



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

PRESS RELEASE

05 MARCH 2012

**Local Government Revenue and Expenditure: Second Quarter Local Government
Section 71 Report
For the period: 1 July 2011 - 31 December 2011**

The National Treasury has today released local government's revenue and expenditure and spending on conditional grants for the second quarter of the 2011/12 financial year. The period under review starts from 1 July 2011 to 31 December 2011 and so covers the first six months of the municipal financial year.

This report is part of 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 now available. As at 31 December 2011, the total outstanding liability for borrowing instruments of all municipalities amounted to R39.4 billion. For the second quarter, 163 municipalities reported on 281 borrowing instruments. This is 5 municipalities less than reported for the first quarter.
- Analysis of past years' expenditure trends, especially for capital expenditure, indicate that spending tends to be relatively low in the first six months of the financial year, but increases significantly in the third and fourth quarters. It is envisaged that as municipal planning improves spending will be more evenly spread across the financial year.

KEY TRENDS:

Aggregate trends

1. On aggregate, municipalities spent 41.8 per cent or R108.8 billion of the total adopted budget of R260.5 billion as at 31 December 2011 (second quarter YTD results for the 2011/12 financial year). In respect of revenue, aggregate billing and other revenue amounted to 46.1 per cent or R129.6 billion of a total revenue budget of R281.1 billion.
2. On the revenue side, metropolitan municipalities collected 45.4 per cent or R77.3 billion of billed and other revenue of the total adopted revenue budget of R170.4 billion. Ekurhuleni had the highest proportion at 49.5 per cent, followed by City of Johannesburg at 46.2 per cent while Mangaung reported the lowest proportion at 40.6 per cent.
3. Quarter-on-quarter comparison of the in-year figures shows that the metros, on average, realised an increase in revenue of 16.5 per cent compared to the second 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 audited figures of the previous year, but most municipalities have not yet lodged the audit numbers to the local government database. This issue is currently receiving attention.
4. The aggregated adopted capital budget for all municipalities in the 2011/12 financial year was R44.6 billion of which only R11.9 billion or 26.8 per cent was spent year to date. This reflects the challenges of planning for the implementation of capital projects.
5. The aggregated adopted capital budget for metros in the 2011/12 financial year was R22.5 billion of which the metros had spent R6 billion or 26.5 per cent by 31 December 2011.
 - a. By the end of the second quarter eThekweni had spent 31.0 per cent of its adopted capital budget and the City of Tshwane 28.8 per cent; and
 - b. Spending has been low in Buffalo City and Ekurhuleni where only 11.3 and 23.7 per cent respectively was spent by the end of the second quarter.
6. Aggregate municipal consumer debts amounted to R75.5 billion as at 31 December 2011, of which national and provincial governments' contribution represents 4.7 per cent or R3.5 billion. Households account for the largest component of consumer debtors, accounting for 63.9 per cent or R48.2 billion.
7. As at 31 December 2011, outstanding debt due to metropolitan municipalities was R44.5 billion. This represents an increase of R7.7 billion or 20.9 per cent from the second quarter of the 2010/11 financial year. The City of Johannesburg's share was R13.9 billion or 31.2 per cent of all metros.
8. Outstanding consumer debt in secondary cities totalled R13.1 billion as at 31 December 2011. This represents an increase of R1.5 billion from the R11.6 billion reported in the corresponding period in the 2010/11 financial year. Household debt accounts for R9.2 billion or 70.6 per cent of the total outstanding debt. Of the total household debt, R7.8 billion or 84.6 per cent has been outstanding for more than 90 days.
9. The creditor's age analysis shows R9.4 billion is owed by municipalities as at 31 December 2011 - an overall decrease of R1.8 billion compared to the R11.2 billion reported in the first quarter of 2010/11. Limpopo has the highest percentage of creditors outstanding for more than 90 days at 70.5 per cent of total outstanding municipal creditors, followed by the Free State at 53.5 per cent and Mpumalanga at 50.9 per cent.

