



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

14 December 2011

**Local Government Revenue and Expenditure: First Quarter Local Government
Section 71 Report
For the period: 1 July 2011 - 30 September 2011**

The National Treasury has today released local government's revenue and expenditure and spending on conditional grants for the first quarter of the 2011/12 financial year focusing on 276 municipalities. The period under review starts from 1 July 2011 to 30 September 2011 of the municipal financial year.

This report is the *In-year Management, Monitoring and Reporting System for Local Government (IYM)*, which enables provincial and national government to exercise oversight over municipalities, and identify possible problems in implementing municipal budgets and conditional grants.

HIGHLIGHTS

- Almost all municipalities produce in-year financial reports consistently compared to three years ago when less than 50 municipalities produced quarterly financial reports regularly.
- This is a remarkable achievement given that the reporting facilitates transparency, better in-year management and oversight of budgets, making these reports management tools and early warning mechanisms for councils to improve municipal performance.
- Information on municipal borrowing detailing borrowing instruments by municipality is available for the first time. As at 30 September 2011, the total end balance for borrowing instruments of all municipalities amounted to R45 billion.
- On aggregate, municipalities spent, 20.1 per cent or R52.5 billion of the total adopted budget of R260.5 billion as at 30 September 2011 (first quarter YTD results for the 2011/12 financial year). In respect of revenue, aggregated billing and other revenue amounted to 23.6 per cent or R66.4 billion of a total revenue budget of R281.1 billion.
- The aggregated adopted capital budget for all municipalities in the 2011/12 financial year was R44.6 billion of which only R4.4 billion or 9.9 per cent was spent in the first quarter. This underpins the challenges of planning for implementation of capital projects.

KEY TRENDS

Aggregate trends

1. On the revenue side, Metropolitan municipalities achieved 22.7 per cent or R38.7 billion of billed and other revenue of the total adopted revenue budget of R170.4 billion. Buffalo City had the highest proportion at 30 per cent, followed by Ekurhuleni Metro at 25.1 per cent while Nelson Mandela Bay reported the lowest proportion at 19.1 per cent.
2. Quarter-on-quarter comparison of the in-year figures shows that the metros, on average, realised an increase in revenue of 13.3 per cent compared to the first quarter of the previous financial year. Most of this increase can be attributed to higher rates and tariffs, rather than efficiency improvements in revenue management. However, this comparison should ideally be made against the pre-audited figures of the previous year, but most municipalities have not lodged the pre-audit numbers on the local government database. This issue is currently receiving attention.
3. The aggregated adopted capital budget for metros in the 2011/12 financial year was R22.5 billion of which the metros spent R2.1 billion or 9.3 per cent by 30 September 2011.
 - a. By the end of the first quarter eThekweni had spent 12.1 per cent of its adopted capital budget and the City of Tshwane 11.5 per cent.
 - b. Spending has been low in Buffalo City and Cape Town where only 4.8 and 7 per cent respectively was spent by the end of the first quarter.
4. Aggregate municipal consumer debts amounted to R74.7 billion as at 30 September 2011, of which national and provincial governments' contribution represents 5.2 per cent or R3.9 billion. Households account for the largest component of consumer debtors, accounting for 62.4 per cent or R46.6 billion.
5. National Treasury is working jointly with the Department of Co-operative Governance and Traditional Affairs (COGTA) debt management task team to analyse municipal debt for 18 municipalities with the highest outstanding balances. This process will also assist in resolving debt emanating from government institutions.
6. As at 30 September 2011, outstanding debt due to Metropolitan municipalities was R44.5 billion. This represents an increase of R7 billion or 18.8 per cent from the first quarter of the 2010/11 financial year. The City of Johannesburg's share was R14.1 billion or 31.8 per cent of all metros, thus contributing to the current liquidity challenges experienced by this metro.
7. Outstanding consumer debt in secondary cities totalled R12.7 billion as at 30 September 2011. This represents a small decrease from the R12.8 million reported in the corresponding period in the 2010/11 financial year. Household debt accounts for R8.9 billion or 69.8 per cent of the total outstanding debt. Of the total household debt, R7.3 billion or 82.4 per cent has been outstanding for more than 90 days.
8. The creditor's age analysis shows R11.2 billion is owed by municipalities as at 30 September 2011 - an overall decrease of R5 billion compared to the R16.2 billion reported in the fourth quarter of 2010/11. Free State has the highest percentage of creditors outstanding for more than 90 days at 53.3 per cent of total outstanding municipal creditors, followed by Limpopo at 46.7 per cent and North West at 46.3 per cent.
9. Analysis of the collection rates indicates that while municipalities have budgeted for a 91.8 per cent collection rate, aggregated actual collection performance against billed is only 65.5 per cent.
 - a. The metros budgeted for a 93.6 per cent collection rate and collected only 64.9 per cent.
 - b. The secondary cities appear to be collecting billed revenue at a rate of 81.2 per cent.

10. The underperformance of actual collections against billed revenue can be attributed to, amongst others, the affordability of municipal services. The economic slowdown and substantial increases associated with Eskom bulk purchases is starting to directly impact on affordability and subsequently the ability of consumers to pay for services.

Conditional Grants

11. The Division of Revenue Act, 2011 (Act No.6 of 2011) allocated R31.5 billion as conditional transfers (both direct and indirect transfers) to local government. This amount excludes the unconditional transfer (Equitable Share) of R34.1 billion and the sharing of the fuel levy of R8.6 billion. This brings the total amount allocated to local government to R65.6 billion.
12. The sharing of the fuel levy is not considered a grant and is classified as own revenue.
13. Direct conditional grants to municipalities amount to R27.5 billion and indirect transfers and allocations-in-kind amount to R4.0 billion for the 2011/12 financial year.
14. An amount of R8.0 billion was transferred by the national departments administering the grants to municipalities. This amount constitutes 37.7 per cent of the total direct conditional grant allocations. According to expenditure reports provided by the national departments, only 13.4 per cent was spent against the total conditional allocations as at 30 September 2011.
15. The expenditure analysis, as at 30 September 2011, indicates an average performance by municipalities of below 25 per cent. Municipalities receiving direct conditional grants reported an average expenditure of 12.6 per cent or R2.5 billion of the R21.2 billion directly allocated for them. Similar to the previous year, the departments and the municipalities are still reporting different amounts to National Treasury.
16. It should be noted that the expenditure reported by municipalities of 12.6 per cent for the first quarter period excludes performance by all metropolitan municipalities receiving the Urban Settlement Development Grant (USDG) which totals R6.3 billion.
17. A summary of key aggregated information is included in the tables in Annexure A.
18. Reconciliation between the 2011/12 MTREF budget publication released on 30 November 2011 and the 1st quarter publication is reflected in Annexure B.

Further details on this report can be accessed on the National Treasury's website: www.treasury.gov.za.

