, amortisation and impairment loss	6 996	5 579	4 175	5 335	4 991	-344	-2 005
Bulk purchases:							
Purchases of water	6 887	6 370	5 647	6 684	7 928	1 244	1 041
Purchases of electricity	23 648	26 920	33 071	22 780	21 943	-837	-1 705
Other bulk purchases	27	28	6	5	1	-4	-26
Transfers and subsidies paid to:							
Other local government institutions	0	0	0	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0	0	0	0
Households	16	26	65	141	191	50	175
Non-profit institutions	0	12	3	3	23	20	23
Other grants paid	196	432	39	145	140	-5	-56
Operational costs:							
Advertising, promotions and marketing	29	32	32	36	37	1	8
Bank charges, facility and card fees	6	6	5	5	5	0	-1
Communication	41	55	28	32	34	2	-7
Courier and delivery services	0	0	0	0	1	1	1
Entertainment	0	1	2	2	1	-1	1
External audit fees	24	6	6	44	26	-18	2
Hire charges	130	249	104	185	242	57	112
Insurance underwriting	72	30	98	70	65	-5	-7
Printing, publications and books	12	16	10	15	9	-6	-3
Professional bodies, membership and subscriptions	3	4	2	2	4	2	1
Transport	0	0	5	5	7	2	7
Travel and subsistence	28	26	23	37	41	4	13
Wet fuel	200	220	109	307	236	-71	36
Other operational costs	7 940	3 877	1 290	1 459	1 404	-55	-6 536
Other expenditure	323	444	2 560	2 769	3 581	812	3 258
Taxation	0	0	0	0	0	0	0
Surplus	7 309	6 388	18 347	13 780	11 793	-1 987	4 484
Total expenditure	78 478	77 100	88 041	81 029	80 812	-217	2 334

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 6 – Consolidated statement of financial performance of municipalities for housing and trading services for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023: Revenue

Revenue	March 2022**	June 2022**	September 2022*	December 2022*	March 2023	Quarter-on-quarter difference between Dec. 2022 and Mar. 2023	Year-on-year difference between Mar. 2022 and Mar. 2023
	R million						
Interest on:							
Investments	21	28	75	49	71	22	50
Receivables	1 189	1 327	1 546	1 806	1 887	81	698
Dividends	0	0	0	0	0	0	0
Fines, penalties and forfeits	119	96	16	21	23	2	-96
Licences and permits	72	70	151	144	140	-4	68
Agency services	214	322	347	330	301	-29	87
Rental	338	249	234	269	389	120	51
Sales of goods and rendering of services	229	260	338	357	531	174	302
Gains on the disposal of assets	21	23	1	34	27	-7	6
Service charges:							
Sales of water	12 563	11 130	13 208	14 229	13 951	-278	1 388
Sales of electricity	28 621	31 586	38 248	31 344	28 850	-2 494	229
Refuse removal charges	3 290	2 799	3 613	3 391	3 489	98	199
Sewerage and sanitation charges	4 844	4 829	5 198	5 539	5 516	-23	672
Other service charges (e.g. fresh produce market)	309	309	76	76	29	-47	-280
Government transfers and subsidies received:							
Capital	5 072	7 503	2 165	6 542	4 772	-1 770	-300
Operational	5 979	5 998	8 361	6 281	9 635	3 354	3 656
Other transfers and subsidies (incl. contributions and donations)	101	319	94	108	114	6	13
Operational revenue	1 307	1 294	1 180	1 208	1 853	645	546
Deficit	14 189	8 958	13 190	9 301	9 234	-67	-4 955
Total revenue	78 478	77 100	88 041	81 029	80 812	-217	2 334

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 7 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities: Expenditure – South Africa

Expenditure	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Employee-related costs	28 418	30 219	28 618	28 524	115 778
Remuneration of councillors	765	825	832	767	3 189
Finance costs	1 641	2 571	3 394	2 943	10 549
Loss on disposal of assets	9	61	252	611	933
Debt impairment	7 215	8 351	9 864	12 194	37 625
Contracted services:					
Consultants and professional services	643	1 439	1 220	1 797	5 099
Contractors	2 755	3 570	3 373	4 821	14 519
Outsourced services	2 155	3 543	3 165	4 993	13 855
Operating leases:					
Buildings and infrastructure	441	460	488	400	1 788
Computer, furniture and office equipment	18	22	42	32	114
Transport assets, machinery and equipment	29	145	92	136	401
Other operating leases	180	162	73	364	779
Inventory consumed	1 241	1 893	1 852	2 632	7 618
Depreciation, amortisation and impairment	6 860	8 075	9 113	10 680	34 728
Bulk purchases:					
Purchases of water	4 877	6 872	6 232	6 702	24 683
Purchases of electricity	28 576	18 935	19 323	25 339	92 173
Other bulk purchases	9	8	8	9	34
Transfers and subsidies paid to:					
Other local government institutions	77	69	46	43	235
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	119	124	226	204	673
Non-profit institutions	152	84	59	60	354
Other transfers and subsidies	330	528	1 000	666	2 524
Operational costs:					
Advertising, publicity and marketing	61	119	134	192	506
Bank charges, facility and card fees	89	130	139	121	479
Communication	185	234	286	400	1 106
Courier and delivery services	27	56	54	55	192
Entertainment costs	1	9	7	12	30
External audit fees	38	176	382	328	924
Hire charges	130	294	327	361	1 112
Insurance underwriting	405	464	270	247	1 385
Printing, publications and books	63	71	96	130	360
Professional bodies, membership and subscriptions	222	125	45	202	594
Transport costs	4	36	11	25	76
Travel and subsistence	81	113	111	146	451
Wet fuel	226	278	421	582	1 507
Other operational costs	4 664	8 616	5 668	8 858	27 806
Other expenditure	427	664	710	857	2 658
Taxation	0	0	0	1	1
Surplus	38 269	28 001	26 479	8 158	100 911
Total expenditure	131 402	127 342	124 412	124 592	507 749

¹ The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 8 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities: Revenue – South Africa

Revenue	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Property rates from:					
Residential	8 639	7 746	7 780	8 046	32 211
Commercial or business	6 894	5 885	5 914	6 092	24 785
State	1 313	1 093	464	465	3 335
Other (includes agricultural, municipal, etc.)	5 243	1 607	1 894	2 341	11 085
Property rates – penalties imposed and collection charges	53	74	49	95	271
Service charges:					
Sales of water	9 159	12 165	10 686	11 538	43 548
Sales of electricity	31 439	27 406	27 877	27 527	114 249
Refuse removal charges	2 724	2 871	2 832	3 071	11 498
Sewerage and sanitation charges	3 849	3 416	3 421	6 801	17 487
Other service charges (e.g. fresh produce market)	251	149	202	491	1 093
Interest on:					
Investments	527	851	641	1 029	3 048
Receivables	1 409	1 766	2 097	1 570	6 842
Dividends	0	0	0	0	0
Fines, penalties and forfeits	850	1 380	1 554	2 246	6 031
Licences and permits	99	142	110	111	462
Agency services	453	442	605	492	1 992
Rental	592	462	539	596	2 189
Sales of goods and rendering of services	325	568	437	725	2 055
Gains on the disposal of assets	20	10	41	53	124
Government transfers and subsidies received:					
Capital	4 543	6 874	8 523	11 758	31 699
Operational	23 610	29 383	21 649	10 681	85 322
Other transfers and subsidies (incl. contributions and donations)	239	1 226	598	1 051	3 115
Operational revenue	3 041	5 886	4 367	3 560	16 854
Deficit	26 130	15 940	22 132	24 253	88 454
Total revenue	131 402	127 342	124 412	124 592	507 749

¹ The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 9 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Employee-related costs	18 172	19 270	18 759	18 715	74 916
Remuneration of councillors	765	825	832	767	3 189
Finance costs	1 248	1 730	2 945	2 034	7 957
Loss on disposal of assets	2	51	198	485	736
Debt impairment	2 814	5 335	5 335	4 950	18 434
Contracted services:					
Consultants and professional services	456	971	850	1 173	3 450
Contractors	693	1 266	1 079	1 513	4 551
Outsourced services	980	1 524	1 445	2 467	6 416
Operating leases:					
Buildings and infrastructure	368	406	428	323	1 525
Computer, furniture and office equipment	15	18	38	29	100
Transport assets, machinery and equipment	20	125	80	116	341
Other operating leases	110	92	73	293	568
Inventory consumed	468	978	804	1 370	3 620
Depreciation, amortisation and impairment	2 466	3 189	3 580	4 731	13 966
Transfers and subsidies paid to:					
Other local government institutions	77	69	46	43	235
Tertiary institutions of higher learning	0	0	0	0	0
Households	91	96	165	157	509
Non-profit institutions	151	81	58	58	348
Other transfers and subsidies paid	149	291	842	386	1 668
Operational costs:					
Advertising, publicity and marketing	48	79	105	154	386
Bank charges, facility and card fees	85	125	134	116	460
Communication	165	211	269	323	968
Courier and delivery services	27	56	54	54	191
Entertainment	1	5	3	8	17
External audit fees	32	159	351	301	843
Hire charges	41	100	131	173	445
Insurance underwriting	380	439	255	212	1 286
Printing, publications and books	56	63	88	113	320
Professional bodies, membership and subscriptions	217	123	41	195	576
Transport	2	33	10	21	66
Travel and subsistence	66	84	91	129	370
Wet fuel	148	185	343	453	1 129
Other operational costs	2 014	3 455	2 673	4 410	12 552
Other expenditure	299	564	471	660	1 994
Taxation	0	0	0	1	1
Surplus	27 076	22 726	12 672	685	63 159
Total expenditure	59 702	64 724	55 248	47 618	227 292

¹ The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities (P9114), using information for the 130 municipalities only.