10. Analysis of the collection rates indicate that while municipalities have budgeted for a 91.8 per cent collection rate, they were only able to collect 78.7 per cent of their billed revenue for the first quarter (restated figures) and 93.1 per cent for the second quarter.
11. 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

12. 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.
13. The sharing of the fuel levy is not considered a grant and is classified as own revenue in the budget of the metropolitan municipalities that receive it.
14. 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.
15. An amount of R13.8 billion was transferred by the national departments administering the grants to municipalities. This amount constitutes 69 per cent of the total direct conditional grant allocations. According to expenditure reports provided by the national departments, only 29.4 per cent was spent against the total conditional allocations as at 31 December 2011.
16. Municipalities receiving direct conditional grants reported an average expenditure of 30.6 per cent or R6.1 billion of the R20 billion directly allocated to them. Similar to the previous year, the transferring departments and the municipalities are still reporting different amounts to National Treasury.
17. It should be noted that the expenditure reported by municipalities of 30.6 per cent for the second quarter period excludes performance by all metropolitan municipalities receiving the Urban Settlement Development Grant (USDG) which totals R6.3 billion.
18. A summary of key aggregated information is included in the tables in Annexure A.
19. Reconciliation between the 2011/12 MTREF budget publication released on 30 November 2011 and the 2nd 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:

20. 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.
21. In terms of the process, Municipal Managers and Chief Financial Officers were required to sign and submit data to the National Treasury by 30 January 2012. 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.
22. This second quarter publication covers 277 municipalities.
23. 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.

STRUCTURE OF INFORMATION RELEASED:

24. 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 31 December 2011,
 - b. High-level summary of revenue for 277 municipalities, and
 - c. High-level summary of expenditure for 277 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 second quarter:
 - a. Summary of total monthly operating expenditure – 277 municipalities;
 - b. Summary of total monthly operating revenue – 277 municipalities;
 - c. Summary of total monthly capital expenditure – 277 municipalities;
 - d. Summary of total monthly capital revenue – 277 municipalities;
 - e. Summary – Metros;
 - f. Conditional Grant summary – Metros;
 - g. Summary – Top 19 municipalities;
 - h. Conditional Grant summary – Top 19 municipalities;
 - i. Summary – Provinces;
 - j. Conditional Grant summary – Provinces;
 - k. Analysis of Sources of Revenue – 277 municipalities; and
 - l. Listing of borrowing instruments – 163 municipalities.
 - Non Compliance:
 - a. List municipalities not complying with Section 71 of the MFMA.
25. 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 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Q2 of 2010/11 to Q2 of 2011/12
	Operating	Capital	Total	Operating	Capital	Total	2nd 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	31 130 688	3 858 354	34 989 042	22.1%	62 955 338	5 950 189	68 905 527	43.4%	28 542 822	3 990 118	32 532 940	44.6%	7.5%
Category B (Local)	66 389 842	15 217 128	81 606 970	14 354 969	2 535 491	16 890 459	20.7%	28 726 025	4 383 568	33 109 592	40.6%	13 385 699	2 860 140	16 245 838	39.9%	4.0%
Category C (District)	13 346 934	6 881 953	20 228 887	2 827 692	980 824	3 808 516	18.8%	5 161 528	1 599 181	6 760 709	33.4%	2 886 446	1 252 543	4 138 988	40.4%	(8.0%)
Total	215 901 906	44 564 427	260 466 332	48 313 349	7 374 669	55 688 018	21.4%	96 842 891	11 932 938	108 775 829	41.8%	44 814 967	8 102 800	52 917 767	42.7%	5.2%
Revenue																
Category A (Metro)	147 969 316	22 465 346	170 434 662	34 815 627	3 858 353	38 673 980	22.7%	71 398 806	5 950 188	77 348 994	45.4%	29 203 053	3 990 118	33 193 171	45.1%	16.5%
Category B (Local)	70 901 386	15 217 128	86 118 514	16 037 367	2 382 428	18 419 795	21.4%	37 145 059	4 380 766	41 525 825	48.2%	15 553 522	2 668 256	18 221 778	50.5%	1.1%
Category C (District)	17 663 190	6 881 953	24 545 143	4 324 732	971 367	5 296 098	21.6%	9 097 378	1 596 853	10 694 231	43.6%	4 932 899	1 274 470	6 207 369	61.2%	(14.7%)
Total	236 533 893	44 564 427	281 098 319	55 177 726	7 212 147	62 389 873	22.2%	117 641 242	11 927 807	129 569 050	46.1%	49 689 474	7 932 844	57 622 318	48.3%	8.3%