ENDS

NOTE TO EDITORS

19. This information is published in terms of Sections 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and 30(3) of the 2011 Division of Revenue Act. The budgeted figures shown are based on the 2011/12 adopted budgets approved by municipal councils prior to the end of June 2011.
20. In terms of the process, Municipal Managers and Chief Financial Officers were required to sign and submit to the National Treasury by 11 November 2011. Any queries on the figures in the statement should therefore be referred to the relevant Municipal Manager or Chief Financial Officer. Queries on conditional grants may be referred to the national department responsible for administering the grant.
21. This first quarter publication covers 276 municipalities.
22. For comparison purposes, the National Treasury understands that it would be ideal to use audited figures for the previous financial year. At this stage, the information submitted by municipalities is not comprehensive enough. Once all municipalities adhere to this good practice, the system will be adjusted accordingly. This publication will then reconcile with the previous year's publication. In future, municipalities will be required to report their end-year results as at 30 June in three stages:
 - a. Preliminary results,
 - b. Pre-audited information as at 31 August, and
 - c. And finally, audited results once the audit outcomes are available.
23. All information in this statement is based on the Section 71 MFMA reports that Municipal Managers and Chief Financial Officers were required to sign and submit to the National Treasury by 11 November 2011. Any queries on the figures in the statement should therefore be referred to the relevant Municipal Manager or Chief Financial Officer. Queries on conditional grants may be referred to the national department responsible for administering the grant.
24. This first quarter publication covers 276 municipalities.
25. For comparison purposes, the National Treasury understands that it would be ideal to use audited figures for the previous financial year. At this stage, the information submitted by municipalities is not comprehensive enough. Once all municipalities adhere to this good practice, the system will be adjusted accordingly. This publication will then reconcile with the previous year's publication. In future, municipalities will be required to report their end-year results as at 30 June in three stages:
 - a. Preliminary results,
 - b. Pre-audited information as at 31 August,
 - c. And finally, audited results once the audit outcomes are available

STRUCTURE OF INFORMATION RELEASED

26. Other information released on National Treasury's website (www.treasury.gov.za) as part of this process includes the following:
- Municipal Budget Statements:
 - a. Cash Flow closing balances as at 30 September 2011,
 - b. High-level summary of revenue for 276 municipalities, and
 - c. High-level summary of expenditure for 276 municipalities.
 - Summary of revenue and expenditure per function (electricity, water, etc):
 - a. High level summary of revenue per function, and
 - b. High level summary of expenditure per function.
 - Consolidation of revenue and expenditure numbers for each municipality in one file.
 - Detail per province per municipality.
 - Summary of Conditional Grant (CG) Information for all municipalities and per grant.
 - CG - Detail per province per Municipality.
 - Summary of Conditional Grant (CG) information per programme.
 - Section 71 summary information for the fourth quarter:
 - a. Summary of total monthly operating expenditure – 276 municipalities;
 - b. Summary of total monthly operating revenue – 276 municipalities;
 - c. Summary of total monthly capital expenditure – 276 municipalities;
 - d. Summary of total monthly capital revenue – 276 municipalities;
 - e. Summary – Metros;
 - f. Conditional Grant summary – Metros;
 - g. Summary – Top 21 municipalities;
 - h. Conditional Grant summary – Top 21 municipalities;
 - i. Summary – Provinces;
 - j. Conditional Grant summary – Provinces;
 - k. Analysis of Sources of Revenue – 278 municipalities; and
 - l. Listing of borrowing instruments – xxx municipalities.
 - Non Compliance:
 - a. List municipalities not complying with Section 71 of the MFMA.
27. The section 71 information reported by municipalities to National Treasury is now being published on the National Treasury website in the format of Schedule C, which is the format for monthly and quarterly municipal financial statements as prescribed by the Municipal Budget and Reporting Regulations.

SUMMARY TABLES:

Aggregated revenue and expenditure for municipalities

Table 1: National aggregated revenue and expenditure as at 1st quarter ended 30 September 2011

R thousands	Main appropriation			First Quarter 2011/12				Year to date: 30 September 2011				First Quarter 2010/11				Q1 of 2010/11 to Q1 of 2011/12	
	Operating	Capital	Total	Operating	Capital	Total	1st Q as % of main app	Operating	Capital	Total	Total as % of main app	Operating	Capital	Total	Total as % of main app		
Expenditure																	
Category A (Metro)	136 165 129	22 465 346	158 630 475	31 824 650	2 091 812	33 916 461	21.4%	31 824 650	2 091 812	33 916 461	21.4%	27 796 797	2 188 868	29 985 666	21.4%		13.1%
Category B (Local)	66 389 842	15 217 128	81 606 970	13 887 184	1 787 031	15 674 215	19.2%	13 887 184	1 787 031	15 674 215	19.2%	12 419 670	1 725 391	14 145 062	18.5%		10.8%
Category C (District)	13 346 934	6 881 953	20 228 887	2 336 936	535 351	2 872 287	14.2%	2 336 936	535 351	2 872 287	14.2%	2 302 852	719 976	3 022 828	17.0%		(5.0%)
Total	215 901 906	44 564 427	260 466 332	48 048 770	4 414 193	52 462 963	20.1%	48 048 770	4 414 193	52 462 963	20.1%	42 519 320	4 634 236	47 153 556	20.1%		11.3%
Revenue																	
Category A (Metro)	147 969 316	22 465 346	170 434 662	36 577 740	2 091 812	38 669 552	22.7%	36 577 740	2 091 812	38 669 552	22.7%	31 936 922	2 188 868	34 125 790	22.9%		13.3%
Category B (Local)	70 901 386	15 217 128	86 118 514	20 495 629	1 924 354	22 419 984	26.0%	20 495 629	1 924 354	22 419 984	26.0%	19 410 414	1 620 225	21 030 639	26.9%		6.6%
Category C (District)	17 663 190	6 881 953	24 545 143	4 728 474	542 481	5 270 954	21.5%	4 728 474	542 481	5 270 954	21.5%	4 898 667	793 991	5 692 658	29.2%		(7.4%)
Total	236 533 893	44 564 427	281 098 319	61 801 844	4 558 647	66 360 490	23.6%	61 801 844	4 558 647	66 360 490	23.6%	56 246 003	4 603 084	60 849 087	24.7%		9.1%

Source: National Treasury Local Government database

Aggregate revenue trends for metros

Table 2: Metros aggregated revenue as at 1st quarter ended 30 September 2011

R thousands	Main appropriation			First Quarter 2011/12				Year to date: 30 September 2011				First Quarter 2010/11				Q1 of 2010/11 to Q1 of 2011/12
	Operating Revenue	Capital Revenue	Total	Operating Revenue	Capital Revenue	Total	1st Q as % of main app	Operating Revenue	Capital Revenue	Total	Total Revenue as % of main app	Operating Revenue	Capital Revenue	Total	Total Revenue as % of main app	
Buffalo City	4 307 707	764 669	5 072 376	1 482 704	36 993	1 519 697	30.0%	1 482 704	36 993	1 519 697	30.0%	1 285 393	38 980	1 324 374	27.7%	14.7%
Cape Town	33 275 647	5 089 867	38 365 513	7 655 072	354 886	8 009 957	20.9%	7 655 072	354 886	8 009 957	20.9%	7 095 664	377 096	7 472 760	23.2%	7.2%
Ekurhuleni Metro	21 151 848	2 374 785	23 526 634	5 711 621	186 037	5 897 658	25.1%	5 711 621	186 037	5 897 658	25.1%	5 583 064	164 021	5 747 084	26.3%	2.6%
eThekweni	25 700 435	5 097 529	30 797 964	6 271 886	614 665	6 886 551	22.4%	6 271 886	614 665	6 886 551	22.4%	5 349 889	768 717	6 118 606	21.9%	12.6%
City Of Johannesburg	32 072 726	3 722 199	35 794 925	7 986 481	314 777	8 301 259	23.2%	7 986 481	314 777	8 301 259	23.2%	6 403 811	236 660	6 640 471	22.0%	25.0%
Mangaung	4 438 450	824 147	5 262 597	960 359	92 165	1 052 524	20.0%	960 359	92 165	1 052 524	20.0%	827 045	64 571	891 616	24.1%	18.0%
Nelson Mandela Bay	7 616 421	1 406 732	9 023 153	1 600 962	126 366	1 727 328	19.1%	1 600 962	126 366	1 727 328	19.1%	1 446 978	328 701	1 775 679	20.2%	(2.7%)
City Of Tshwane	19 406 082	3 185 418	22 591 500	4 908 656	365 923	5 274 579	23.3%	4 908 656	365 923	5 274 579	23.3%	3 945 078	210 122	4 155 201	21.2%	26.9%
Total	147 969 316	22 465 346	170 434 662	36 577 740	2 091 812	38 669 552	22.7%	36 577 740	2 091 812	38 669 552	22.7%	31 936 922	2 188 868	34 125 790	22.9%	13.3%