Table 10 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities for rates and general services: Revenue

Revenue	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Property rates from:					
Residential	8 639	7 746	7 780	8 046	32 211
Commercial or business	6 894	5 885	5 914	6 092	24 785
State	1 313	1 093	464	465	3 335
Other (includes agricultural, municipal, etc.)	5 243	1 607	1 894	2 341	11 085
Property rates – penalties imposed and collection charges	53	74	49	95	271
Interest on:					
Investments	521	826	628	1 013	2 988
Receivables	678	1 124	949	824	3 575
Dividends	0	0	0	0	0
Fines, penalties and forfeits	824	1 344	1 525	2 193	5 886
Licences and permits	42	78	34	55	209
Agency services	199	109	325	199	832
Rental	279	223	257	287	1 046
Sales of goods and rendering of services	244	356	285	411	1 296
Gains on the disposal of assets	20	9	41	45	115
Government transfers and subsidies received:					
Capital	2 351	2 715	4 822	4 854	14 742
Operational	16 134	20 792	14 693	5 925	57 544
Other transfers and subsidies (incl. contributions and donations)	206	1 029	481	790	2 506
Operational revenue	2 372	4 992	3 419	2 059	12 842
Deficit	13 690	14 722	11 688	11 924	52 024
Total revenue	59 702	64 724	55 248	47 618	227 292

¹ The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 11 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Employee-related costs	10 246	10 949	9 859	9 809	40 863
Finance costs	393	841	449	909	2 592
Loss on disposal of assets	7	10	54	126	197
Debt impairment	4 401	3 016	4 529	7 244	19 190
Contracted services:					
Consultancy and professional fees	187	468	370	624	1 649
Contractors	2 062	2 304	2 294	3 308	9 968
Outsourced services	1 175	2 019	1 720	2 526	7 440
Operating leases:					
Buildings and infrastructure	73	54	60	77	264
Computer, furniture and office equipment	3	4	4	3	14
Transport assets, machinery and equipment	9	20	12	20	61
Other operating leases	70	70	0	71	211
Inventory consumed	773	915	1 048	1 262	3 998
Depreciation, amortisation and impairment loss	4 394	4 886	5 533	5 949	20 762
Bulk purchases:					
Purchases of water	4 877	6 872	6 232	6 702	24 683
Purchases of electricity	28 576	18 935	19 323	25 339	92 173
Other bulk purchases	9	8	8	9	34
Transfers and subsidies paid to:					
Other local government institutions	0	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0	0
Households	28	28	61	47	164
Non-profit institutions	1	3	1	2	7
Other grants paid	181	237	158	280	856
Operational costs:					
Advertising, promotions and marketing	13	40	29	38	120
Bank charges, facility and card fees	4	5	5	5	19
Communication	20	23	17	77	137
Courier and delivery services	0	0	0	1	1
Entertainment	0	4	4	4	12
External audit fees	6	17	31	27	81
Hire charges	89	194	196	188	667
Insurance underwriting	25	25	15	35	100
Printing, publications and books	7	8	8	17	40
Professional bodies, membership and subscriptions	5	2	4	7	18
Transport	2	3	1	4	10
Travel and subsistence	15	29	20	17	81
Wet fuel	78	93	78	129	378
Other operational costs	2 650	5 161	2 995	4 448	15 254
Other expenditure	128	100	239	197	664
Taxation	0	0	0	0	0
Surplus	11 193	5 275	13 807	7 473	37 748
Total expenditure	71 700	62 618	69 164	76 974	280 456

¹ The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 12 – Benchmark table for the financial year ended 30 June 2021 (revised): Statement of financial performance of municipalities for housing and trading services: Revenue

Revenue	September 2020	December 2020	March 2021	June 2021	Total 2021 ¹
	R million				
Interest on:					
Investments	6	25	13	16	60
Receivables	731	642	1 148	746	3 267
Dividends	0	0	0	0	0
Fines, penalties and forfeits	26	36	29	53	144
Licences and permits	57	64	76	56	253
Agency services	254	333	280	293	1 160
Rental	313	239	282	309	1 143
Sales of goods and rendering of services	81	212	152	314	759
Gains on the disposal of assets	0	1	0	8	9
Service charges:					
Sales of water	9 159	12 165	10 686	11 538	43 548
Sales of electricity	31 439	27 406	27 877	27 527	114 249
Refuse removal charges	2 724	2 871	2 832	3 071	11 498
Sewerage and sanitation charges	3 849	3 416	3 421	6 801	17 487
Other service charges (e.g. fresh produce market)	251	149	202	491	1 093
Government transfers and subsidies received:					
Capital	2 192	4 159	3 701	6 904	16 956
Operational	7 476	8 591	6 956	4 756	27 779
Other transfers and subsidies (incl. contributions and donations)	33	197	117	261	608
Operational revenue	669	894	948	1 501	4 012
Deficit	12 440	1 218	10 444	12 329	36 431
Total revenue	71 700	62 618	69 164	76 974	280 456

¹The previously published totals for the September 2020, December 2020, March 2021 and June 2021 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114) but for the 130 municipalities.

Table 13 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities: Expenditure – South Africa

Expenditure	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Employee-related costs	26 901	32 261	28 174	29 206	116 542
Remuneration of councillors	789	773	757	871	3 190
Finance costs	2 491	2 831	3 890	4 024	13 236
Loss on disposal of assets	37	12	526	494	1 069
Debt impairment	8 179	8 653	12 009	13 345	42 186
Contracted services:					
Consultants and professional services	937	1 506	1 257	1 837	5 537
Contractors	2 573	4 201	4 023	5 155	15 953
Outsourced services	2 221	3 764	4 468	4 179	14 631
Operating leases:	0	0	0	0	
Buildings and infrastructure	497	330	293	305	1 425
Computer, furniture and office equipment	20	28	28	36	112
Transport assets, machinery and equipment	56	95	89	151	391
Other operating leases	115	137	146	307	705
Inventory consumed	1 558	2 194	2 351	2 601	8 704
Depreciation, amortisation and impairment	7 144	8 866	10 218	8 998	35 225
Bulk purchases:	0	0	0	0	
Purchases of water	5 184	6 494	6 887	6 370	24 935
Purchases of electricity	33 175	24 172	23 648	26 920	107 915
Other bulk purchases	27	27	27	28	109
Transfers and subsidies paid to:					
Other local government institutions	18	19	28	123	188
Tertiary institutions of higher learning	0	0	0	0	0
Households or individuals	101	133	126	206	566
Non-profit institutions	126	72	86	98	382
Other transfers and subsidies	414	413	519	1 058	2 404
Operational costs:					
Advertising, publicity and marketing	71	147	143	207	568
Bank charges, facility and card fees	136	117	129	183	565
Communication	187	239	320	313	1 059
Courier and delivery services	34	37	48	42	160
Entertainment costs	2	5	3	6	16
External audit fees	67	566	428	185	1 246
Hire charges	233	327	290	382	1 231
Insurance underwriting	594	421	284	146	1 445
Printing, publications and books	68	68	75	110	321
Professional bodies, membership and subscriptions	194	121	109	180	604
Transport costs	5	10	21	33	69
Travel and subsistence	100	109	133	252	594
Wet fuel	261	491	649	688	2 090
Other operational costs	5 250	6 272	11 463	8 107	31 092
Other expenditure	625	752	808	1 175	3 360
Taxation	13	13	12	13	51
Surplus	44 516	25 117	23 480	6 470	99 586
Total expenditure	144 919	131 793	137 945	124 804	539 462

¹ The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 14 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities: Revenue – South Africa

Revenue	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Property rates from:					
Residential	10 208	8 486	8 127	8 365	35 185
Commercial or business	7 672	6 245	5 756	6 316	25 989
State	1 050	800	582	698	3 130
Other (includes agricultural, municipal, etc.)	3 539	2 861	2 532	2 978	11 910
Property rates – penalties imposed and collection charges	32	51	187	211	481
Service charges:					
Sales of water	12 036	12 442	12 563	11 130	48 171
Sales of electricity	35 896	30 849	28 621	31 586	126 952
Refuse removal charges	3 272	3 248	3 290	2 799	12 609
Sewerage and sanitation charges	4 918	4 777	4 844	4 829	19 368
Other service charges (e.g. fresh produce market)	318	318	309	309	1 254
Interest on:					
Investments	451	545	1 101	983	3 080
Receivables	1 752	2 121	2 291	2 417	8 581
Dividends	5	6	5	6	22
Fines, penalties and forfeits	889	1 363	1 318	1 390	4 960
Licences and permits	119	142	129	123	513
Agency services	435	561	429	528	1 953
Rental	572	587	700	616	2 475
Sales of goods and rendering of services	437	479	500	903	2 320
Gains on the disposal of assets	19	30	37	119	205
Government transfers and subsidies received:					
Capital	4 420	9 862	7 347	10 843	32 472
Operational	25 536	19 422	23 529	11 644	80 131
Other transfers and subsidies (incl. contributions and donations)	412	512	490	336	1 751
Operational revenue	3 733	4 128	5 052	4 016	16 929
Deficit	27 198	21 958	28 206	21 659	99 021
Total revenue	144 919	131 793	137 945	124 804	539 462

¹ The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 15 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities for rates and general services: Expenditure

Expenditure	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Employee-related costs	17 207	20 604	17 927	18 697	74 435
Remuneration of councillors	789	773	757	871	3 190
Finance costs	1 997	1 989	3 338	2 988	10 312
Loss on disposal of assets	36	12	350	444	842
Debt impairment	3 100	3 699	5 919	6 823	19 541
Contracted services:					
Consultants and professional services	631	954	793	1 104	3 482
Contractors	635	1 225	1 240	1 888	4 988
Outsourced services	1 116	1 726	1 825	1 753	6 420
Operating leases:					
Buildings and infrastructure	198	139	178	175	690
Computer, furniture and office equipment	15	26	26	33	100
Transport assets, machinery and equipment	42	70	70	120	302
Other operating leases	85	96	93	241	515
Inventory consumed	527	802	904	995	3 228
Depreciation, amortisation and impairment	2 693	3 025	3 222	3 419	12 359
Transfers and subsidies paid to:					
Other local government institutions	18	19	28	123	188
Tertiary institutions of higher learning	0	0	0	0	0
Households	89	112	110	180	491
Non-profit institutions	114	72	86	86	358
Other transfers and subsidies paid	316	292	323	626	1 557
Operational costs:					
Advertising, publicity and marketing	62	124	114	175	475
Bank charges, facility and card fees	130	111	123	177	541
Communication	153	200	279	258	890
Courier and delivery services	34	36	48	42	160
Entertainment	2	5	3	5	15
External audit fees	63	525	404	179	1 171
Hire charges	133	162	160	133	588
Insurance underwriting	513	331	212	116	1 172
Printing, publications and books	62	56	63	94	275
Professional bodies, membership and subscriptions	190	117	106	176	589
Transport	5	10	21	33	69
Travel and subsistence	81	86	105	226	498
Wet fuel	196	311	449	468	1 424
Other operational costs	2 633	2 908	3 523	4 230	13 294
Other expenditure	398	434	485	731	2 048
Taxation	13	13	12	13	51
Surplus	28 939	15 597	16 171	82	60 789
Total expenditure	63 215	56 661	59 467	47 704	227 047

¹ The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 16 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities for rates and general services: Revenue

Revenue	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Property rates from:					
Residential	10 208	8 486	8 127	8 365	35 185
Commercial or business	7 672	6 245	5 756	6 316	25 989
State	1 050	800	582	698	3 130
Other (includes agricultural, municipal etc.)	3 539	2 861	2 532	2 978	11 910
Property rates – penalties imposed and collection charges	32	51	187	211	481
Interest on:					
Investments	437	528	1 080	955	3 000
Receivables	915	1 003	1 102	1 090	4 110
Dividends	5	6	5	6	22
Fines, penalties and forfeits	839	1 276	1 199	1 294	4 608
Licences and permits	51	63	57	53	224
Agency services	193	259	215	206	873
Rental	309	315	362	367	1 353
Sales of goods and rendering of services	286	277	271	643	1 477
Gains on the disposal of assets	8	23	16	96	143
Government transfers and subsidies received:					
Capital	2 345	2 867	2 275	3 340	10 827
Operational	18 539	13 892	17 550	5 646	55 627
Other transfers and subsidies (incl. contributions and donations)	376	375	389	17	1 157
Operational revenue	3 039	3 215	3 745	2 722	12 721
Deficit	13 372	14 119	14 017	12 701	54 210
Total revenue	63 215	56 661	59 467	47 704	227 047

