

# **Remuneration of employees and turnover of institutions according to the levies received by district and metropolitan municipalities, by province**

**Quarter ended 30 June 2005**

**Embargoed until:  
22 September 2005  
11:00**

**KEY FIGURES**

	QUARTER ENDED			Percentage change between quarter ended March 2005 and quarter ended June 2005
	December 2004	March 2005	June 2005	
	R million	R million	R million	
<b>Remuneration of employees based on regional services levies of district and metropolitan municipalities</b>	<b>128 541,5</b>	<b>136 906,0</b>	<b>153 125,8</b>	<b>11,8</b>
<b>Turnover of institutions based on regional establishment levies of district and metropolitan municipalities</b>	<b>784 618,1</b>	<b>792 924,0</b>	<b>865 889,4</b>	<b>9,2</b>

**KEY FINDINGS FOR THE QUARTER ENDED June 2005**

**Total remuneration increased by 11,8% and total turnover increased by 9,2% in the second quarter of 2005. The increase is probably due to the causes listed on p.2. These figures are preliminary.**

According to the June 2005 survey of remuneration of employees and turnover of institutions, based on the regional services levies received by district and metropolitan municipalities, the total remuneration of employees increased by 11,8% in the second quarter of 2005 compared with the first quarter of 2005.

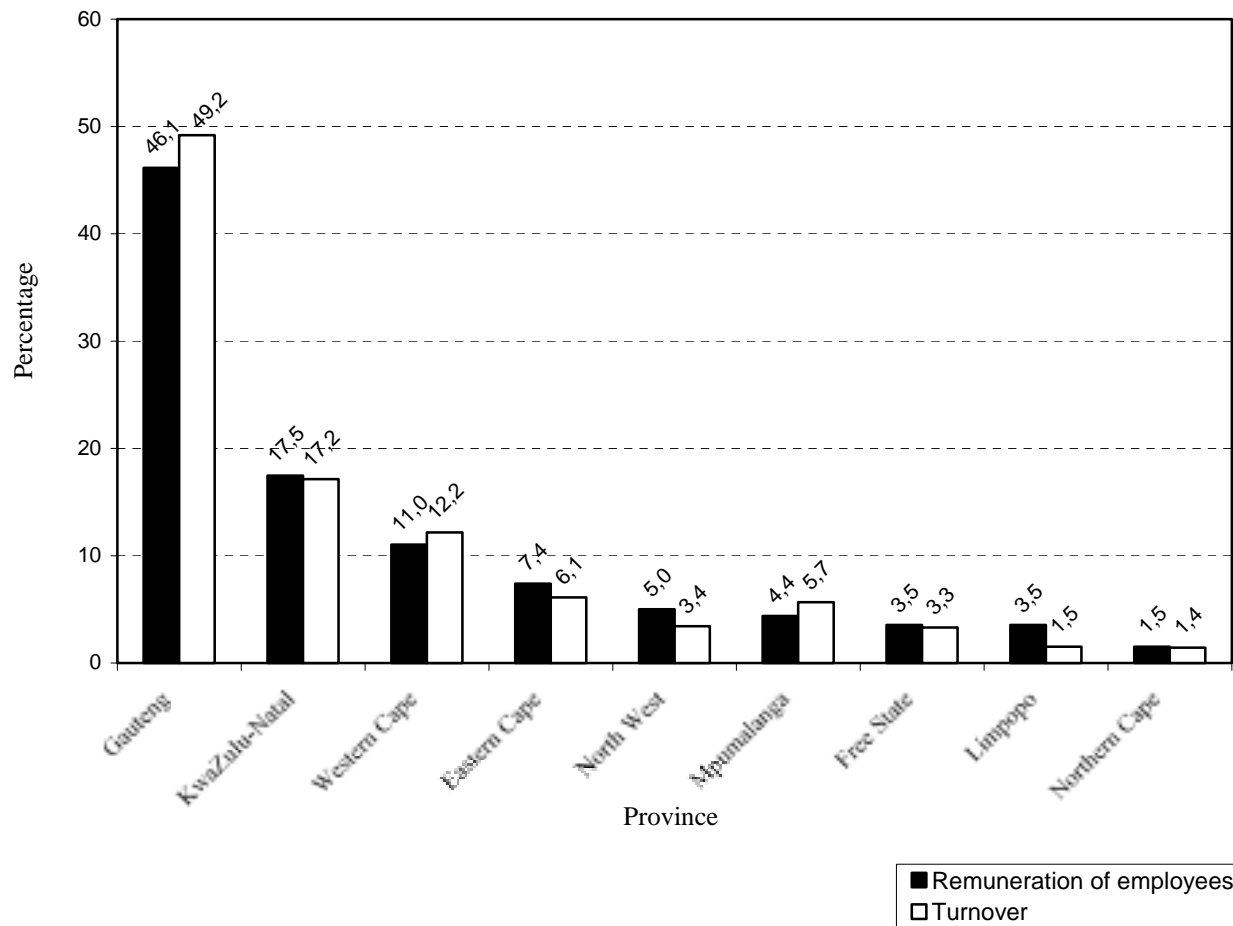
The total turnover of institutions, based on the regional establishment levies received by district and metropolitan municipalities, increased by 9,2% in the second quarter of 2005 compared with the first quarter of 2005.