Source: National Treasury Local Government database

Aggregate expenditure trends for metros

Table 3: Metros aggregated expenditure as at 1st quarter ended 30 September 2011

R thousands	Main appropriation			First Quarter 2011/12				Year to date: 30 September 2011				First Quarter 2010/11				Q1 of 2010/11 to Q1 of 2011/12
	Operating Expenditure	Capital Expenditure	Total	Operating Expenditure	Capital Expenditure	Total	1st Q as % of main app	Operating Expenditure	Capital Expenditure	Total	Total Expenditure as % of main app	Operating Expenditure	Capital Expenditure	Total	Total Expenditure as % of main app	
Buffalo City	3 616 250	764 669	4 380 919	829 532	36 993	866 526	19.8%	829 532	36 993	866 526	19.8%	564 570	38 980	603 550	13.8%	43.6%
Cape Town	30 720 927	5 089 867	35 810 794	6 717 835	354 886	7 072 721	19.8%	6 717 835	354 886	7 072 721	19.8%	5 891 317	377 096	6 268 412	20.5%	12.8%
Ekurhuleni Metro	21 151 308	2 374 785	23 526 094	5 402 318	186 037	5 588 355	23.8%	5 402 318	186 037	5 588 355	23.8%	5 130 068	164 021	5 294 089	24.3%	5.6%
eThekweni	23 583 184	5 097 529	28 680 713	5 269 196	614 665	5 883 861	20.5%	5 269 196	614 665	5 883 861	20.5%	4 486 292	768 717	5 255 009	20.3%	12.0%
City Of Johannesburg	28 561 968	3 722 199	32 284 167	7 559 673	314 777	7 874 451	24.4%	7 559 673	314 777	7 874 451	24.4%	6 378 686	236 660	6 615 345	23.3%	19.0%
Mangaung	3 691 530	824 147	4 515 677	676 757	92 165	768 923	17.0%	676 757	92 165	768 923	17.0%	673 927	64 571	738 498	22.0%	4.1%
Nelson Mandela Bay	6 621 119	1 406 732	8 027 851	1 442 029	126 366	1 568 395	19.5%	1 442 029	126 366	1 568 395	19.5%	1 180 296	328 701	1 508 997	19.3%	3.9%
City Of Tshwane	18 218 844	3 185 418	21 404 261	3 927 308	365 923	4 293 231	20.1%	3 927 308	365 923	4 293 231	20.1%	3 491 643	210 122	3 701 765	20.5%	16.0%
Total	136 165 129	22 465 346	158 630 475	31 824 650	2 091 812	33 916 461	21.4%	31 824 650	2 091 812	33 916 461	21.4%	27 796 797	2 188 868	29 985 666	21.4%	13.1%

Source: National Treasury Local Government database

Aggregated revenue and expenditure for secondary cities

Table 4: 19 Secondary cities aggregated budgets and expenditure as at 1st quarter ended 30 September 2011

R thousands	Main appropriation			First Quarter 2011/12				Year to date: 30 September 2011				First Quarter 2010/11				Q1 of 2010/11 to Q1 of 2011/12
	Operating Expenditure	Capital Expenditure	Total	Operating Expenditure	Capital Expenditure	Total	1st Q as % of main app	Operating Expenditure	Capital Expenditure	Total	Total Exp as % of main app	Operating Expenditure	Capital Expenditure	Total	Total Exp as % of main app	
City Of Matlosana	1 831 544	206 159	2 037 703	260 687	41 289	301 976	14.8%	260 687	41 289	301 976	14.8%	307 111	28 610	335 720	19.2%	(10.1%)
Drakenstein	1 236 787	363 023	1 599 810	318 618	27 661	346 279	21.6%	318 618	27 661	346 279	21.6%	239 366	20 542	259 908	18.6%	33.2%
Emalahleni (Mp)	-	-	-	303 093	254	303 347	-	303 093	254	303 347	-	272 458	12 857	285 316	19.5%	6.3%
Erfuleni	3 362 657	303 246	3 665 902	781 100	16 665	797 765	21.8%	781 100	16 665	797 765	21.8%	563 018	37 867	600 885	17.1%	32.8%
George	1 133 694	162 912	1 296 606	198 797	5 863	204 660	15.8%	198 797	5 863	204 660	15.8%	153 887	37 440	191 328	16.2%	7.0%
Govan Mbeki	1 189 501	-	1 189 501	263 160	18 187	281 348	23.7%	263 160	18 187	281 348	23.7%	218 375	19 345	237 719	21.7%	18.4%
Madibeng	949 715	284 250	1 233 965	177 846	19 162	197 009	16.0%	177 846	19 162	197 009	16.0%	158 111	2 481	160 592	16.3%	22.7%
Matjhabeng	1 339 583	204 638	1 544 221	284 060	77 237	361 297	23.4%	284 060	77 237	361 297	23.4%	272 245	31 676	303 921	19.2%	18.9%
Mbombela	1 587 769	640 400	2 228 169	260 542	30 595	291 137	13.1%	260 542	30 595	291 137	13.1%	222 205	22 939	245 145	13.6%	18.8%
Mogale City	1 374 612	226 213	1 600 825	321 870	25 773	347 643	21.7%	321 870	25 773	347 643	21.7%	248 984	11 030	260 014	17.7%	33.7%
Msunduzi	3 339 106	411 313	3 750 419	219 820	6 637	226 457	6.0%	219 820	6 637	226 457	6.0%	504 051	3 578	507 628	18.9%	(55.4%)
New castle	1 478 551	312 846	1 791 397	323 031	23 110	346 141	19.3%	323 031	23 110	346 141	19.3%	195 185	12 011	207 196	16.8%	67.1%
Polokwane	1 475 280	389 198	1 864 478	353 832	38 431	392 263	21.0%	353 832	38 431	392 263	21.0%	271 642	34 253	305 895	14.8%	28.2%
Rustenburg	2 242 663	496 605	2 739 268	472 099	24 593	496 692	18.1%	472 099	24 593	496 692	18.1%	530 486	34 707	565 193	24.2%	(12.1%)
Sol Plaatje	1 198 854	246 419	1 445 273	314 706	21 633	336 340	23.3%	314 706	21 633	336 340	23.3%	153 108	9 257	162 365	12.3%	107.2%
Stellenbosch	842 801	199 066	1 041 867	152 516	9 038	161 554	15.5%	152 516	9 038	161 554	15.5%	123 032	7 333	130 365	14.4%	23.9%
Steve Tshwete	917 619	208 480	1 126 098	233 779	33 419	267 198	23.7%	233 779	33 419	267 198	23.7%	192 395	39 418	231 813	20.9%	15.3%
Tlokweng	788 796	118 956	907 752	197 410	21 931	219 342	24.2%	197 410	21 931	219 342	24.2%	146 137	4 024	150 162	19.6%	46.1%
uMhlatuze	2 046 274	220 734	2 267 008	472 625	3 834	476 458	21.0%	472 625	3 834	476 458	21.0%	391 807	6 670	398 477	21.5%	19.6%
Total	28 335 805	4 994 458	33 330 263	5 909 593	445 312	6 354 905	19.1%	5 909 593	445 312	6 354 905	19.1%	5 163 603	376 039	5 539 642	18.2%	14.7%

Source: National Treasury Local Government database

Operating expenditure per function for metros

Table 5: Metros aggregated budgets and expenditure per function as at 1st quarter ended 30 September 2011