¹ The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 17 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities for housing and trading services: Expenditure

Expenditure	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Employee-related costs	9 694	11 657	10 247	10 509	42 107
Finance costs	494	842	552	1 036	2 924
Loss on disposal of assets	1	0	176	50	227
Debt impairment	5 079	4 954	6 090	6 522	22 645
Contracted services:					
Consultancy and professional fees	306	552	464	733	2 055
Contractors	1 938	2 976	2 783	3 267	10 964
Outsourced services	1 105	2 038	2 643	2 426	8 212
Operating leases:					
Buildings and infrastructure	299	191	115	130	735
Computer, furniture and office equipment	5	2	2	3	12
Transport assets, machinery and equipment	14	25	19	31	89
Other operating leases	30	41	53	66	190
Inventory consumed	1 031	1 392	1 447	1 606	5 476
Depreciation, amortisation and impairment loss	4 451	5 841	6 996	5 579	22 867
Bulk purchases:					
Purchases of water	5 184	6 494	6 887	6 370	24 935
Purchases of electricity	33 175	24 172	23 648	26 920	107 915
Other bulk purchases	27	27	27	28	109
Transfers and subsidies paid to:					
Other local government institutions	0	0	0	0	0
Tertiary institutions of higher learning	0	0	0	0	0
Households	12	21	16	26	75
Non-profit institutions	12	0	0	12	24
Other grants paid	98	121	196	432	847
Operational costs:					
Advertising, promotions and marketing	9	23	29	32	93
Bank charges, facility and card fees	6	6	6	6	24
Communication	34	39	41	55	169
Courier and delivery services	0	1	0	0	1
Entertainment	0	0	0	1	1
External audit fees	4	41	24	6	75
Hire charges	100	165	130	249	644
Insurance underwriting	81	90	72	30	273
Printing, publications and books	6	12	12	16	46
Professional bodies, membership and subscriptions	4	4	3	4	15
Transport	0	0	0	0	0
Travel and subsistence	19	23	28	26	96
Wet fuel	65	180	200	220	665
Other operational costs	2 617	3 364	7 940	3 877	17 798
Other expenditure	227	318	323	444	1 312
Taxation	0	0	0	0	0
Surplus	15 577	9 520	7 309	6 388	38 793
Total expenditure	81 704	75 132	78 478	77 100	312 413

¹ The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Table 18 – Benchmark table for the financial year ended 30 June 2022 (preliminary): Statement of financial performance of municipalities for housing and trading services: Revenue

Revenue	September 2021	December 2021	March 2022	June 2022	Total 2022 ¹
	R million				
Interest on:					
Investments	14	17	21	28	80
Receivables	837	1 118	1 189	1 327	4 471
Dividends	0	0	0	0	0
Fines, penalties and forfeits	50	87	119	96	352
Licences and permits	68	79	72	70	289
Agency services	242	302	214	322	1 080
Rental	263	272	338	249	1 122
Sales of goods and rendering of services	151	202	229	260	842
Gains on the disposal of assets	11	7	21	23	62
Service charges:					
Sales of water	12 036	12 442	12 563	11 130	48 171
Sales of electricity	35 896	30 849	28 621	31 586	126 952
Refuse removal charges	3 272	3 248	3 290	2 799	12 609
Sewerage and sanitation charges	4 918	4 777	4 844	4 829	19 368
Other service charges (e.g. fresh produce market)	318	318	309	309	1 254
Government transfers and subsidies received:					
Capital	2 075	6 995	5 072	7 503	21 645
Operational	6 997	5 530	5 979	5 998	24 504
Other transfers and subsidies (incl. contributions and donations)	36	137	101	319	593
Operational revenue	694	913	1 307	1 294	4 208
Deficit	13 826	7 839	14 189	8 958	44 811
Total revenue	81 704	75 132	78 478	77 100	312 413

¹The previously published totals for the September 2021, December 2021, March 2022 and June 2022 quarters have been benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Annexure A – Purchases and sales of water

Quarter ended	Purchases of water		Sales of water	
	Actual (unadjusted)		Actual (unadjusted)	
	R million	Year-on-year % change	R million	Year-on-year % change
Sep 2016**	4 398		8 082	
Dec 2016**	4 313		5 746	
Mar 2017**	4 192		9 837	
Jun 2017**	4 795		8 459	
Sep 2017**	4 520	2,8	8 284	2,5
Dec 2017**	5 100	18,2	8 828	53,6
Mar 2018**	5 006	19,4	8 923	-9,3
Jun 2018**	5 487	14,4	8 916	5,4
Sep 2018**	5 179	14,6	9 493	14,6
Dec 2018**	6 393	25,4	10 156	15,0
Mar 2019**	6 498	29,8	9 167	2,7
Jun 2019**	6 186	12,7	8 385	-6,0
Sep 2019**	6 295	21,5	10 067	6,0
Dec 2019**	7 354	15,0	10 449	2,9
Mar 2020**	6 189	-4,8	11 767	28,4
Jun 2020**	6 278	1,5	8 150	-2,8
Sep 2020**	4 877	-22,5	9 159	-9,0
Dec 2020**	6 872	-6,6	12 165	16,4
Mar 2021**	6 232	0,7	10 686	-9,2
Jun 2021**	6 702	6,8	11 538	41,6
Sep 2021**	5 184	6,3	12 036	31,4
Dec 2021**	6 494	-5,5	12 442	2,3
Mar 2022**	6 887	10,5	12 563	17,6
Jun 2022**	6 370	-5,0	11 130	-3,5
Sep 2022*	5 647	8,9	13 208	9,7
Dec 2022*	6 684	2,9	14 229	14,4
Mar 2023	7 928	15,1	13 951	11,0

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Annexure B – Purchases and sales of electricity

Quarter ended	Purchases of electricity		Sales of electricity	
	Actual (unadjusted)		Actual (unadjusted)	
	R million	Year-on-year % change	R million	Year-on-year % change
Sep 2016**	21 570		29 027	
Dec 2016**	16 906		23 252	
Mar 2017**	16 418		22 219	
Jun 2017**	18 332		23 910	
Sep 2017**	20 885	-3,2	27 508	-5,2
Dec 2017**	16 436	-2,8	23 319	0,3
Mar 2018**	16 050	-2,2	22 445	1,0
Jun 2018**	18 454	0,7	23 985	0,3
Sep 2018**	21 994	5,3	28 323	3,0
Dec 2018**	17 570	6,9	24 903	6,8
Mar 2019**	17 164	6,9	24 231	8,0
Jun 2019**	20 450	10,8	25 751	7,4
Sep 2019**	26 585	20,9	29 367	3,7
Dec 2019**	19 715	12,2	26 935	8,2
Mar 2020**	17 983	4,8	27 805	14,7
Jun 2020**	21 979	7,5	26 268	2,0
Sep 2020**	28 576	7,5	31 439	7,1
Dec 2020**	18 935	-4,0	27 406	1,7
Mar 2021**	19 323	7,5	27 877	0,3
Jun 2021**	25 339	15,3	27 527	4,8
Sep 2021**	33 175	16,1	35 896	14,2
Dec 2021**	24 172	27,7	30 849	12,6
Mar 2022**	23 648	22,4	28 621	2,7
Jun 2022**	26 920	6,2	31 586	14,7
Sep 2022*	33 071	-0,3	38 248	6,6
Dec 2022*	22 780	-5,8	31 344	1,6
Mar 2023	21 943	-7,2	28 850	0,8

* Some figures have been revised.

** Benchmarked against the Financial Census of Municipalities survey (P9114), using information for the 130 municipalities only.

Annexure C – Top 130 municipalities in terms of total expenditure

Rank based on total expenditure	Municipality	Type	Category	Province
1	City of Johannesburg MM	Metro	A	Gauteng
2	City of Cape Town MM	Metro	A	Western Cape
3	eThekweni MM	Metro	A	KwaZulu-Natal
4	Ekurhuleni MM	Metro	A	Gauteng
5	City of Tshwane MM	Metro	A	Gauteng
6	Nelson Mandela Bay MM	Metro	A	Eastern Cape
7	Mangaung MM	Metro	A	Free State
8	Emfuleni LM	Local/secondary city	B	Gauteng
9	Buffalo City MM	Metro	A	Eastern Cape
10	Msunduzi LM	Local/secondary city	B	KwaZulu-Natal
11	Rustenburg LM	Local/secondary city	B	North West
12	Polokwane LM	Local/secondary city	B	Limpopo
13	City of Mbombela LM	Local/secondary city	B	Mpumalanga
14	Emalahleni (MP) LM	Local/secondary city	B	Mpumalanga
15	Matjhabeng LM	Local/secondary city	B	Free State
16	Mogale City LM	Local/secondary city	B	Gauteng
17	City of Matlosana LM	Local/secondary city	B	North West
18	City of uMhlathuze LM	Local/secondary city	B	KwaZulu-Natal
19	Newcastle LM	Local/secondary city	B	KwaZulu-Natal
20	Madibeng LM	Local/secondary city	B	North West
21	Drakenstein LM	Local/secondary city	B	Western Cape
22	Rand West LM	Local/non-secondary city	B	Gauteng
23	Govan Mbeki LM	Local/secondary city	B	Mpumalanga
24	Sol Plaatje LM	Local/secondary city	B	Northern Cape
25	George LM	Local/secondary city	B	Western Cape
26	JB Marks LM	Local/secondary city	B	North West
27	Merafong City LM	Local/non-secondary city	B	Gauteng
28	O.R. Tambo DM	District	C	Eastern Cape
29	Amathole DM	District	C	Eastern Cape
30	Steve Tshwete LM	Local/secondary city	B	Mpumalanga
31	Vhembe DM	District	C	Limpopo
32	Stellenbosch LM	Local/secondary city	B	Western Cape
33	KwaDukuza LM	Local/non-secondary city	B	KwaZulu-Natal
34	King Sabata Dalindyebo LM	Local/non-secondary city	B	Eastern Cape
35	Mopani DM	District	C	Limpopo
36	Greater Tzaneen LM	Local/non-secondary city	B	Limpopo
37	Chris Hani DM	District	C	Eastern Cape
38	Bushbuckridge LM	Local/non-secondary city	B	Mpumalanga
39	Midvaal LM	Local/non-secondary city	B	Gauteng
40	Ugu DM	District	C	KwaZulu-Natal
41	Mogalakwena LM	Local/non-secondary city	B	Limpopo
42	Ray Nkonyeni LM	Local/non-secondary city	B	KwaZulu-Natal
43	Metsimaholo LM	Local/non-secondary city	B	Free State
44	Saldanha Bay LM	Local/non-secondary city	B	Western Cape