**Provincial breakdowns**

The largest provincial contributor to the total remuneration of employees was Gauteng (46,1%), followed by KwaZulu-Natal (17,5%), Western Cape (11,0%), Eastern Cape (7,4%), North West (5,0%), Mpumalanga (4,4%), Free State (3,5%), Limpopo (3,5%) and Northern Cape (1,5%) (see. figure 1, p. 2).

The largest provincial contributor to the total turnover of institutions was Gauteng (49,2%), followed by KwaZulu-Natal (17,2%), Western Cape (12,2%), Eastern Cape (6,1%), Mpumalanga (5,7%), North West (3,4%), Free State (3,3%), Limpopo (1,5%) and Northern Cape (1,4%) (see. figure 1, p. 2).

**Figure 1– Percentage distribution of remuneration of employees and turnover of institutions based on levies received by district and metropolitan municipalities according to province for the quarter ended June 2005**



**Increases and decreases in remuneration of employees and turnover of institutions based on the levies received by district and metropolitan municipalities**

The fluctuations in the levies received by district and metropolitan municipalities can be caused by:

- legal action taken to recover outstanding amounts which may result in significant increases from one quarter to another;
- levies paid annually and not on a quarterly basis;
- the turnover of institutions and remuneration of employees;
- public holidays as well as other periods when institutions are closed; and
- revisions to previous quarters made in the event of new or revised information being furnished by the respondents.

**PJ Lehohla  
Statistician-General**

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## Notes

<b>Forthcoming issues</b>	<b>Issue</b>	<b>Expected release date</b>
	September 2005	12 December 2005
<b>Purpose of survey</b>	The purpose of this survey is to collect information regarding remuneration of employees and turnover of institutions based on the levies received by district and metropolitan municipalities. The information collected is also used to estimate the Gross Domestic Product according to region (GDPR).	
<b>Publication format</b>	The Statistics Act, 6 of 1999, prohibits the publication of information of individual respondents (in this case the district and metropolitan municipalities). Information in this release is therefore only provided at provincial level.	
<b>Response rate</b>	Response rate for the second quarter ended 30 June 2005 was 100%.	