	Main appropriation	First Quarter 2011/12		Year to date: 30 September 2011		First Quarter 2010/11		Q1 of 2010/11 to Q1 of 2011/12
		Actual Expenditure	1st Q as % of main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
R thousands								
Water								
Buffalo City	297 383	73 146	24.6%	73 146	24.6%	50 466	15.0%	44.9%
Cape Town	3 490 518	732 055	21.0%	732 055	21.0%	657 302	20.9%	11.4%
Ekurhuleni Metro	3 486 573	707 828	20.3%	707 828	20.3%	622 191	24.1%	13.8%
eThekwini	3 203 167	607 853	19.0%	607 853	19.0%	464 668	16.3%	30.8%
City Of Johannesburg	4 628 628	1 296 712	28.0%	1 296 712	28.0%	1 088 268	26.3%	19.2%
Mangaung	402 198	92 317	23.0%	92 317	23.0%	91 732	26.6%	0.6%
Nelson Mandela Bay	491 633	92 128	18.7%	92 128	18.7%	99 433	24.1%	(7.3%)
City Of Tshwane	2 124 063	406 932	19.2%	406 932	19.2%	296 990	20.7%	37.0%
Total	18 124 163	4 008 971	22.1%	4 008 971	22.1%	3 371 049	22.1%	18.9%
Electricity								
Buffalo City	1 066 194	351 505	33.0%	351 505	33.0%	231 745	19.7%	51.7%
Cape Town	7 835 469	1 932 808	24.7%	1 932 808	24.7%	1 608 167	24.5%	20.2%
Ekurhuleni Metro	8 957 159	2 676 675	29.9%	2 676 675	29.9%	2 390 449	32.8%	12.0%
eThekwini	8 361 238	2 264 770	27.1%	2 264 770	27.1%	1 861 744	26.7%	21.6%
City Of Johannesburg	10 664 219	3 464 970	32.5%	3 464 970	32.5%	2 582 093	31.0%	34.2%
Mangaung	1 438 444	246 306	17.1%	246 306	17.1%	277 737	23.4%	(11.3%)
Nelson Mandela Bay	2 490 100	579 875	23.3%	579 875	23.3%	466 817	21.7%	24.2%
City Of Tshwane	6 675 028	1 741 240	26.1%	1 741 240	26.1%	1 691 216	31.3%	3.0%
Total	47 487 851	13 258 151	27.9%	13 258 151	27.9%	11 109 968	28.4%	19.3%
Waste Water Management								
Buffalo City	336 815	66 231	19.7%	66 231	19.7%	40 025	10.5%	65.5%
Cape Town	1 803 652	390 387	21.6%	390 387	21.6%	320 775	21.3%	21.7%
Ekurhuleni Metro	419 402	100 456	24.0%	100 456	24.0%	74 758	138.5%	34.4%
eThekwini	1 160 231	207 512	17.9%	207 512	17.9%	171 231	16.8%	21.2%
City Of Johannesburg	-	-	-	-	-	-	-	-
Mangaung	122 748	23 664	19.3%	23 664	19.3%	24 108	20.6%	(1.8%)
Nelson Mandela Bay	433 987	62 677	14.4%	62 677	14.4%	67 445	17.0%	(7.1%)
City Of Tshwane	503 080	66 259	13.2%	66 259	13.2%	65 419	12.6%	1.3%
Total	4 779 915	917 186	19.2%	917 186	19.2%	763 762	19.1%	20.1%
Waste Management								
Buffalo City	205 577	29 879	14.5%	29 879	14.5%	23 739	11.5%	25.9%
Cape Town	2 055 213	422 624	20.6%	422 624	20.6%	379 196	20.0%	11.5%
Ekurhuleni Metro	1 034 889	194 018	18.7%	194 018	18.7%	151 054	17.0%	28.4%
eThekwini	997 779	178 998	17.9%	178 998	17.9%	176 822	18.8%	1.2%
City Of Johannesburg	1 135 931	268 189	23.6%	268 189	23.6%	253 307	23.0%	5.9%
Mangaung	77 889	15 546	20.0%	15 546	20.0%	17 833	20.9%	(12.8%)
Nelson Mandela Bay	311 457	47 603	15.3%	47 603	15.3%	55 532	21.3%	(14.3%)
City Of Tshwane	862 179	135 905	15.8%	135 905	15.8%	68 570	11.0%	98.2%
Total	6 680 913	1 292 763	19.4%	1 292 763	19.4%	1 126 053	18.8%	14.8%

Source: National Treasury Local Government database

Operating expenditure per function for secondary cities

Table 6a: 19 Secondary cities aggregated budgets and expenditure per function as at 1st quarter ended 30 September 2011

R thousands	Main appropriation	First Quarter 2011/12		Year to date: 30 September 2011		First Quarter 2010/11		Q1 of 2010/11 to Q1 of 2011/12
		Actual Expenditure	1st Q as % of main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
Water								
City Of Matlosana	62 200	18 916	30.4%	18 916	30.4%	36 482	24.1%	(48.2%)
Drakenstein	59 287	19 473	32.8%	19 473	32.8%	9 702	16.9%	100.7%
Emalaheni (Mp)	-	26 553	-	26 553	-	28 565	23.2%	(7.0%)
Emfuleni	439 275	68 654	15.6%	68 654	15.6%	68 227	21.2%	0.6%
George	114 384	12 301	10.8%	12 301	10.8%	13 822	11.6%	(11.0%)
Govan Mbeki	149 812	42 612	28.4%	42 612	28.4%	23 815	19.3%	78.9%
Madibeng	-	-	-	-	-	3 970	3.9%	(100.0%)
Matjhabeng	198 430	37 980	19.1%	37 980	19.1%	39 078	19.2%	(2.8%)
Mbombela	114 449	17 235	15.1%	17 235	15.1%	16 858	-	2.2%
Mogale City	180 314	41 854	23.2%	41 854	23.2%	26 765	17.7%	56.4%
Msunduzi	592 785	28 004	4.7%	28 004	4.7%	63 486	22.8%	(55.9%)
New castle	169 174	59 436	35.1%	59 436	35.1%	47 163	24.2%	26.0%
Polokwane	195 305	43 353	22.2%	43 353	22.2%	37 193	20.3%	16.6%
Rustenburg	333 429	75 058	22.5%	75 058	22.5%	70 589	22.7%	6.3%
Sol Plaatje	114 611	16 729	14.6%	16 729	14.6%	156	0.2%	10630.3%
Stellenbosch	58 573	6 185	10.6%	6 185	10.6%	3 955	6.5%	56.4%
Steve Tshwete	55 499	10 351	18.7%	10 351	18.7%	10 407	20.5%	(0.5%)
Tlokweng	34 735	7 576	21.8%	7 576	21.8%	6 545	16.5%	15.8%
uMhlathuze	325 880	82 469	25.3%	82 469	25.3%	61 018	25.1%	35.2%
Total	3 198 142	614 740	19.2%	614 740	19.2%	567 797	20.2%	8.3%

Source: National Treasury Local Government database

Table 6b: 19 Secondary cities aggregated budgets and expenditure per function as at 1st quarter ended 30 September 2011

R thousands	Main appropriation	First Quarter 2011/12		Year to date: 30 September 2011		First Quarter 2010/11		Q1 of 2010/11 to Q1 of 2011/12
		Actual Expenditure	1st Q as % of main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
Electricity								
City Of Matlosana	448 924	60 543	13.5%	60 543	13.5%	121 379	34.4%	(50.1%)
Drakenstein	511 241	171 892	33.6%	171 892	33.6%	102 829	24.2%	67.2%
Emalaheni (Mp)	-	180 135	-	180 135	-	150 359	26.9%	19.8%
Emfuleni	1 376 526	444 595	32.3%	444 595	32.3%	247 068	25.6%	79.9%
George	353 837	71 828	20.3%	71 828	20.3%	57 025	19.4%	26.0%
Govan Mbeki	334 947	115 519	34.5%	115 519	34.5%	100 411	35.7%	15.0%
Madibeng	-	-	-	-	-	78 198	31.7%	(100.0%)
Matjhabeng	234 674	118 054	50.3%	118 054	50.3%	89 415	37.8%	32.0%
Mbombela	409 421	98 528	24.1%	98 528	24.1%	91 351	21.5%	7.9%
Mogale City	510 768	118 338	23.2%	118 338	23.2%	82 391	21.0%	43.6%
Msunduzi	1 181 370	130 405	11.0%	130 405	11.0%	259 491	28.5%	(49.7%)
New castle	429 394	100 338	23.4%	100 338	23.4%	44 296	13.0%	126.5%
Polokwane	480 304	150 575	31.4%	150 575	31.4%	118 400	28.7%	27.2%
Rustenburg	1 143 973	235 692	20.6%	235 692	20.6%	288 556	32.0%	(18.3%)
Sol Plaatje	406 053	135 814	33.4%	135 814	33.4%	36 716	11.5%	269.9%
Stellenbosch	273 522	60 262	22.0%	60 262	22.0%	47 444	19.9%	27.0%
Steve Tshwete	315 427	99 216	31.5%	99 216	31.5%	68 973	23.4%	43.8%
Tlokweng	434 941	99 243	22.8%	99 243	22.8%	61 055	24.3%	62.5%
uMhlathuze	1 030 860	236 596	23.0%	236 596	23.0%	207 574	24.5%	14.0%
Total	9 876 181	2 627 573	26.6%	2 627 573	26.6%	2 252 930	25.9%	16.6%