Annexure C – Top 130 municipalities in terms of total expenditure (continued)

Rank based on total expenditure	Municipality	Type	Category	Province
45	Overstrand LM	Local/non-secondary city	B	Western Cape
46	Sekhukhune DM	District	C	Limpopo
47	Breede Valley LM	Local/non-secondary city	B	Western Cape
48	Lekwa LM	Local/non-secondary city	B	Mpumalanga
49	Makhado LM	Local/non-secondary city	B	Limpopo
50	Mossel Bay LM	Local/non-secondary city	B	Western Cape
51	Moses Kotane LM	Local/non-secondary city	B	North West
52	Mahikeng LM	Local/non-secondary city	B	North West
53	Fetakgomo/Greater Tubatse LM	Local/non-secondary city	B	Limpopo
54	Alfred Duma LM	Local/non-secondary city	B	KwaZulu-Natal
55	Moqhaka LM	Local/non-secondary city	B	Free State
56	Dihlabeng LM	Local/non-secondary city	B	Free State
57	Nkomazi LM	Local/non-secondary city	B	Mpumalanga
58	Msukaligwa LM	Local/non-secondary city	B	Mpumalanga
59	Ngwathe LM	Local/non-secondary city	B	Free State
60	King Cetshwayo DM	District	C	KwaZulu-Natal
61	UMgungundlovu DM	District	C	KwaZulu-Natal
62	Knysna LM	Local/non-secondary city	B	Western Cape
63	Lesedi LM	Local/non-secondary city	B	Gauteng
64	Mookgopong/Modimolle LM	Local/non-secondary city	B	Limpopo
65	Maluti-A-Phofung LM	Local/non-secondary city	B	Free State
66	Mkhondo LM	Local/non-secondary city	B	Mpumalanga
67	Kouga LM	Local/non-secondary city	B	Eastern Cape
68	Enoch Mgijima LM	Local/non-secondary city	B	Eastern Cape
69	Thembisile Hani LM	Local/non-secondary city	B	Mpumalanga
70	Capricorn DM	District	C	Limpopo
71	Dawid Kruiper LM	Local/non-secondary city	B	Northern Cape
72	Uthukela DM	District	C	KwaZulu-Natal
73	iLembe DM	District	C	KwaZulu-Natal
74	Ngaka Modiri Molema DM	District	C	North West
75	Zululand DM	District	C	KwaZulu-Natal
76	Langeberg LM	Local/non-secondary city	B	Western Cape
77	Thulamela LM	Local/non-secondary city	B	Limpopo
78	Oudtshoorn LM	Local/non-secondary city	B	Western Cape
79	Swartland LM	Local/non-secondary city	B	Western Cape
80	Bitou LM	Local/non-secondary city	B	Western Cape
81	Joe Gqabi DM	District	C	Eastern Cape
82	Setsotho LM	Local/non-secondary city	B	Free State
83	Umkhanyakude DM	District	C	KwaZulu-Natal
84	Thaba Chweu LM	Local/non-secondary city	B	Mpumalanga
85	Dr JS Moroka LM	Local/non-secondary city	B	Mpumalanga
86	Moretele LM	Local/non-secondary city	B	North West
87	Witzenberg LM	Local/non-secondary city	B	Western Cape
88	Greater Giyani LM	Local/non-secondary city	B	Limpopo
89	Ba-Phalaborwa LM	Local/non-secondary city	B	Limpopo
90	Lephalale LM	Local/non-secondary city	B	Limpopo

Annexure C – Top 130 municipalities in terms of total expenditure (concluded)

Rank based on total expenditure	Municipality	Type	Category	Province
91	Dr Ruth Segomotsi Mompati DM	District	C	North West
92	Abaqulusi LM	Local/non-secondary city	B	KwaZulu-Natal
93	Inkosi Langalibalele LM	Local/non-secondary city	B	KwaZulu-Natal
94	Elias Motsoaledi LM	Local/non-secondary city	B	Limpopo
95	Harry Gwala DM	District	C	KwaZulu-Natal
96	Makana LM	Local/non-secondary city	B	Eastern Cape
97	Alfred Nzo DM	District	C	Eastern Cape
98	Victor Khanye LM	Local/non-secondary city	B	Mpumalanga
99	Ditsobotla LM	Local/non-secondary city	B	North West
100	Theewaterskloof LM	Local/non-secondary city	B	Western Cape
101	Makhuduthamaga LM	Local/non-secondary city	B	Limpopo
102	Chief Albert Luthuli LM	Local/non-secondary city	B	Mpumalanga
103	Bela-Bela LM	Local/non-secondary city	B	Limpopo
104	Lepelle-Nkumpi LM	Local/non-secondary city	B	Limpopo
105	Sedibeng DM	District	C	Gauteng
106	uMngeni LM	Local/non-secondary city	B	KwaZulu-Natal
107	Umzinyathi DM	District	C	KwaZulu-Natal
108	Gert Sibande DM	District	C	Mpumalanga
109	Umzimvubu LM	Local/non-secondary city	B	Eastern Cape
110	Maquassi Hills LM	Local/non-secondary city	B	North West
111	Ga-Segonyana LM	Local/non-secondary city	B	Northern Cape
112	uMlalazi LM	Local/non-secondary city	B	KwaZulu-Natal
113	Dr Beyers Naude LM	Local/non-secondary city	B	Eastern Cape
114	Nala LM	Local/non-secondary city	B	Free State
115	Gamagara LM	Local/non-secondary city	B	Northern Cape
116	Nketoana LM	Local/non-secondary city	B	Free State
117	Hessequa LM	Local/non-secondary city	B	Western Cape
118	Nkangala DM	District	C	Mpumalanga
119	Mantsopa LM	Local/non-secondary city	B	Free State
120	West Rand DM	District	C	Gauteng
121	Raymond Mhlaba LM	Local/non-secondary city	B	Eastern Cape
122	Garden Route DM	District	C	Western Cape
123	Ulundi LM	Local/non-secondary city	B	KwaZulu-Natal
124	Naledi LM	Local/non-secondary city	B	North West
125	Cape Winelands DM	District	C	Western Cape
126	Musina LM	Local/non-secondary city	B	Limpopo
127	Kopanong LM	Local/non-secondary city	B	Free State
128	Matatiele LM	Local/non-secondary city	B	Eastern Cape
129	West Coast DM	District	C	Western Cape
130	Dr. Pixley Ka Isaka Seme LM	Local/non-secondary city	B	Mpumalanga

Annexure D – Changes brought about by mSCOA classification

Expenditure	
Pre-mSCOA classification	mSCOA classification
Employee-related costs	No change
Remuneration of board of directors/councillors	Remuneration of councillors
Interest paid	Finance costs
Loss on the disposal of property, plant and equipment	Loss on disposal of assets
Bad debts	Debt impairment
Contracted services	Contracted services: Consultants and professional services Contractors (new variable) Outsourced services (new variable)
Collection costs	Falls away – it went to other operational costs
Depreciation and amortisation	Depreciation, amortisation and impairment
Impairment loss (PPE)	Combined with depreciation and amortisation
Repairs and maintenance	Falls away – it went to other contracted services
Bulk purchases:	No change
Purchases of water	No change
Purchases of electricity	No change
Other bulk purchases	No change
	Operating leases:
	Buildings and infrastructure (new variable)
	Computer, furniture and office equipment (new variable)
	Transport assets, machinery and equipment (new variable)
	Other operating leases (new variable)
	Inventory consumed (new variable)
Grants and subsidies paid to:	Transfers and subsidies paid to:
Other local government institutions	No change
Tertiary institutions of higher learning	No change
Households or individuals	No change
Non-profit institutions serving households	No change
Other	Other transfers and subsidies
General expenditure:	Operational costs:
Accommodation, travelling and subsistence	Travel and subsistence
Advertising, promotions and marketing	Advertising, publicity and marketing
Audit fees	External audit fees
Bank charges	Bank charges, facility and card fees
Cleaning services	Falls away – it went to other contracted services / other operational costs
Consultancy and professional fees	Falls under contracted services
Entertainment costs	No change
Fuel and oil	Wet fuel
Hiring of plant and equipment	Hire charges
Insurance costs	Insurance underwriting
Pharmaceutical	Falls away – it went to other operational costs
Postal and courier services	Courier and delivery services
Printing and stationery	Printing, publications and books
Rebates for property rates	Falls away – it went to other expenditure
Rebates for service charges	Falls away – it went to other expenditure
Rental of land, buildings and other structures	Catered for under operating leases
Rental of office equipment	Catered for under operating leases
Security services	Falls away – it went to other contracted services
Subscriptions and membership fees	Professional bodies, membership and subscriptions
Telecommunication services	Communication
Training and education	Falls away – it went to other operational costs
Transport costs	No change
	Other operational costs
Other expenditure	No change
Taxation	No change
Surplus	No change
Total expenditure	No change

Annexure D – Changes brought about by mSCOA classification (concluded)

Revenue	
Pre-mSCOA classification	mSCOA classification
Property rates from:	No change
Residential	No change
Commercial or business	No change
State	No change
Other (includes agricultural, municipal, etc.)	No change
Property rates - penalties imposed and collection charges	No change
Service charges:	No change
Sales of water	No change
Sales of electricity	No change
Refuse removal charges	No change
Sewerage and sanitation charges	No change
Other service charges (e.g. fresh produce market)	No change
Interest earned from:	Interest on:
External investments	Investments
Outstanding debtors	Receivables
Dividends received	Dividends
Fines	Fines, penalties and forfeits
Licences and permits	No change
Income for agency services	Agency services
Rental of facilities and equipment	Rental
Bad debts recovered	Falls away – now under operational revenue
	Sales of goods and rendering of services (new variable)
Public contributions and donations (including PPE)	Moves to transfers and subsidies received
Gains on the disposal of property, plant and equipment	Gains on the disposal of assets
Grants and subsidies from:	Government transfers and subsidies received:
National government	Catered for under operational transfers
Provincial government	Catered for under operational transfers
Local government	Catered for under operational transfers
Spent conditional grant	Catered for under capital transfers
	Capital (new variable)
	Operational (new variable)
Other	Other transfers and subsidies (incl. contributions and donations)
Other income	Operational revenue
Deficit	No change
Total income	Total revenue

Analysis of revisions

Introduction

Preliminary estimates for the *Quarterly financial statistics of selected municipalities* survey are published within a quarter after the reference quarter, e.g. preliminary estimates for the March quarter are published towards the end of June. The preliminary values are revised the following quarter, using additional information received from respondents.

Analysis

Revisions may be analysed in terms of several dimensions, e.g. differences between preliminary and revised values (measured as rand values or as percentages); differences between preliminary and revised growth rates (quarter-on-quarter or year-on-year); and totals and/or components.