**Table 1 - Remuneration of employees based on regional services levies received and percentage change according to province**

Province	2004	2005	Quarter ended				Quarter ended		Percentage change between quarter ended March 2005 and quarter ended June 2005	Percentage change between quarter ended June 2004 and quarter ended June 2005
			March 2004	June 2004	September 2004	December 2004	March 2005	June 2005		
	R million		R million				R million			
Western Cape	59 985,7	33 511,8	14 628,9	15 200,4	14 556,4	15 600,0	16 627,0	16 884,8	1,6	11,1
Eastern Cape	35 571,8	20 344,1	9 306,2	8 910,3	8 801,9	8 553,5	9 043,9	11 300,2	24,9	26,8
Northern Cape	8 364,3	5 323,2	2 289,5	2 059,4	2 034,8	1 980,6	2 999,2	2 324,0	-22,5	12,8
Free State	19 167,3	10 793,8	5 415,8	5 068,1	5 112,1	3 571,3	5 363,9	5 429,8	1,2	7,1
KwaZulu-Natal	79 202,9	45 702,9	19 901,9	18 673,8	19 731,3	20 895,9	18 940,9	26 762,0	41,3	43,3
North West	25 824,4	14 287,9	5 827,3	6 793,3	7 481,2	5 722,6	6 626,7	7 661,2	15,6	12,8
Gauteng	253 207,9	136 401,5	61 240,7	64 661,4	65 900,8	61 405,0	65 765,9	70 635,6	7,4	9,2
Mpumalanga	28 938,8	14 386,2	7 812,3	6 067,2	7 053,0	8 006,3	7 680,6	6 705,6	-12,7	10,5
Limpopo	12 008,7	9 280,7	3 164,7	3 061,2	2 976,4	2 806,3	3 857,9	5 422,7	40,6	77,1
<b>Total remuneration</b>	<b>522 271,9</b>	<b>290 031,9</b>	<b>129 587,3</b>	<b>130 495,1</b>	<b>133 647,9</b>	<b>128 541,5</b>	<b>136 906,0</b>	<b>153 125,8</b>	<b>11,8</b>	<b>17,3</b>

**Table 2 - Turnover of institutions based on regional establishment levies received and percentage change according to province**

Province	2004	2005	Quarter ended				Quarter ended		Percentage change between quarter ended March 2005 and quarter ended June 2005	Percentage change between quarter ended June 2004 and quarter ended June 2005
			March 2004	June 2004	September 2004	December 2004	March 2005	June 2005		
	R million		R million				R million			
Western Cape	377 744,2	210 277,8	86 365,7	94 903,6	96 137,8	100 337,0	104 869,8	105 408,0	0,5	11,1
Eastern Cape	184 279,7	106 661,1	41 998,0	45 182,4	48 336,3	48 763,1	53 650,4	53 010,7	-1,2	17,3
Northern Cape	42 953,2	25 805,4	11 928,3	9 431,6	10 991,4	10 601,9	13 438,1	12 367,4	-8,0	31,1
Free State	101 456,9	60 691,1	27 241,8	25 126,9	28 581,4	20 506,9	32 032,9	28 658,2	-10,5	14,1
KwaZulu-Natal	455 988,8	249 025,3	105 067,3	103 607,7	120 965,0	126 348,8	100 512,9	148 512,4	47,8	43,3
North West	111 873,1	56 831,1	29 785,8	28 302,9	29 247,3	24 537,1	27 094,6	29 736,4	9,8	5,1
Gauteng	1 554 219,8	822 038,1	370 938,3	396 387,9	406 113,0	380 780,6	396 124,1	425 914,0	7,5	7,4
Mpumalanga	205 860,3	102 579,0	50 304,0	46 062,0	49 429,8	60 064,5	53 538,4	49 040,6	-8,4	6,5
Limpopo	50 736,0	24 904,7	13 312,8	12 759,7	11 985,3	12 678,3	11 663,0	13 241,7	13,5	3,8
<b>Total turnover</b>	<b>3 085 111,8</b>	<b>1 658 813,5</b>	<b>736 942,0</b>	<b>761 764,6</b>	<b>801 787,1</b>	<b>784 618,1</b>	<b>792 924,0</b>	<b>865 889,4</b>	<b>9,2</b>	<b>13,7</b>