Source: National Treasury Local Government database

Table 6c: 19 Secondary cities aggregated budgets and expenditure per function as at 1st quarter ended 30 September 2011

	Main appropriation	First Quarter 2011/12		Year to date: 30 September 2011		First Quarter 2010/11		Q1 of 2010/11 to Q1 of 2011/12
		Actual Expenditure	1st Q as % of main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
R thousands								
Waste Water Management								
City Of Matlosana	118 989	17 868	15.0%	17 868	15.0%	(23 221)	(22.8%)	(176.9%)
Drakenstein	55 941	12 195	21.8%	12 195	21.8%	11 149	21.9%	9.4%
Emalahleni (Mp)	-	8 560	-	8 560	-	7 033	17.6%	21.7%
Emfuleni	118 957	18 214	15.3%	18 214	15.3%	18 040	7.0%	1.0%
George	77 509	12 967	16.7%	12 967	16.7%	14 517	10.6%	(10.7%)
Gov an Mbeki	62 881	10 268	16.3%	10 268	16.3%	9 278	16.8%	10.7%
Madibeng	-	-	-	-	-	8 741	55.7%	(100.0%)
Majjhabeng	-	6 999	-	6 999	-	5 676	9.5%	23.3%
Mbombela	89 086	10 900	12.2%	10 900	12.2%	8 173	17.1%	33.4%
Mogale City	56 939	9 122	16.0%	9 122	16.0%	9 934	16.2%	(8.2%)
Msunduzi	221 106	696	0.3%	696	0.3%	1 486	8.5%	(53.2%)
New castle	23 571	9 833	41.7%	9 833	41.7%	7 279	13.6%	35.1%
Polokwane	42 820	6 701	15.6%	6 701	15.6%	4 709	10.3%	42.3%
Rustenburg	86 011	19 874	23.1%	19 874	23.1%	13 523	16.0%	47.0%
Sol Plaatje	45 409	7 471	16.5%	7 471	16.5%	6 820	20.4%	9.6%
Stellenbosch	54 731	7 602	13.9%	7 602	13.9%	5 196	9.2%	46.3%
Steve Tshwete	57 899	13 418	23.2%	13 418	23.2%	10 977	23.6%	22.2%
Tlokwe	23 159	6 879	29.7%	6 879	29.7%	5 363	22.6%	28.3%
uMhlathuze	118 745	30 478	25.7%	30 478	25.7%	22 858	32.2%	33.3%
Total	1 253 754	210 046	16.8%	210 046	16.8%	147 531	11.7%	42.4%

Source: National Treasury Local Government database

Table 6d: 19 Secondary cities aggregated budgets and expenditure per function as at 1st quarter ended 30 September 2011

	Main appropriation	First Quarter 2011/12		Year to date: 30 September 2011		First Quarter 2010/11		Q1 of 2010/11 to Q1 of 2011/12
		Actual Expenditure	1st Q as % of main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
R thousands								
Waste Management								
City Of Matlosana	47 270	9 408	19.9%	9 408	19.9%	8 959	22.1%	5.0%
Drakenstein	42 989	9 237	21.5%	9 237	21.5%	8 454	20.7%	9.3%
Emalahleni (Mp)	-	11 710	-	11 710	-	11 010	22.4%	6.4%
Emfuleni	99 505	20 259	20.4%	20 259	20.4%	21 540	11.7%	(5.9%)
George	43 644	6 918	15.9%	6 918	15.9%	6 502	17.4%	6.4%
Gov an Mbeki	53 268	10 203	19.2%	10 203	19.2%	9 092	19.6%	12.2%
Madibeng	-	-	-	-	-	-	-	-
Majjhabeng	-	-	-	-	-	-	-	-
Mbombela	103 344	20 188	19.5%	20 188	19.5%	17 306	20.2%	16.7%
Mogale City	67 639	17 770	26.3%	17 770	26.3%	11 648	13.4%	52.6%
Msunduzi	132 193	10 446	7.9%	10 446	7.9%	31 082	14.6%	(66.4%)
New castle	56 829	19 066	33.5%	19 066	33.5%	15 619	19.0%	22.1%
Polokwane	59 515	12 461	20.9%	12 461	20.9%	10 676	17.8%	16.7%
Rustenburg	73 803	16 494	22.3%	16 494	22.3%	20 647	25.8%	(20.1%)
Sol Plaatje	36 444	9 491	26.0%	9 491	26.0%	13 870	41.1%	(31.6%)
Stellenbosch	26 605	5 079	19.1%	5 079	19.1%	4 809	14.1%	5.6%
Steve Tshwete	52 862	12 400	23.5%	12 400	23.5%	10 875	23.6%	14.0%
Tlokwe	26 017	7 351	28.3%	7 351	28.3%	7 927	16.3%	(7.3%)
uMhlathuze	64 824	16 441	25.4%	16 441	25.4%	13 997	23.6%	17.5%
Total	986 750	214 923	21.8%	214 923	21.8%	224 012	17.9%	(4.1%)

Source: National Treasury Local Government database

Aggregated municipal debtors age analysis

Table 7a: National debtors age analysis as at 1st quarter ended 30 September 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Income Source												
Water	2 118 965	11.2%	885 929	4.7%	723 839	3.8%	15 182 474	80.3%	18 911 207	25.3%	318 411	1.7%
Electricity	6 201 501	45.2%	1 163 114	8.5%	617 278	4.5%	5 724 774	41.8%	13 706 666	18.3%	31 501	.2%
Property Rates	3 512 066	19.5%	866 839	4.8%	1 130 236	6.3%	12 542 698	69.5%	18 051 839	24.2%	80 089	.4%
Sanitation	903 768	13.3%	322 151	4.7%	265 395	3.9%	5 321 190	78.1%	6 812 504	9.1%	22 870	.3%
Refuse Removal	486 827	9.7%	237 020	4.7%	225 105	4.5%	4 065 815	81.1%	5 014 768	6.7%	32 954	.7%
Other	156 623	1.3%	371 272	3.0%	387 565	3.2%	11 330 484	92.5%	12 245 944	16.4%	120 495	1.0%
Total By Income Source	13 379 750	17.9%	3 846 325	5.1%	3 349 418	4.5%	54 167 434	72.5%	74 742 927	100.0%	606 319	.8%
Debtor Age Analysis By Customer Group												
Government	705 015	18.0%	275 742	7.1%	364 904	9.3%	2 562 395	65.6%	3 908 056	5.2%	56 241	1.4%
Business	5 568 174	35.5%	1 180 360	7.5%	656 328	4.2%	8 285 231	52.8%	15 690 093	21.0%	90 296	.6%
Households	6 221 350	13.3%	2 035 935	4.4%	1 683 598	3.6%	36 687 602	78.7%	46 628 486	62.4%	425 343	.9%
Other	885 211	10.4%	354 288	4.2%	644 588	7.6%	6 632 206	77.9%	8 516 293	11.4%	34 439	.4%
Total By Customer Group	13 379 750	17.9%	3 846 325	5.1%	3 349 418	4.5%	54 167 434	72.5%	74 742 927	100.0%	606 319	.8%