The analysis performed below is confined to the following:

- Four variables namely, purchases of water, sales of water, purchases of electricity and sales of electricity, current prices, unadjusted.
- The basis for the analysis is the difference between the revised figures and the preliminary figures, measured as a percentage of preliminary figures, where preliminary figures refers to the first published estimates for these four variables for the quarter in question.
- Time period: September 2016 to December 2022.

Figures 2 and 3 show the preliminary and revised purchases and sales of water (line chart, left vertical axis) and the difference between them (bar chart, right vertical axis, where difference = revised - preliminary, measured as a percentage). Table B provides key results relating to these revisions.

Figure 2 – Purchases of water: preliminary and revised

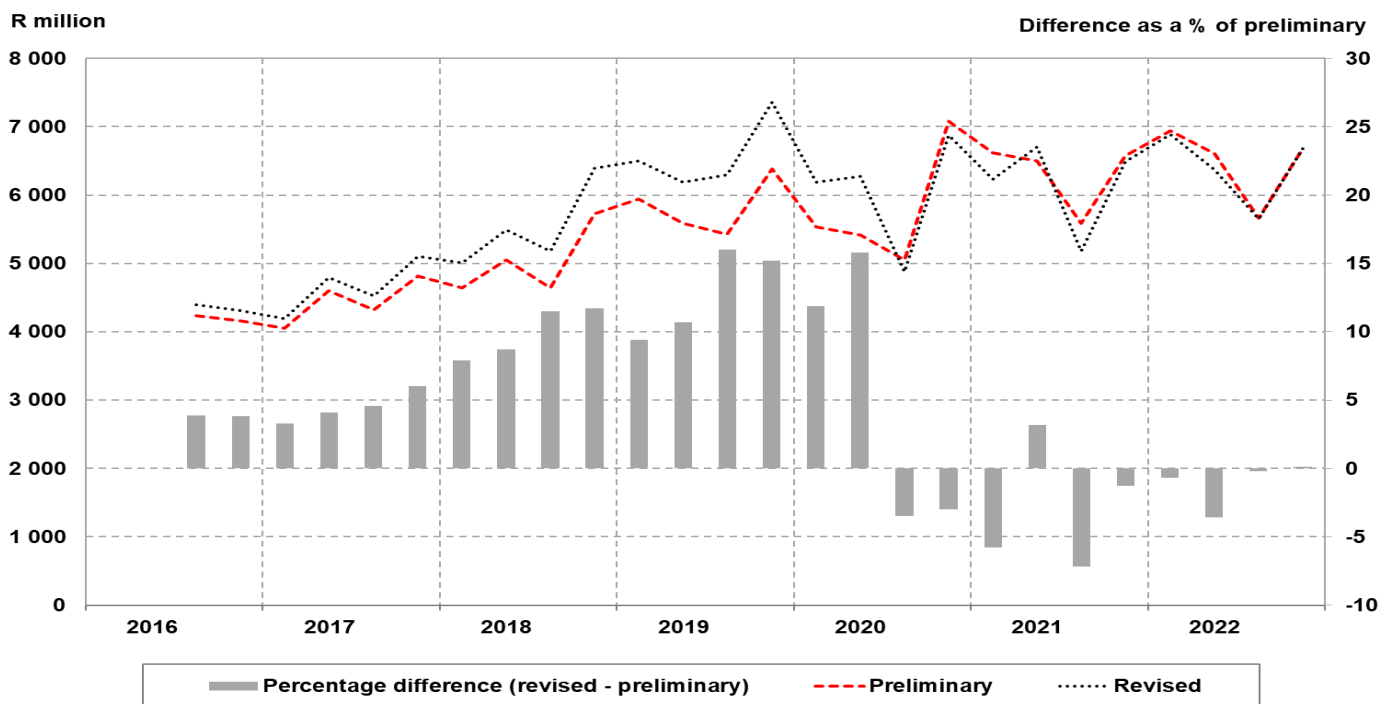


Figure 3 – Sales of water: preliminary and revised

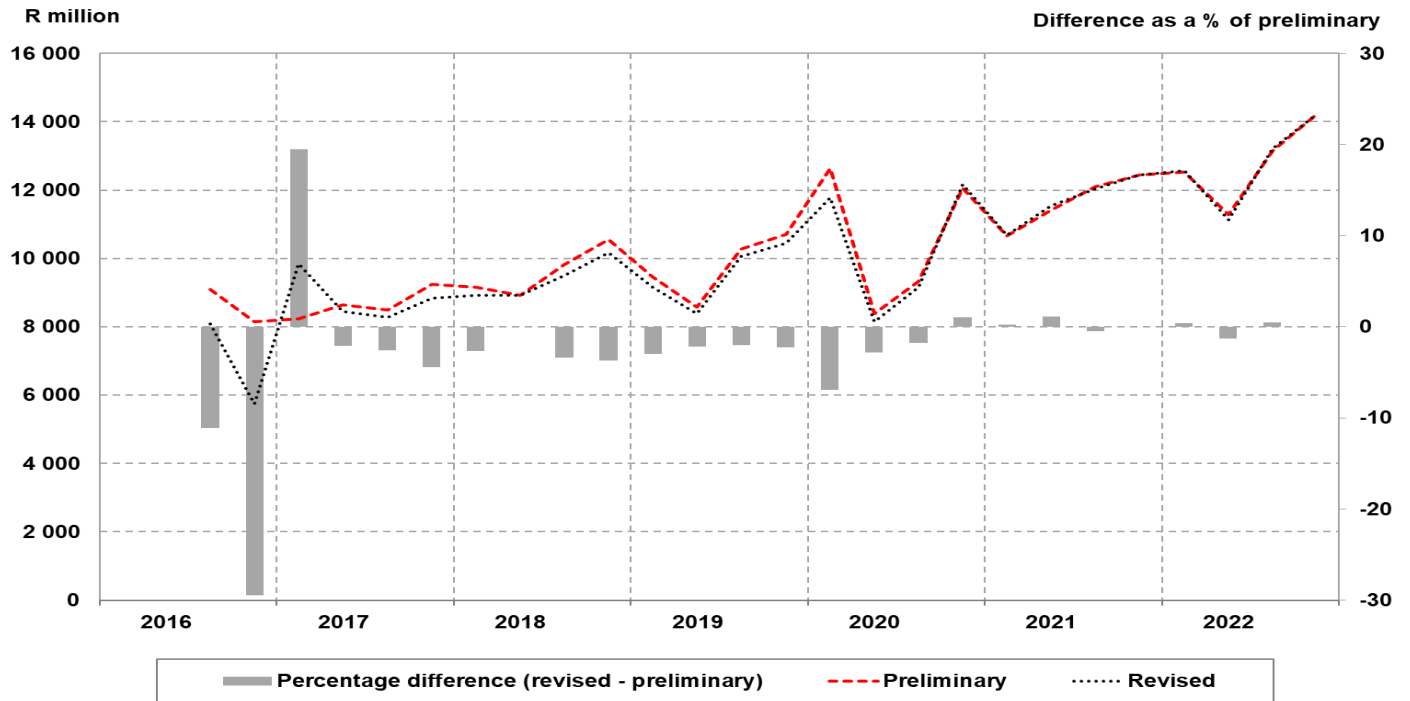


Table 19 – Purchases and sales of water: revision details

Description	Item	Value / outcome	Comment
Mean revision	Purchases of water	4,71%	This is the average of the revisions
	Sales of water	-2,29%	
Mean absolute revision	Purchases of water	6,66%	Average of the revisions, but based on the absolute value of each revision (positives and negatives do not cancel each other)
	Sales of water	4,04%	
Largest upward revision	Purchases of water	16,0%	Preliminary September 2019 quarter was revised from R5 425 million up to R6 295 million, representing a 16,0% revision
	Sales of water	19,5%	Preliminary March 2017 quarter was revised from R8 235 million up to R9 837 million, representing a 19,5% revision
Largest downward revision	Purchases of water	-7,2%	Preliminary September 2021 quarter was revised from R5 585 million down to R5 184 million, representing a -7,2% revision
	Sales of water	-29,5%	Preliminary December 2016 quarter was revised from R8 148 million down to R5 746 million, representing a -29,5% revision
Range for all revisions	Purchases of water	-7,2% to 16,0%	
	Sales of water	-29,5% to 19,5%	

Description	Item	Value / outcome	Comment
Range within which 84,6% of the revisions lie	Purchases of water	-3,6% to 15,2%	This may be regarded as the normal range for revisions, with revisions outside this range being outliers
	Sales of water	-6,9% to 1,0%	
Number of upward revisions	Purchases of water	18 or 69,2% of the total observations	
	Sales of water	7 or 26,9% of the total observations	
Number of downward revisions	Purchases of water	8 or 30,8% of the total observations	
	Sales of water	18 or 69,2% of the total observations	
Number of zero revisions	Sales of water	1 or 3,8% of the total observations	
Standard deviation of the revisions	Purchases of water	6,81%	Standard deviation is a measure of dispersion about the mean – see the rows below
	Sales of water	7,45%	
Percentage of revisions that lie within one standard deviation of the mean	Purchases of water	61,5%	This is the percentage of revisions that lie between -2,09% and 11,52%; the higher the percentage, the lower is the dispersion about the mean – see Figure 4
	Sales of water	88,5%	This is the percentage of revisions that lie between -9,74% and 5,16%; the higher the percentage, the lower is the dispersion about the mean – see Figure 5

Figure 4 shows the revisions for purchases of water in terms of a histogram. There were 3 revisions between -1,0% and 1,0% (-1,0% < revision ≤ 1,0%).