Source: National Treasury Local Government Database

Aggregate revenue trends for metros

Table 2: Metros aggregated revenue as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Q2 of 2010/11 to Q2 of 2011/12
	Operating Revenue	Capital Revenue	Total	Operating Revenue	Capital Revenue	Total	2nd Q as % of Main app	Operating Revenue	Capital Revenue	Total	Total Rev as % of main app	Operating Revenue	Capital Revenue	Total	Total Rev as % of main app	
Buffalo City	4 307 707	764 669	5 072 376	705 611	49 447	755 059	14.9%	2 188 315	86 440	2 274 755	44.8%	616 760	97 311	714 071	45.7%	5.7%
Cape Town	33 275 647	5 089 867	38 365 513	7 471 903	863 962	8 335 864	21.7%	15 126 974	1 218 847	16 345 821	42.6%	6 152 336	610 988	6 763 324	44.6%	23.3%
Ekurhuleni Metro	21 151 848	2 374 785	23 526 634	5 375 230	377 235	5 752 465	24.5%	11 092 289	563 272	11 655 561	49.5%	4 756 097	376 226	5 132 323	50.3%	12.1%
eThekweni	25 700 435	5 097 529	30 797 964	6 309 336	964 162	7 273 498	23.6%	12 581 222	1 578 827	14 160 049	46.0%	4 810 076	1 250 232	6 060 308	44.7%	20.0%
City Of Johannesburg	32 072 726	3 722 199	35 794 925	7 584 720	654 509	8 239 229	23.0%	15 571 201	969 287	16 540 488	46.2%	6 602 813	672 499	7 275 312	46.6%	13.2%
Mangaung	4 438 450	824 147	5 262 597	941 716	141 693	1 083 410	20.6%	1 902 075	233 858	2 135 934	40.6%	803 327	131 871	935 198	51.0%	15.8%
Nelson Mandela Bay	7 616 421	1 406 732	9 023 153	1 891 359	255 809	2 147 167	23.8%	3 492 321	382 175	3 874 496	42.9%	1 607 583	396 324	2 003 907	43.9%	7.1%
City Of Tshwane	19 406 082	3 185 418	22 591 500	4 535 752	551 536	5 087 288	22.5%	9 444 408	917 482	10 361 890	45.9%	3 854 060	454 667	4 308 727	44.4%	18.1%
Total	147 969 316	22 465 346	170 434 662	34 815 627	3 858 353	38 673 980	22.7%	71 398 806	5 950 188	77 348 994	45.4%	29 203 053	3 990 118	33 193 171	46.0%	16.5%