Source: National Treasury Local Government database

Debtors' age analysis for the metros

Table 7b: Metros debtors age analysis as at 1st quarter ended 30 September 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1st Quarter Ended 30 September 2011										
Nelson Mandela Bay	941 656	42.0%	131 588	5.9%	32 608	1.5%	1 135 900	50.7%	2 241 752	5.0%
Buffalo City	170 016	20.0%	56 454	6.6%	49 584	5.8%	574 737	67.6%	850 791	1.9%
Mangaung	179 285	13.2%	120 021	8.8%	64 555	4.7%	997 945	73.3%	1 361 805	3.1%
Ekurhuleni Metro	1 371 547	14.1%	479 574	4.9%	300 475	3.1%	7 605 551	77.9%	9 757 148	21.9%
City Of Johannesburg	3 251 719	23.0%	902 774	6.4%	404 128	2.9%	9 567 234	67.7%	14 125 854	31.8%
City Of Tshwane	1 319 484	27.4%	186 306	3.9%	105 252	2.2%	3 201 271	66.5%	4 812 312	10.8%
eThekwini	1 156 066	21.3%	256 466	4.7%	133 443	2.5%	3 871 896	71.5%	5 417 870	12.2%
Cape Town	1 143 711	19.4%	273 259	4.6%	212 318	3.6%	4 258 263	72.3%	5 887 551	13.2%
Total	9 533 484	21.4%	2 406 442	5.4%	1 302 363	2.9%	31 212 796	70.2%	44 455 085	100.0%
1st Quarter Ended 30 September 2010										
Nelson Mandela Bay	966 552	49.7%	133 669	6.9%	27 171	1.4%	818 172	42.1%	1 945 564	5.2%
Buffalo City	146 880	20.1%	52 436	7.2%	26 736	3.7%	504 247	69.0%	730 298	2.0%
Mangaung	211 045	16.8%	69 936	5.6%	45 470	3.6%	927 173	74.0%	1 253 624	3.4%
Ekurhuleni Metro	1 252 075	14.5%	493 446	5.7%	273 642	3.2%	6 641 882	76.7%	8 661 045	23.1%
City Of Johannesburg	2 841 270	26.9%	385 445	3.6%	226 391	2.1%	7 116 192	67.3%	10 569 298	28.2%
City Of Tshwane	933 873	25.2%	97 987	2.6%	74 467	2.0%	2 599 969	70.2%	3 706 295	9.9%
eThekwini	1 154 736	22.0%	271 834	5.2%	337 641	6.4%	3 485 536	66.4%	5 249 747	14.0%
Cape Town	1 024 374	19.3%	285 301	5.4%	162 425	3.1%	3 827 945	72.2%	5 300 046	14.2%
Total	8 530 805	22.8%	1 790 052	4.8%	1 173 943	3.1%	25 921 116	69.3%	37 415 917	100.0%
Movement between 30 September 2010 and 30 September 2011										
Nelson Mandela Bay	(24 896)		(2 081)		5 437		317 728		296 188	
Buffalo City	23 136		4 019		22 848		70 490		120 493	
Mangaung	(31 760)		50 085		19 085		70 772		108 181	
Ekurhuleni Metro	119 472		(13 872)		26 833		963 669		1 096 103	
City Of Johannesburg	410 449		517 329		177 737		2 451 042		3 556 556	
City Of Tshwane	385 612		88 319		30 785		601 302		1 106 018	
eThekwini	1 329		(15 368)		(204 198)		386 360		168 124	
Cape Town	119 337		(12 042)		49 893		430 318		587 505	
Total	1 002 679		616 389		128 419		5 291 680		7 039 168	
Growth rate Q1 of 2010/11 to Q1 of 2011/12										
Nelson Mandela Bay	(2.6%)		(1.6%)		20.0%		38.8%		15.2%	
Buffalo City	15.8%		7.7%		85.5%		14.0%		16.5%	
Mangaung	(15.0%)		71.6%		42.0%		7.6%		8.6%	
Ekurhuleni Metro	9.5%		(2.8%)		9.8%		14.5%		12.7%	
City Of Johannesburg	14.4%		134.2%		78.5%		34.4%		33.6%	
City Of Tshwane	41.3%		90.1%		41.3%		23.1%		29.8%	
eThekwini	0.1%		(5.7%)		(60.5%)		11.1%		3.2%	
Cape Town	11.6%		(4.2%)		30.7%		11.2%		11.1%	
Total	11.8%		34.4%		10.9%		20.4%		18.8%	

Source: National Treasury Local Government database

Table 7c: Metro debtors age analysis per customer group as at 1st quarter ended 30 September 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Customer Group												
Government	200 208	12.7%	136 810	8.7%	70 764	4.5%	1 164 553	74.1%	1 572 335	3.5%	10	-
Business	4 495 156	37.5%	909 719	7.6%	399 124	3.3%	6 177 180	51.6%	11 981 178	27.0%	26	-
Households	4 448 255	15.9%	1 230 645	4.4%	759 116	2.7%	21 597 873	77.0%	28 035 889	63.1%	80	-
Other	389 865	13.6%	129 268	4.5%	73 359	2.6%	2 273 190	79.3%	2 865 682	6.4%	26 988	.9%
Total By Customer Group	9 533 484	21.4%	2 406 442	5.4%	1 302 363	2.9%	31 212 796	70.2%	44 455 085	100.0%	27 104	.1%

Source: National Treasury Local Government database

Debtors' age analysis for secondary cities

Table 8a: 19 Secondary cities debtors age analysis as at 1st quarter ended 30 September 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
City Of Matlosana	79 956	10.9%	31 613	4.3%	31 238	4.3%	590 760	80.5%	733 567	5.8%
Drakenstein	81 021	34.3%	11 444	4.9%	8 143	3.5%	135 311	57.4%	235 919	1.9%
Emalaheni (Mp)	96 725	14.5%	34 321	5.1%	21 854	3.3%	513 851	77.1%	666 751	5.2%
Emfuleni	252 803	10.1%	97 038	3.9%	108 261	4.3%	2 053 461	81.8%	2 511 564	19.8%
George	61 109	49.4%	3 983	3.2%	2 838	2.3%	55 698	45.1%	123 628	1.0%
Govan Mbeki	20 092	3.7%	19 519	3.6%	29 363	5.4%	478 838	87.4%	547 812	4.3%
Madibeng	49 663	8.0%	27 954	4.5%	20 282	3.3%	523 034	84.2%	620 933	4.9%
Matjhabeng	103 238	8.3%	50 885	4.1%	43 807	3.5%	1 051 944	84.2%	1 249 874	9.8%
Mbombela	57 337	15.2%	792	0.2%	16 730	4.4%	303 429	80.2%	378 288	3.0%
Mogale City	302 335	34.6%	10 798	1.2%	7 685	0.9%	552 773	63.3%	873 591	6.9%
Msunduzi	272 259	29.1%	38 444	4.1%	29 075	3.1%	594 269	63.6%	934 047	7.4%
Newcastle	(2 412)	(0.3%)	27 015	3.9%	21 061	3.0%	651 650	93.5%	697 314	5.5%
Polokwane	90 589	27.7%	17 368	5.3%	11 345	3.5%	207 861	63.5%	327 163	2.6%
Rustenburg	(27 717)	(1.9%)	123 753	8.4%	59 836	4.1%	1 321 529	89.4%	1 477 400	11.6%
Sol Plaatje	70 457	11.2%	32 515	5.2%	106 502	17.0%	417 617	66.6%	627 090	4.9%
Stellenbosch	33 537	20.3%	5 008	3.0%	40 477	24.6%	85 792	52.1%	164 814	1.3%
Steve Tshwete	34 038	53.5%	4 581	7.2%	2 730	4.3%	22 285	35.0%	63 634	0.5%
Tlokwe	164 243	60.2%	7 187	2.6%	3 649	1.3%	97 785	35.8%	272 864	2.1%
uMhlathuze	139 708	69.6%	12 650	6.3%	13 280	6.6%	35 017	17.5%	200 654	1.6%
Total	1 878 983	14.8%	556 864	4.4%	578 155	4.5%	9 692 905	76.3%	12 706 907	100.0%