Figure 4 – Purchases of water: histogram of revisions

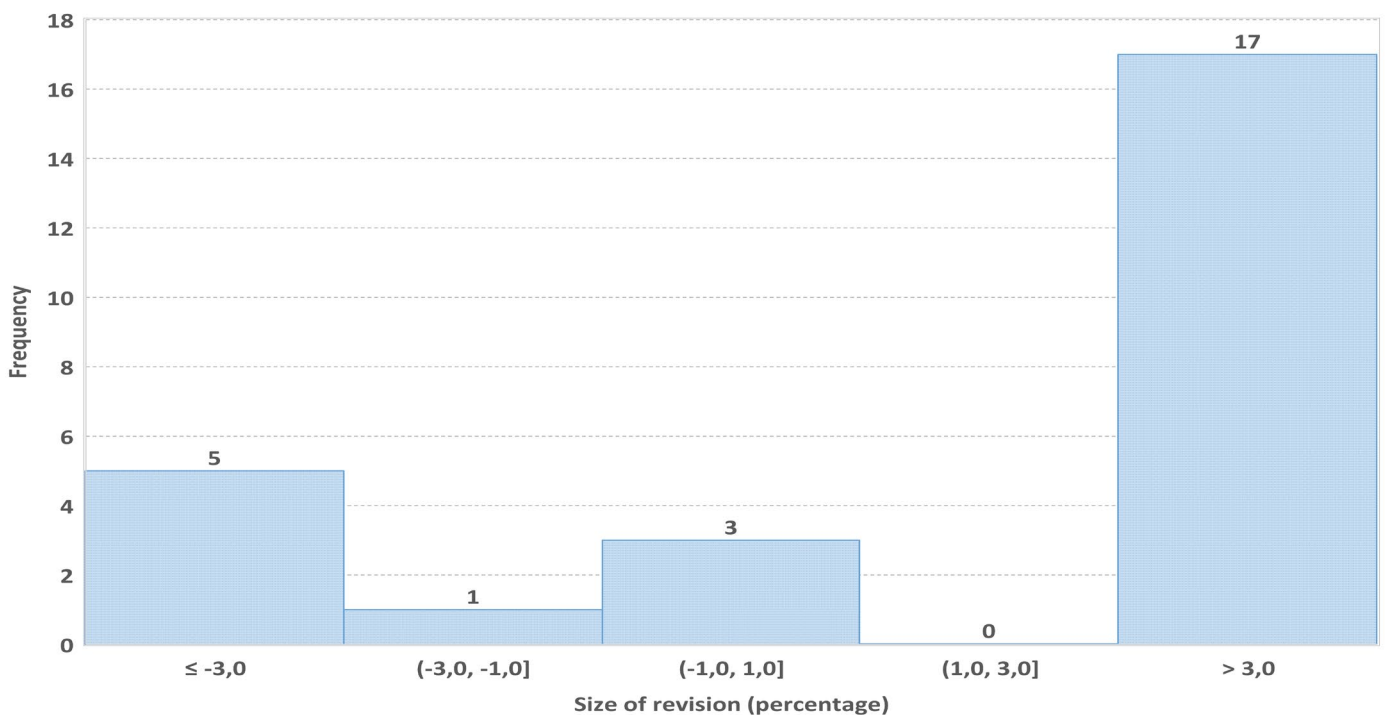
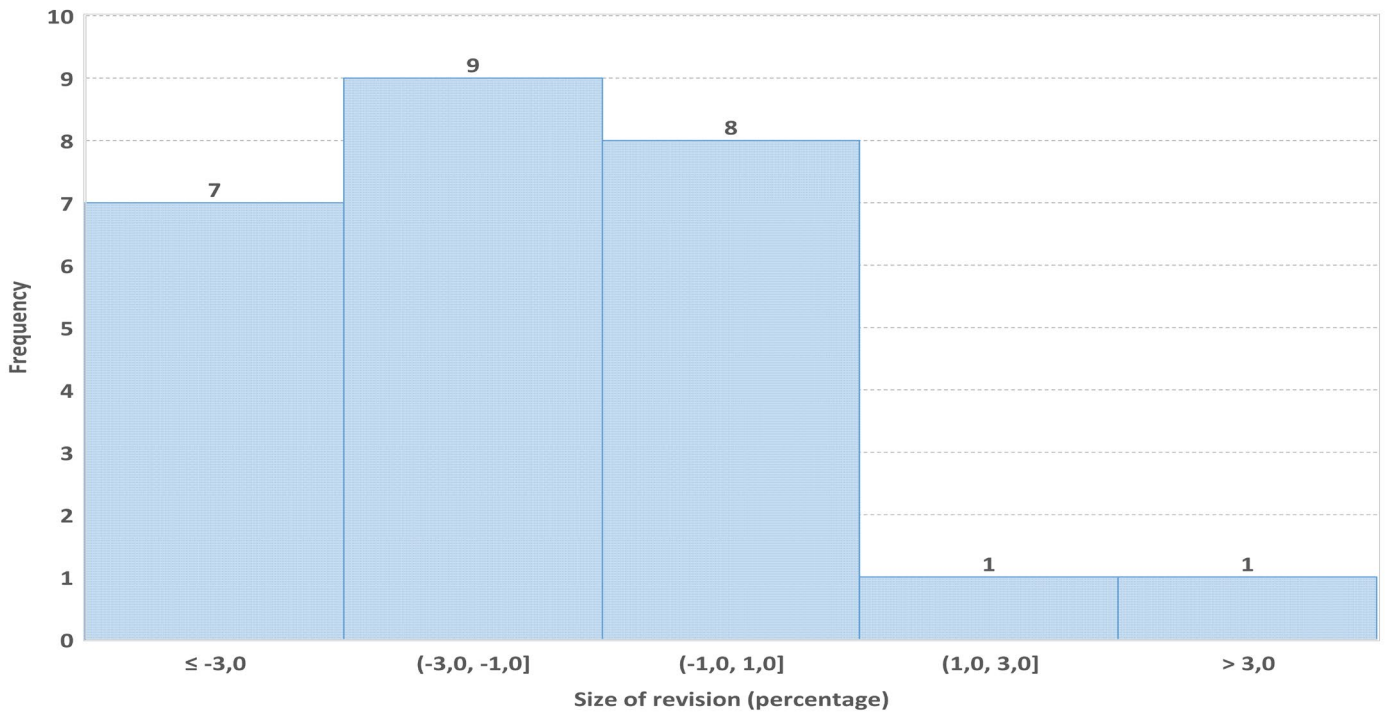


Figure 5 shows the revisions for sales of water in terms of a histogram. There were 8 revisions between -1,0% and 1,0% (-1,0% < revision ≤ 1,0%).

Figure 5 – Sales of water: histogram of revisions



Figures 6 and 7 show the preliminary and revised purchases and sales of water (line chart, left vertical axis) and the difference between them (bar chart, right vertical axis, where difference = revised - preliminary, measured as a percentage). Table 8 provides key results relating to revisions.