**Table 3 - Actual regional services levies received according to province**

Province	2004	2005	Quarter ended				Quarter ended	
			March 2004	June 2004	September 2004	December 2004	March 2005	June 2005
	Rand		Rand				Rand	
Western Cape	169 590 789	94 929 749	41 151 149	43 071 801	41 163 883	44 203 956	47 057 490	47 872 259
Eastern Cape	127 846 864	72 242 036	33 589 309	31 928 175	31 677 660	30 651 720	32 027 428	40 214 608
Northern Cape	27 588 189	17 807 440	7 571 326	6 804 951	6 701 927	6 509 985	10 055 624	7 751 816
Free State	61 753 391	34 755 891	17 513 268	16 392 373	16 439 871	11 407 879	17 337 711	17 418 180
KwaZulu-Natal	237 608 765	137 108 597	59 705 651	56 021 344	59 193 961	62 687 809	56 822 643	80 285 954
North West	71 249 581	39 406 967	16 075 750	18 739 387	20 646 266	15 788 178	18 274 118	21 132 849
Gauteng	850 255 530	457 741 965	206 149 324	217 289 744	220 869 193	205 947 269	220 863 777	236 878 188
Mpumalanga	94 821 355	47 414 826	25 663 591	19 919 819	23 118 301	26 119 644	25 185 297	22 229 529
Limpopo	33 673 931	26 522 674	8 858 235	8 588 519	8 349 611	7 877 566	10 906 412	15 616 262
<b>Total services levy</b>	<b>1 674 388 395</b>	<b>927 930 145</b>	<b>416 277 603</b>	<b>418 756 113</b>	<b>428 160 673</b>	<b>411 194 006</b>	<b>438 530 500</b>	<b>489 399 645</b>



**Table 4 - Actual regional establishment levies received according to province**

Province	2004	2005	Quarter ended				Quarter ended	
			March 2004	June 2004	September 2004	December 2004	March 2005	June 2005
	Rand		Rand				Rand	
Western Cape	784 092 741	433 437 431	178 008 780	194 508 127	200 001 459	211 574 375	215 965 654	217 471 777
Eastern Cape	263 886 087	151 945 861	60 121 155	64 416 870	68 990 148	70 357 914	76 165 820	75 780 041
Northern Cape	59 781 774	35 913 065	16 840 539	13 167 535	15 079 597	14 694 103	18 709 924	17 203 141
Free State	128 963 923	77 086 319	34 507 881	32 139 064	36 350 655	25 966 323	40 630 723	36 455 596
KwaZulu-Natal	547 186 567	298 830 308	126 080 796	124 329 261	145 157 969	151 618 541	120 615 423	178 214 885
North West	133 725 346	69 188 200	36 000 369	33 408 117	35 637 428	28 679 432	32 707 932	36 480 268
Gauteng	2 121 730 627	1 121 674 857	506 902 043	541 424 102	553 684 965	519 719 517	540 664 334	581 010 523
Mpumalanga	279 777 354	140 049 856	68 399 334	62 858 244	67 256 617	81 263 159	72 925 261	67 124 595
Limpopo	58 381 682	28 581 681	15 371 325	14 654 260	13 779 148	14 576 949	13 387 718	15 193 963
<b>Total establishment levy</b>	<b>4 377 526 101</b>	<b>2 356 707 578</b>	<b>1 042 232 222</b>	<b>1 080 905 580</b>	<b>1 135 937 986</b>	<b>1 118 450 313</b>	<b>1 131 772 789</b>	<b>1 224 934 789</b>