Source: National Treasury Local Government database

Table 8b: 19 Secondary cities debtors age analysis per customer group as at 1st quarter ended 30 September 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Customer Group												
Government	206 395	28.8%	41 582	5.8%	115 998	16.2%	353 501	49.3%	717 476	5.6%	-	-
Business	652 945	35.5%	146 771	8.0%	117 422	6.4%	920 278	50.1%	1 837 416	14.5%	-	-
Households	908 757	10.2%	337 277	3.8%	312 968	3.5%	7 315 618	82.4%	8 874 621	69.8%	-	-
Other	110 886	8.7%	31 234	2.4%	31 767	2.5%	1 103 508	86.4%	1 277 395	10.1%	-	-
Total By Customer Group	1 878 983	14.8%	556 864	4.4%	578 155	4.5%	9 692 905	76.3%	12 706 907	100.0%	-	-

Source: National Treasury Local Government database

Collection rates

Table 9: National collection rates as at 30 September 2011

	2010/11	Budget year 2011/12		
	Audited Outcome	Original Budget	Q1 Sept Actual	YTD Actual
Collection Rate	129.96	91.78	65.50	65.50
Property rates	104.69	75.35	57.26	57.26
Service charges	140.69	97.97	68.78	68.78
Service charges - electricity revenue	92.74	78.21	66.21	66.21
Service charges - water revenue	90.33	81.01	71.19	71.19
Service charges - sanitation revenue	102.74	69.45	48.37	48.37
Service charges - refuse revenue	93.26	70.85	62.95	62.95
Service charges - other	(5 480.00)	3 600.42	5 077.65	5 077.65
Interest earned - outstanding debtors	95.90	43.06	56.97	56.97

Source: National Treasury Local Government database

Aggregated municipal creditors age analysis

Table 10: Creditor Age Analysis for 1st quarter as at 30 September 2011

R thousands	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Eastern Cape	415 160	71.1%	18 536	3.2%	18 958	3.2%	131 430	22.5%	584 084	13.1%
Free State	253 824	24.1%	91 783	8.7%	146 908	13.9%	562 102	53.3%	1 054 617	5.5%
Gauteng	5 300 186	98.1%	26 371	.5%	8 054	.1%	69 352	1.3%	5 403 964	37.9%
KwaZulu-Natal	1 907 886	94.5%	(3 580)	(.2%)	43 696	2.2%	70 764	3.5%	2 018 767	29.9%
Limpopo	165 346	34.1%	10 065	2.1%	83 078	17.1%	226 702	46.7%	485 191	2.2%
Mpumalanga	315 711	70.6%	6 074	1.4%	4 177	.9%	121 205	27.1%	447 167	2.0%
Northern Cape	71 159	41.7%	8 445	5.0%	14 841	8.7%	76 070	44.6%	170 516	.9%
North West	218 748	30.9%	115 276	16.3%	46 554	6.6%	327 722	46.3%	708 300	2.2%
Western Cape	255 183	88.6%	9 555	3.3%	3 742	1.3%	19 525	6.8%	288 006	6.2%
Total	8 903 204	79.8%	282 524	2.5%	370 009	3.3%	1 604 874	14.4%	11 160 612	100.0%

Source: National Treasury Local Government Database

Conditional grants transfers, payments and expenditure as at 30 September 2011

**Table 11: CONDITIONAL GRANTS TRANSFERRED FROM NATIONAL DEPARTMENTS AND ACTUAL PAYMENTS MADE BY MUNICIPALITIES: PRELIMINARY RESULTS for 1st Quarter Ended 30 September 2011
AGGREGATED INFORMATION FOR ALL MUNICIPALITIES**

	Division of revenue Act No. 6 of 2011	Adjustment (Mid year)	Other Adjustments	Total Available 2011/12	Year to date		First Quarter		YTD Expenditure		% Changes from 1st to 1st Q		% Changes for the 1st Q	
					Approved payment schedule	Transferred to municipalities for direct grants	Actual expenditure National Department by 30 September 2011	Actual expenditure by municipalities by 30 September 2011	Actual expenditure National Department	Actual expenditure by municipalities	Actual expenditure National Department	Actual expenditure by municipalities	Exp as % of Allocation National Department	Exp as % of Allocation by municipalities
R thousands														
Direct transfers	19 573 758	-	-	19 573 758	9 384 210	7 991 506	2 614 789	2 466 510	2 614 789	2 466 510	-	-	13.4%	12.6%
Infrastructure	18 408 903	-	-	18 408 903	8 629 124	7 372 372	2 372 579	2 112 079	2 372 579	2 112 079	-	-	12.9%	11.5%
Municipal infrastructure grant	11 443 505	-	-	11 443 505	4 582 625	4 581 624	1 849 815	1 578 305	1 849 815	1 578 305	-	-	16.2%	13.8%
National electrification programme	1 096 612	-	-	1 096 612	593 141	485 792	197 105	135 198	197 105	135 198	-	-	18.0%	12.3%
Public transport infrastructure and system grant	4 803 347	-	-	4 803 347	3 112 800	2 111 100	226 060	207 388	226 060	207 388	-	-	4.7%	4.3%
Neighbourhood development partnership grant	750 000	-	-	750 000	269 310	193 856	99 599	110 287	99 599	110 287	-	-	13.3%	14.7%
2010 FFA World Cup stadiums development grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural transport services and infrastructure grant	35 439	-	-	35 439	35 448	-	-	1 589	-	1 589	-	-	-	4.5%
Electricity demand side management	280 000	-	-	280 000	35 800	-	-	19 403	-	19 403	-	-	-	6.9%
Municipal Drought Relief	-	-	-	-	-	-	-	59 909	-	59 909	-	-	-	-
Capacity and others	1 164 855	-	-	1 164 855	755 086	619 134	242 210	354 431	242 210	354 431	-	-	20.8%	30.4%
Municipal Systems Improvement Programme Grant	219 420	-	-	219 420	185 450	63 070	2 824	36 977	2 824	36 977	-	-	1.3%	16.9%
Local Government Financial Management Grant	384 641	-	-	384 641	384 641	384 641	83 022	93 656	83 022	93 656	-	-	21.6%	24.3%
Water Service Operating Subsidy Grant	560 794	-	-	560 794	184 995	171 423	156 364	223 797	156 364	223 797	-	-	27.9%	39.9%
Indirect transfers	3 992 188	-	-	3 992 188	1 879 813	724 138	-	-	-	-	-	-	-	-
National electrification programme	1 737 813	-	-	1 737 813	961 425	632 194	-	-	-	-	-	-	-	-
Neighbourhood development partnership grant	100 000	-	-	100 000	50 045	22 519	-	-	-	-	-	-	-	-
Water Service Operating Subsidy Grant	99 935	-	-	99 935	52 783	61 019	-	-	-	-	-	-	-	-
Regional bulk infrastructure grant	1 704 140	-	-	1 704 140	632 628	-	-	-	-	-	-	-	-	-
Backlogs in water and sanitation at clinics and schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Backlogs in the electrification of clinics and schools	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity demand-side management	118 800	-	-	118 800	50 000	-	-	-	-	-	-	-	-	-
Rural household infrastructure grant	231 500	-	-	231 500	132 932	8 406	-	-	-	-	-	-	-	-
Other	679 583	-	-	679 583	219 777	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Municipalities	679 583	-	-	679 583	219 777	-	-	-	-	-	-	-	-	-
Total	24 245 529	-	-	24 245 529	11 483 800	8 715 644	2 614 789	2 466 510	2 614 789	2 466 510	-	-	13.4%	12.6%
Grants excluded from the publication	7 236 998	-	-	7 236 998	-	-	-	-	-	-	-	-	-	-
Municipal Disaster grant	470 000	-	-	470 000	-	-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant	6 266 998	-	-	6 266 998	-	-	-	-	-	-	-	-	-	-
Finance Management Grant: Technical programme	50 000	-	-	50 000	-	-	-	-	-	-	-	-	-	-
Municipal Drought grant	450 000	-	-	450 000	-	-	-	-	-	-	-	-	-	-
Total as per DoRA	31 482 527	-	-	31 482 527	11 483 800	8 715 644	2 614 789	2 466 510	2 614 789	2 466 510	-	-	13.4%	12.6%

Unallocated funds e.g DBSA, ESKOM, and Neighbourhood Development Grant.