Figure 6 – Purchases of electricity: preliminary and revised

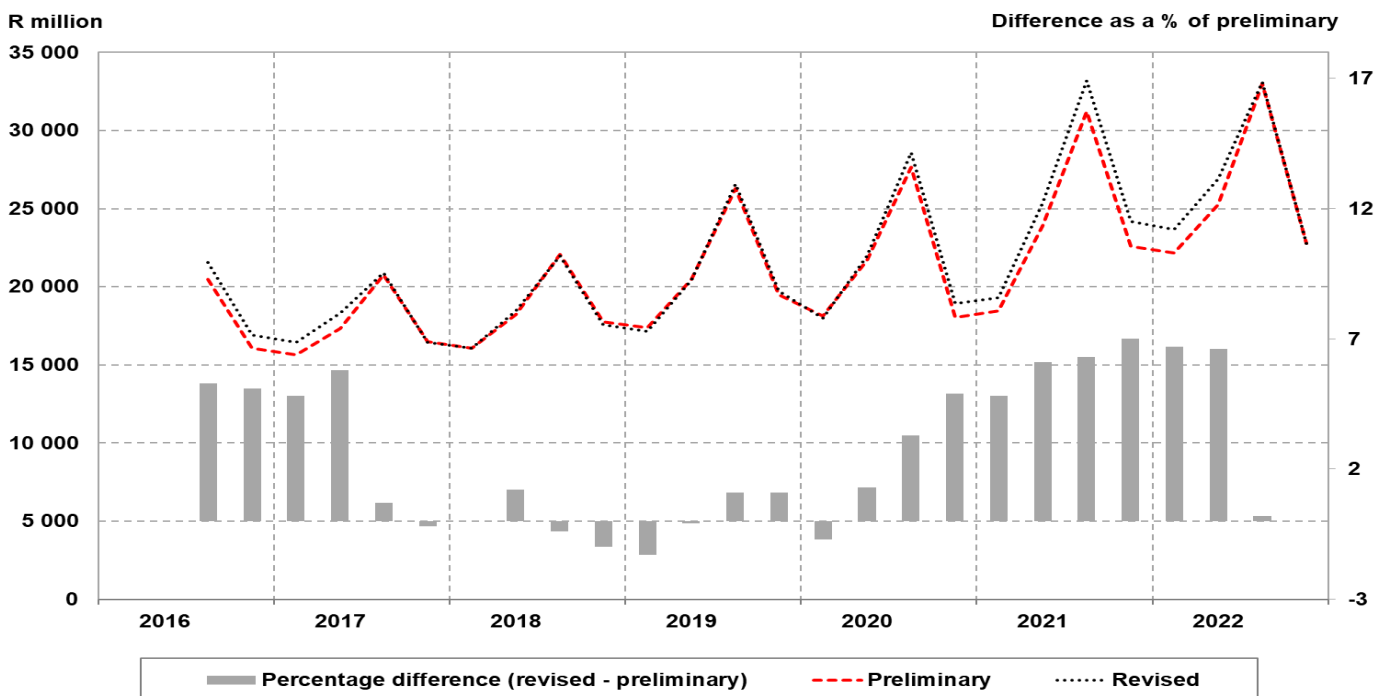


Figure 7 – Sales of electricity: preliminary and revised

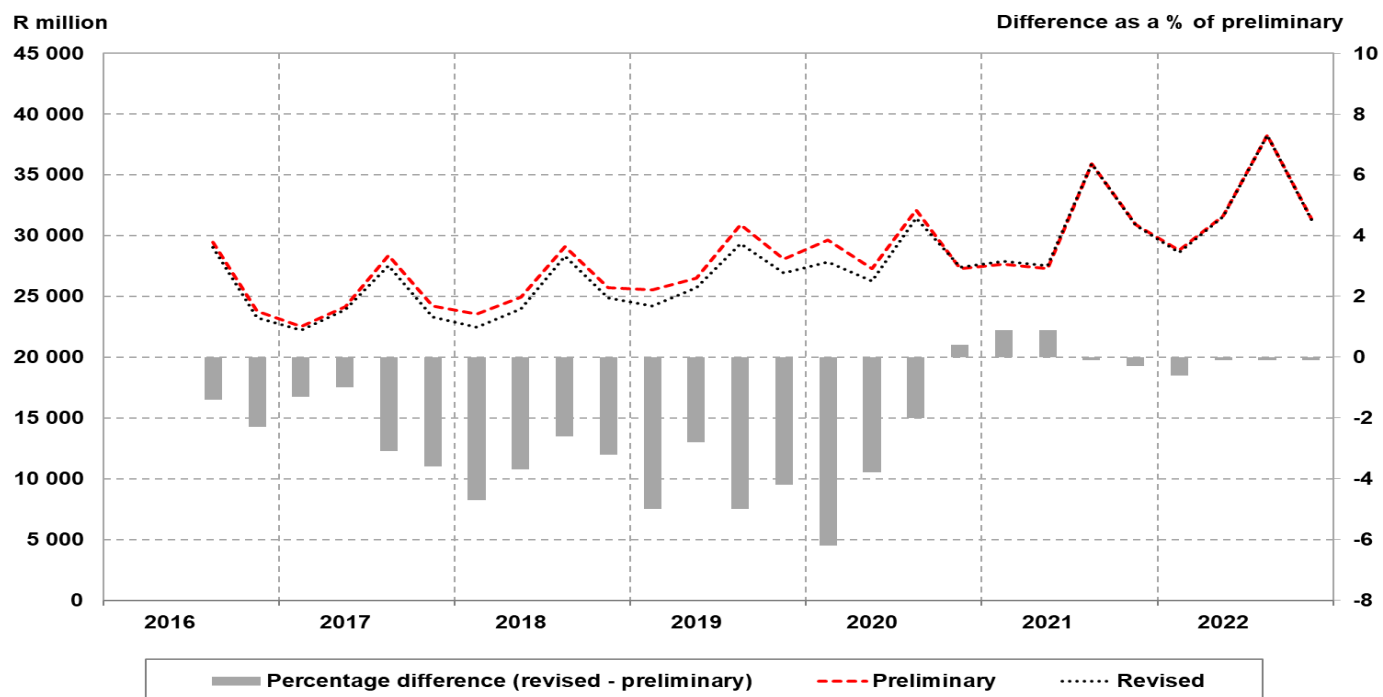


Table 20 – Purchases and sales of electricity: revision details

Description	Item	Value / outcome	Comment
Mean revision	Purchases of electricity	2,64%	This is the average of the revisions
	Sales of electricity	-2,12%	
Mean absolute revision	Purchases of electricity	2,92%	Average of the revisions, but based on the absolute value of each revision (positives and negatives do not cancel each other)
	Sales of electricity	2,28%	
Largest upward revision	Purchases of electricity	7,0%	Preliminary December 2021 quarter was revised from R22 600 million up to R24 172 million, representing a 7,0% revision
	Sales of electricity	0,9%	Preliminary March 2021 quarter was revised from R27 622 million up to R27 877 million, representing a 0,9% revision Preliminary June 2021 quarter was revised from R27 287 million up to R27 527 million, representing a 0,9% revision
Largest downward revision	Purchases of electricity	-1,3%	Preliminary March 2019 quarter was revised from R17 397 million down to R17 164 million, representing a -1,3% revision
	Sales of electricity	-6,2%	Preliminary March 2020 quarter was revised from R29 657 million down to R27 805 million, representing a -6,2% revision
Range for all revisions	Purchases of electricity	-1,3% to 7,0%	
	Sales of electricity	-6,2% to 0,9%	

Description	Item	Value / outcome	Comment
Range within which 84,6% of the revisions lie	Purchases of electricity	-1,0% to 6,3%	This may be regarded as the normal range for revisions, with revisions outside this range being outliers
	Sales of electricity	-4,7% to 0,9%	
Number of upward revisions	Purchases of electricity	20 or 76,9% of the total observations	
	Sales of electricity	3 or 11,5% of the total observations	
Number of downward revisions	Purchases of electricity	6 or 23,1% of the total observations	
	Sales of electricity	23 or 88,5% of the total observations	
Standard deviation of the revisions	Purchases of electricity	2,91%	Standard deviation is a measure of dispersion about the mean – see the rows below
	Sales of electricity	2,04%	
Percentage of revisions that lie within one standard deviation of the mean	Purchases of electricity	61,5%	This is the percentage of revisions that lie between -0,27% and 5,55%; the higher the percentage, the lower is the dispersion about the mean – see Figure 8
	Sales of electricity	69,2%	This is the percentage of revisions that lie between -4,15% and -0,08%; the higher the percentage, the lower is the dispersion about the mean – see Figure 9

Figure 8 shows the revisions for purchases of electricity in terms of a histogram. There were 5 revisions between -0,2% and 0,2% ($-0,2\% < \text{revision} \leq 0,2\%$).

Figure 8 – Purchases of electricity: histogram of revisions

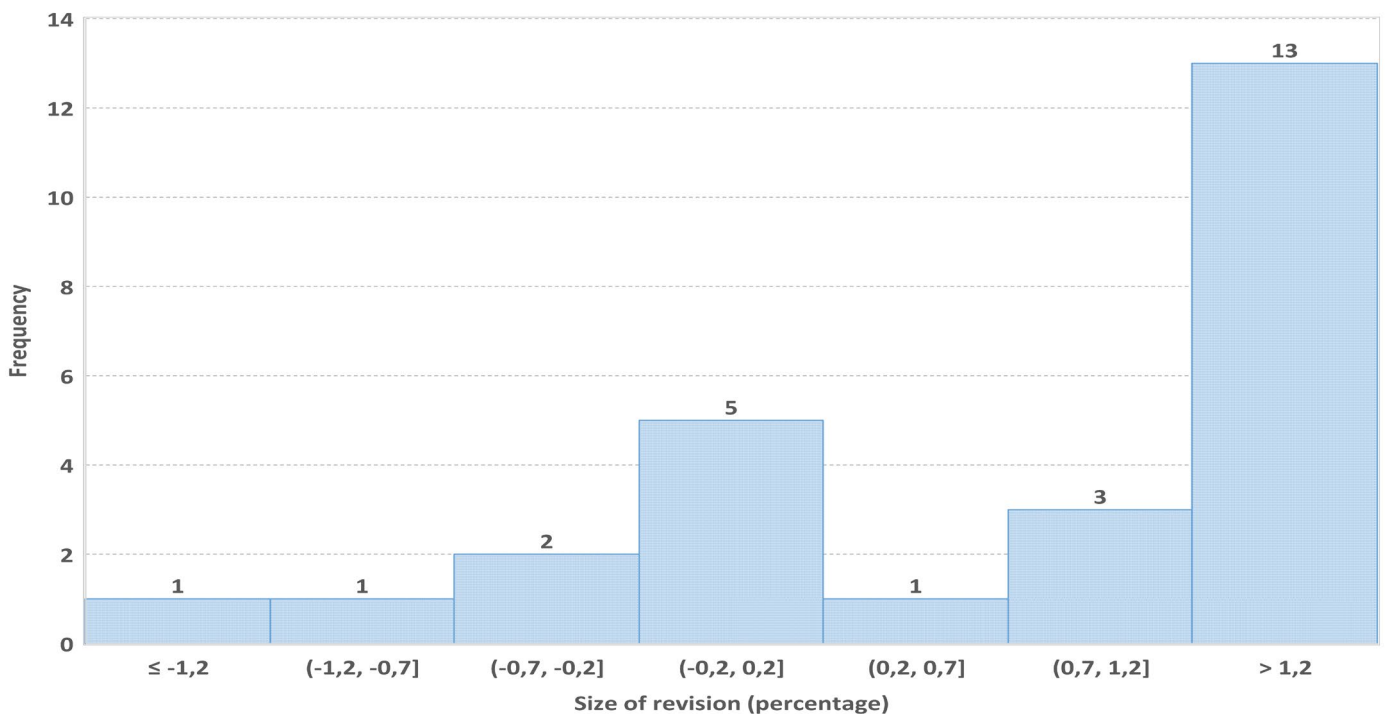
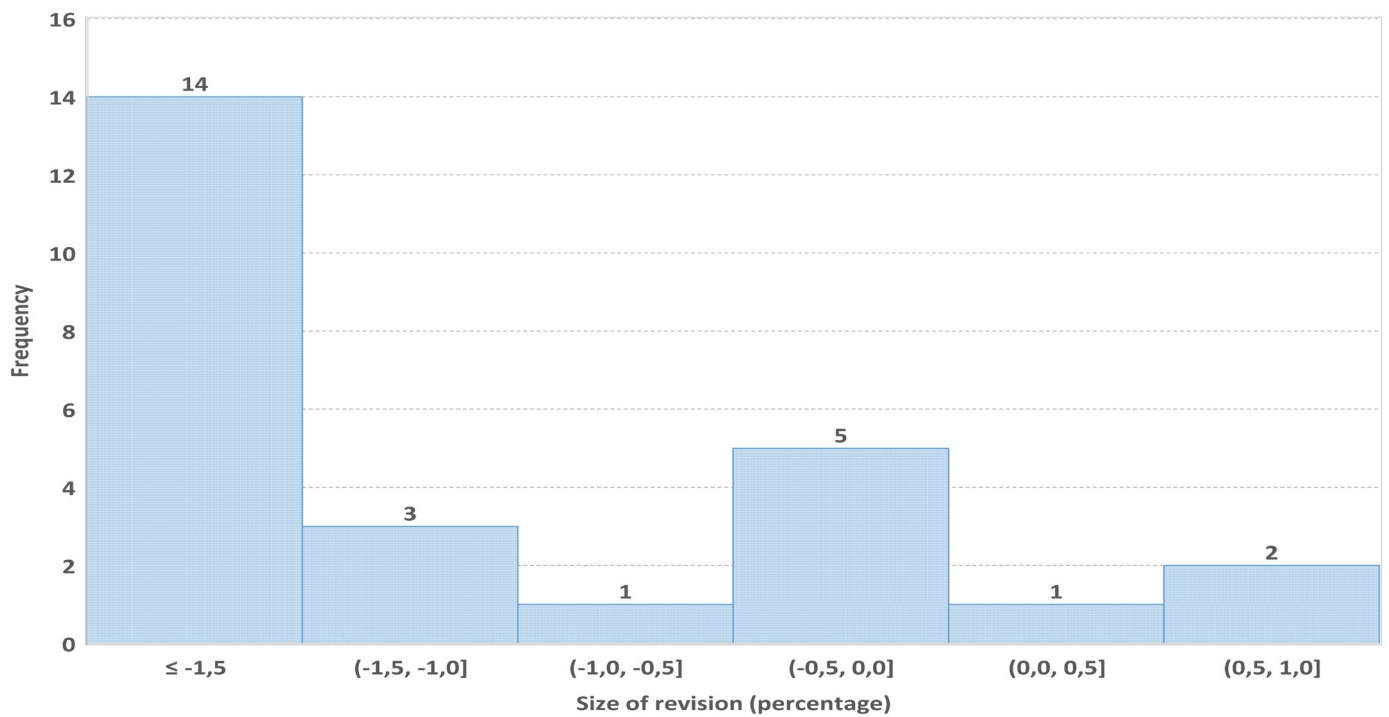


Figure 9 shows the revisions for sales of electricity in terms of a histogram. There were 5 revisions between -0,5% and 0% ($-0,5\% < \text{revision} \leq 0\%$).