## Explanatory notes

- Introduction** 1 Since 1993, Statistics South Africa (Stats SA) has conducted a quarterly survey of remuneration of employees and turnover of institutions regarding the levies collected from the public and private sector by district and metropolitan municipalities. The main purpose of this survey is to collect information regarding remuneration of employees and turnover according to the levies received by district and metropolitan municipalities by province. The information collected will also be used in the Gross Domestic Product by Region (GDPR) according to municipality. Some organizations are not subject to levies, for example, religious and charitable organisations and non-profit institutions.
- Scope of the survey** 2 The relevant information is collected from district and metropolitan municipalities which collect levies received by district municipalities and metropolitan municipalities in terms of section 3 of Regional Services Councils Act, 1985 (Act No. 109 of 1985), section 4 of the KwaZulu-Natal Joint Services Act, 1990 (Act No. 84 of 1990) the relevant sections of the Local Government Transition Act, (Act No. 209 of 1993) and the Local Government Transition Act, Second Amendment Act, 1996 (Act No. 97 of 1996) or any amendments thereto.
- Statistical unit** 3 The statistical units for the collection of information are the district and metropolitan municipalities.
- Classification** 4 The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth Edition, Report No. 09-90-02, is used to classify the statistical units in the survey. The SIC is based on the 1990 International Standard Industrial Classification of all Economic Activities (ISIC) with suitable adaptations for local conditions. This publication presents information classified by district municipality.
- Survey methodology and design** 5 This survey is collected by mail each quarter from all 53 district municipalities (category C) and metropolitan municipalities (category A) within the nine provinces.
- Related publications** 6 Users may also wish to refer to the following publications which are available from Stats SA –
- ◆ P0401 - Gross geographic product
  - ◆ P0441 - Gross domestic product
  - ◆ P9101.1 - Capital expenditure of the public sector
  - ◆ P9114 - Financial census of municipalities
  - ◆ P9115 - Non-financial census of municipalities

<b>Reliable estimates</b>	<b>7</b>	Figures for the latest quarter are preliminary. Fluctuations may occur in consecutive quarters as a result of seasonal and economic factors.
<b>Collection of levies</b>	<b>8</b>	This survey only captures data in respect of levies paid by institutions. The information does not necessarily represent all levies, which should have been collected.
	<b>9</b>	Levies paid to district and metropolitan municipalities are not necessarily applicable for the reference period. Levies paid may be inclusive of accrued and prepaid amounts.
<b>Value added tax</b>	<b>10</b>	Value added tax (VAT) has been excluded from all calculations.
<b>Rounding off-of figures</b>	<b>11</b>	All figures are rounded off independently of one another. Totals may therefore not be equal to the sum of the individual amounts.
<b>Revised figures</b>	<b>12</b>	The revised figures are due to respondents reporting revisions or corrections to the previous information they furnished.
<b>Symbols and abbreviations used</b>	<b>13</b>	Stats SA Statistics South Africa * Revised 0 not available (or not applicable)

## Glossary

<b>District municipality</b>	District municipality means a municipality 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 C municipality. (Refer to Local government: Municipal Structures Act, Act No.117 of 1998).
<b>Employees</b>	Employees refer to those persons who received remuneration in the reference quarter.
<b>Metropolitan municipality</b>	Metropolitan municipality means a municipality that has exclusive executive and legislative authority in its area, and which is described in section 155(1) of the Constitution as a category A municipality. (Refer to Local government: Municipal Structures Act, Act No.117 of 1998).
<b>Quarterly percentage change between previous and current quarter</b>	Quarterly percentage change is the change in the remuneration of employees (or turnover of institutions) of the given quarter compared with the remuneration of employees (or turnover of institutions) of the previous quarter expressed as a percentage.
<b>Quarterly percentage change between a specific quarter of the previous year and the same quarter of the current year</b>	Quarterly percentage change between the previous year and the current year for the same quarter refers to the comparison of the three months of the current quarter in the current year with that of the similar period of the previous year. The amounts shown for each quarter are not cumulative.
<b>Reference quarter</b>	Reference quarter for the survey refers to the three months up to the end of each quarter. The reference quarter for this survey was 1 April 2005 to 30 June 2005.
<b>Reference year</b>	The reference year for the survey means one calendar year. The year figure refers to the total amount for the four quarters (i.e. sum of March, June, September and December of the same year).
<b>Regional service levy</b>	Payroll tax paid by registered levy payers on the total remuneration of their employees in terms of the relevant legislation.
<b>Regional establishment levy</b>	Turnover tax paid by businesses on the total turnover in terms of the relevant legislation.
<b>Remuneration of employees</b>	Remuneration of employees includes primarily – salaries; wages; services and other bonuses; allowances (including car allowances) and overtime payments.
<b>Turnover</b>	Turnover refers to total gross sales of institutions.

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