Row 38 grants have been excluded from the publication as they were either, unallocated, schedule 4 or omitted in error.

Spending of these grants is done at National department level and therefore no reporting is required from municipalities.

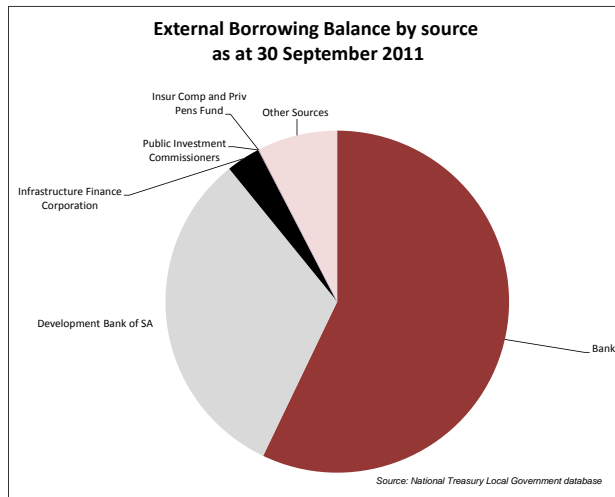
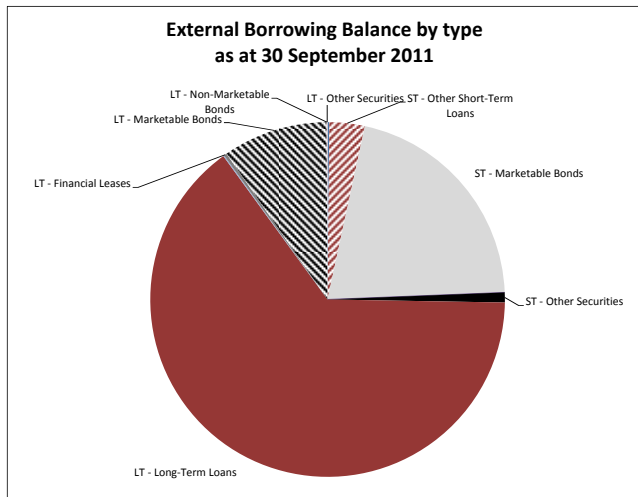
Sources: DoRA Monthly reports by the national transferring officer and Municipal sign-offs and electronic verification.

All the figures are unaudited.

In future provincial Treasuries will be required to provide the National Treasury with a payment schedule

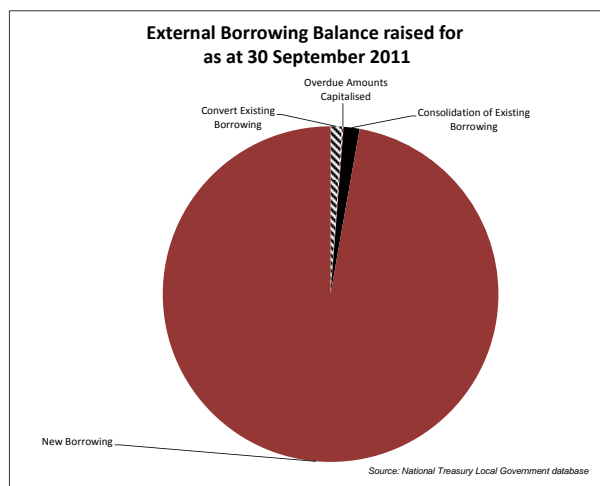
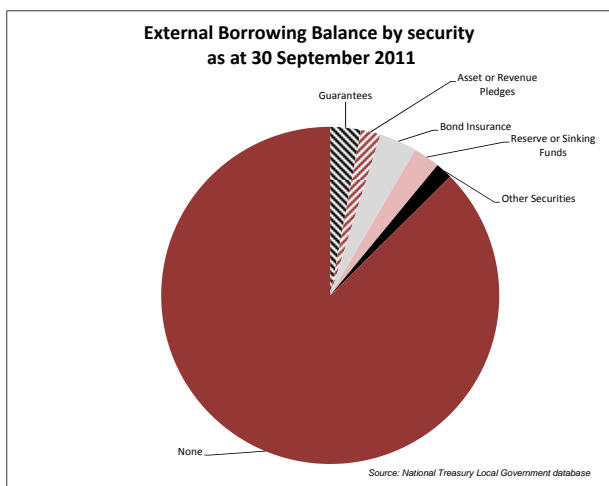
in the same format as the provincial payment schedule that correspond with the amount in Budget Statement 1 and 2.

Borrowing instruments



Type	(R'000)
ST - Bank Overdraft	72 042
ST - Other Short-Term Loans	1 447 867
ST - Marketable Bonds	9 438 190
ST - Non-Marketable Bonds	200
ST - Other Securities	408 188
LT - Long-Term Loans	29 098 120
LT - Instalment Credit	37 826
LT - Financial Leases	122 604
LT - Marketable Bonds	4 300 000
LT - Non-Marketable Bonds	6 805
LT - Other Securities	33 229
TOTAL	44 965 071

Source	Balance (R'000)
General Public	1 974
Banks	25 675 351
Development Bank of SA	14 415 927
Infrastructure Finance Corporation	1 438 110
Public Investment Commissioners	5 868
Insur Comp and Priv Pens Fund	35 960
Municipal Pension Funds	436
Other Public Pension Funds	
Unit Trusts	
Internal Funds	923
Other Sources	3 390 523
TOTAL	44 965 072



Security	Balance (R'000)
Guarantees	1 306 489
Asset or Revenue Pledges	853 356
Bond Insurance	1 615 000
Reserve or Sinking Funds	1 147 971
Other Securities	719 739
None	39 322 517
TOTAL	44 965 072

Raised For	Balance (R'000)
Convert Existing Borrowing	499 075
Overdue Amounts Capitalised	64 140
Consolidation of Existing Borrowing	684 443
New Borrowing	43 717 415
Bridging Finance	
TOTAL	44 965 073

1. Although improved alignment has been achieved in reporting against budget, owing to various enhancements and transitional arrangements as informed by the Municipal Budget and Reporting Regulations, when compared to the published 2011/12 MTREF budget figures the 1st quarter budget figures appear overstated.
2. This is as a result of 31 municipalities which are still including internal transfers as an operational revenue source in the section 71 in-year reporting. In addition, internal transfers and borrowing tends to overstate the actual revenue generated to fund the capital budget. The above tables therefore provide reconciliation between the published 2011/12 MTREF budget figures and the 1st quarter section 71 in-year reporting publication.
3. Table 12 above shows that internal transfers and taxation amounts to R11.4 billion expenditure which must be considered duplication in total expenditure. Total expenditure therefore equals R249.1 billion which reconciles to the published adopted budget figure.
4. In terms of total revenue, capital transfers, indirect operating revenue, borrowing and internally generated capital funds equal R48.5 billion which for all practical purposes is a duplication of revenue.
5. Capital transfers are reported as part of the total operating revenue which is a duplication as this funding source is accounted for in the capital revenue source and internal operating revenue is considered the counter entry for the internal operating expenditure.
6. Borrowing and internally generated capital funding is not considered revenue, but rather a funding source of the capital programme.
7. The total revenue for the 2011/12 financial year is R232.6 billion which reconciles to the published adopted budget figure.
8. Table 13 and 14 provides for the same reconciliation of the aggregated revenue and expenditure adopted budgets for metros.