Figure 9 – Sales of electricity: histogram of revisions



Notes

Forthcoming issue	Issue	Expected release date										
	June 2023	September 2023										
Purpose of survey	The <i>Quarterly financial statistics of selected municipalities</i> (QFSSM) (statistical release P9110.1) is a quarterly survey that obtains financial information from institutions that are determined to be municipalities in terms of the Local Government: Municipal Structures Act 1998 (Act No. 117 of 1998). The results of the survey are used to compile estimates of national accounts in order to calculate the gross domestic product (GDP) and its components; by the fiscal and monetary authorities for policy formulation; and for the analysis of local government finances.											
Response rates	<table border="0"> <tr> <td>March 2022 quarter:</td> <td>100% (of 130)</td> </tr> <tr> <td>June 2022 quarter:</td> <td>100% (of 130)</td> </tr> <tr> <td>September 2022 quarter:</td> <td>99% (of 130)</td> </tr> <tr> <td>December 2022 quarter:</td> <td>99% (of 130)</td> </tr> <tr> <td>March 2023 quarter:</td> <td>99% (of 130)</td> </tr> </table>		March 2022 quarter:	100% (of 130)	June 2022 quarter:	100% (of 130)	September 2022 quarter:	99% (of 130)	December 2022 quarter:	99% (of 130)	March 2023 quarter:	99% (of 130)
March 2022 quarter:	100% (of 130)											
June 2022 quarter:	100% (of 130)											
September 2022 quarter:	99% (of 130)											
December 2022 quarter:	99% (of 130)											
March 2023 quarter:	99% (of 130)											
Benchmarking	<p>Data for the QFSSM for the years ended 30 June 2021 and 30 June 2022 are aligned to the annual financial census of municipalities for the respective years (which is verified by using the annual financial statements from municipalities). This is however done for the 130 municipalities only and not for the full 257 municipalities.</p> <p>Refer to <i>Financial census of municipalities</i> (P9114).</p>											
Imputation	Imputations were performed for one municipality (1%) that did not respond.											
Cautionary note	<p>The QFSSM survey provides quarterly financial updates based on preliminary figures from municipalities. Please refer to the annual <i>Financial census of municipalities</i> (statistical release P9114), where most results are based on audited figures, for a more in-depth report.</p> <p>Implementation of Municipal Standard Chart of Accounts (mSCOA)</p> <p>The implementation of mSCOA caused a few municipalities to experience challenges with their newly upgraded or acquired systems. The following were some of the most common issues:</p> <ol style="list-style-type: none"> i. Municipalities were not able to integrate their reporting systems (such as payroll and municipal systems) into the newly upgraded mSCOA-compliant system. ii. Municipalities experienced difficulty in capturing figures into the new systems – this was primarily a problem for municipalities that were moving from one system to another. <p>Stats SA is working with the affected municipalities and other stakeholders to resolve the issues reported above. The data for the quarter ended March 2023 are preliminary (see explanatory note 6 on page 35: Revised figures).</p>											

Explanatory notes

- Introduction** 1 The purpose of the quarterly financial statistics survey of selected municipalities is to provide stakeholders with information for allowing analysis and assessment of the state of local government finances.
- This publication contains estimates for the quarters ended March 2022, June 2022, September 2022, December 2022 and March 2023. It also includes the benchmarked data for the September 2020 to June 2022 quarters. The survey is designed to obtain financial information of local government institutions relating to the consolidated statement of financial performance of municipalities for:
- rates and general services; and
 - housing and trading services.
- Survey methodology and design** 2 With effect from the quarter ended September 2020, Stats SA has conducted a quarterly survey which focuses on the largest 130 municipalities, which include metropolitan municipalities, secondary cities, other large local municipalities and district municipalities (see Annexure C on page 10 for a full list of these municipalities). The ranking of municipalities was based on their total expenditures as of the 2017/2018 annual financial statements from the largest to the smallest. This quarterly survey represents approximately 85 percent of the total value when the full scope of municipalities is surveyed. Data for 130 municipalities were available since September 2016. Prior to this, there were re-demarcation issues which resulted in the scope reduction. So not all 130 can be extracted from the 278, 283, and 284, etc. municipalities that were there before 2016. A similar survey called *Financial Census of Municipalities* (P9114) inclusive of the other municipalities is conducted annually.
- The statistical unit for the collection of information is the municipality.
- Scope of the survey** 3 According to note 2, the survey covers quarterly financial information for 130 selected municipalities. Consequently, there is comparable information available for this new scope because it is included in a collection of 257 municipalities that collects, processes, analyses and publishes *Quarterly financial statistics of municipalities* (P9110).
- Classification and accounting standards** 4 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* (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).
- The Municipal Standard Chart of Accounts (mSCOA) was initially rolled out (piloted-tested) in some municipalities in 2016. Since then, it has been implemented in all municipalities beginning in 2017. As part of the general ledger, which forms part of the books of account containing a standard list of all available accounts, this framework provides the method and format for recording and classifying financial transaction information. See annexure D for changes made as a result of the alignment to mSCOA.
- Imputation** 5 A historical method is used to impute for non-response. Historical imputation is when a previous value of a non-respondent is used for the imputation of a current value. This value may be brought forward unchanged (un-weighted historical imputation), or have some kind of movement applied to it (weighted historical imputation). QFSSM (P9110.1) uses the unweighted imputation method currently.
- Revised figures** 6 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).
- Rounding-off of figures** 7 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.

- Related publications** **8** Users may wish to refer to the following Stats SA publications:
- P9110 *Quarterly financial statistics of municipalities (discontinued);*
 - P9101 *Capital expenditure of the public sector;*
 - P9114 *Financial census of municipalities;*
 - P9119.4 *Financial statistics of consolidated general government;*
 - P0441 *Gross domestic product; and*
 - P0277 *Quarterly employment statistics.*
- 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
* Revised

Glossary of the selected terms

Agency services	The guideline underlying agency services is that the municipality performs a service on behalf of another entity. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of any commission received or receivable for the collection or handling of the gross flows.
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 of time. This statement covers all the revenue and expenditure of an entity over a specific period of time.
Consultants and professional services	Consulting services refer to specialist services and skills provided that are required for the achievement of a specific objective, with the aim of providing expert and professional advice on a time and material basis. It is unnecessary to maintain these skills in-house, since they are required on a once-off or temporary basis. Therefore, a consultant is a professional person appointed by the municipality to provide technical and specialist advice or to assist with the design and implementation of specific projects or programmes.
Contracted services	This group of accounts consists of outsourced services, consultants and professional services, and contractors. See above and below for descriptions of these.
Contractors	Contractors are required to provide services that are not the core business of the municipality. It is normally not cost effective to maintain these skills within the department. Contractors include costs associated with the use of contracted individuals or businesses on projects or tasks. This does not include amounts payable to contractors in respect of provision of services such as cleaning and security even if a staff element can be identified. Note also that it is common practice that the said contractor provides all the materials required for the project – the tenders are for the whole project, materials included.
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).
Debt impairment	Impaired debt is debt of any kind that is unlikely to be paid in full. This results in a loss of value of the amounts that an entity has pending to claim from its customers for the goods or services delivered.
Depreciation, amortisation and impairment	<p>Depreciation is the systematic allocation of the cost of an asset from the statement of financial position to depreciation expense on the statement of financial performance over the useful life of the asset.</p> <p>Amortisation is the systematic allocation of the discount, premium or issue cost of a financial instrument over the life of the instrument, or an intangible asset over a certain period.</p> <p>Impairment is a permanent reduction in the value of an asset. It may occur as a result of an unusual or one-time event, such as a change in legal or economic conditions, a change in consumer demand, or damage that impacts an asset.</p>
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 fund contributions, group life, etc. (excluding unemployment insurance and workmen's compensation, etc. which may be looked upon as a form of insurance and would appear under general expenditure), and other benefits such as housing subsidies; and • uniform and clothing allowances (clothing, boots, overalls etc. supplied to uniformed employees). <p>Also refer to the <i>Quarterly employment statistics</i> (QES) – statistical release P0277, which measures employment and gross earnings of all employees on a given municipal payroll.</p>
Fines, penalties and forfeits	<p>This item consists of all compulsory receipts imposed by a court or quasi-judicial body considered to be non-exchange revenue, e.g. traffic fines, fines for illegal connections, disconnection fees, motor vehicle licences, tender withdrawals, retentions, unclaimed money or deposits etc.</p>
Housing services	<p>Housing includes all activities associated with the municipal provision of housing.</p>
Licences or permits	<p>This item provides accounts for the granting of licences or permits associated with a regulatory function administered by the municipality.</p>
Local municipality	<p>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).</p>
Metropolitan municipality	<p>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).</p>
Municipality	<p>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).</p>
Operating leases	<p>These are leases other than a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.</p>
Operational costs including other operational costs not covered separately	<p>This group of accounts provides for all expenditure items not specifically provided for in any other category and replaces the customary "miscellaneous, general, sundry, other, etc." classification. An operating expense is a day-to-day expense such as sales and administration, or research and development, accounting expenses, licence fees, advertising, office expenses, utilities such as telephone, insurance, property management, travel and vehicle expenses.</p>
Operational revenue	<p>This group of accounts provides for "all other types of revenue" not specifically provided for in the revenue accounts, e.g. administrative handling fees, bad debts recovered, breakages recovered, collection charges, commission, incidental cash surpluses, insurance refunds, skills development levy refunds, agricultural activities, etc.</p>

Other expenditure	<p>The following are included in other expenditure:</p> <ul style="list-style-type: none"> • departmental charges/fees; • books and magazines; • licences and trade licences; • workshops; • refreshments; and • sundries.
Outsourced services	<p>Refers to activities performed by the municipality through external providers rather than the municipality's own staff. Reasons for such arrangements include temporary incapacity and cost savings (e.g. cleaning, security and recruitment).</p>
Rates and general services	<p>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.).</p>
Sale of goods and rendering of services	<p>This category consists of sales and services rendered provided that the municipality produced or partially produced the good or service. Goods include goods produced by the municipality for the purpose of sale, such as publications, and goods purchased for resale, such as merchandise or land and other property held for resale. The rendering of services typically involves the performance by the municipality of an agreed task over an agreed period of time. Examples of services rendered by entities for which revenue is typically received in exchange may include the provision of housing, management of water facilities, management of toll roads, and management of transfer payments.</p>
Service charges	<p>This group of accounts provides for the typical services rendered by the municipality as "exchange transactions", for example electricity, water, waste water management and waste management.</p>
Trading services	<p>Trading services are services for which the tariffs are determined in such a way that the provision of the service should yield a trading profit (market-related goods and services). These include waste management (refuse removal, solid waste disposal [landfill sites], street cleaning, recycling, etc.), waste water management (sewerage, storm water management and public toilets), water (water distribution, water storage, etc.), electricity (electricity distribution, electricity generation, street lighting, etc.), etc.</p>
Transfers and subsidies paid	<p>Transfers and subsidies include all unrequited payments made by the municipality to other institutions, businesses and individuals; it does not constitute final expenditure by the municipality. A payment is unrequited provided that the municipality does not receive anything directly in return for the transfer to the other party.</p> <p>Subsidies are unrequited payments that municipalities make to public corporations and private enterprises. These payments usually have a direct policy outcome, either by subsidising the price of goods and services or by influencing the level of production.</p>
Transfers and subsidies received	<p>This category includes all unrequited, voluntary receipts from other parties. Thus, an entry should be made under this item when the municipality does not provide anything of similar value directly in return for the transfer from the other party and the transfer is voluntary. Subsidies are unrequited payments that municipalities obtain from public and private enterprises. These payments usually have a direct policy outcome, either by subsidising the price of goods and services or by influencing the level of production.</p>

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