Source: National Treasury Local Government Database

Aggregate expenditure trends for metros

Table 3: Metros aggregated expenditure as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Q2 of 2010/11 to Q2 of 2011/12
	Operating Expenditure	Capital Expenditure	Total	Operating Expenditure	Capital Expenditure	Total	2nd 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	
Buffalo City	3 616 250	764 669	4 380 919	718 514	49 447	767 961	17.5%	1 548 046	86 440	1 634 487	37.3%	901 962	97 311	999 273	36.6%	(23.1%)
Cape Town	30 720 927	5 089 867	35 810 794	7 002 379	863 962	7 866 341	22.0%	13 720 214	1 218 847	14 939 061	41.7%	6 357 867	610 988	6 968 855	43.3%	12.9%
Ekurhuleni Metro	21 151 308	2 374 785	23 526 094	4 689 541	377 235	5 066 776	21.5%	10 091 859	563 272	10 655 131	45.3%	4 709 078	376 226	5 085 304	47.6%	(0.4%)
eThekweni	23 583 184	5 097 529	28 680 713	5 275 189	964 162	6 239 351	21.8%	10 544 385	1 578 827	12 123 212	42.3%	4 843 405	1 250 232	6 093 637	43.8%	2.4%
City Of Johannesburg	28 561 968	3 722 199	32 284 167	6 879 851	654 510	7 534 361	23.3%	14 439 524	969 287	15 408 812	47.7%	6 312 652	672 499	6 985 151	48.0%	7.9%
Mangaung	3 691 530	824 147	4 515 677	793 068	141 693	934 762	20.7%	1 469 826	233 858	1 703 684	37.7%	634 550	131 871	766 421	44.8%	22.0%
Nelson Mandela Bay	6 621 119	1 406 732	8 027 851	1 433 979	255 809	1 689 788	21.0%	2 876 008	382 175	3 258 183	40.6%	1 497 681	396 324	1 894 005	43.5%	(10.8%)
City Of Tshwane	18 218 844	3 185 418	21 404 261	4 338 167	551 536	4 889 703	22.8%	8 265 476	917 482	9 182 958	42.9%	3 285 628	454 667	3 740 294	41.3%	30.7%
Total	136 165 129	22 465 346	158 630 475	31 130 688	3 858 354	34 989 042	22.1%	62 955 338	5 950 189	68 905 527	43.4%	28 542 822	3 990 118	32 532 940	44.6%	7.5%

Source: National Treasury Local Government Database

Aggregated revenue and expenditure for secondary cities

Table 4: 19 Secondary cities aggregated budgets and expenditure as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				O2 of 2010/11 to O2 of 2011/12
	Operating Expenditure	Capital Expenditure	Total	Operating Expenditure	Capital Expenditure	Total	2nd 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	387 135	21 750	408 885	20.1%	647 821	63 039	710 861	34.9%	355 569	57 082	412 651	42.7%	(0.9%)
Drakenslein	1 236 787	363 023	1 599 810	283 386	59 385	342 771	21.4%	602 004	87 046	689 050	43.1%	198 734	40 866	239 600	35.8%	43.1%
Emalahleni (Mp)	-	-	-	254 286	3 757	258 043	.0%	557 379	4 010	561 390	-	206 957	24 227	231 183	35.2%	11.6%
Emfuleni	3 362 657	303 246	3 665 902	678 349	50 067	728 416	19.9%	1 459 450	66 732	1 526 181	41.6%	654 362	63 302	717 665	37.5%	1.5%
George	1 133 694	162 912	1 296 606	308 961	34 843	343 804	26.5%	507 758	40 706	548 464	42.3%	221 015	36 604	257 618	37.9%	33.5%
Govan Mbeki	1 189 501	-	1 189 501	250 844	20 629	271 473	22.8%	514 004	38 817	552 821	46.5%	205 964	24 267	230 231	42.7%	17.9%
Madibeng	949 715	284 250	1 233 965	178 616	31 019	209 635	17.0%	356 462	50 181	406 643	33.0%	154 290	9 370	163 660	33.0%	28.1%
Matjhabeng	1 339 583	204 638	1 544 221	235 774	26 535	262 309	17.0%	519 834	103 772	623 606	40.4%	231 695	27 640	259 335	35.7%	1.1%
Mbombela	1 587 769	640 400	2 228 169	381 651	57 385	439 036	19.7%	642 193	87 980	730 173	32.8%	237 835	132 282	370 118	34.1%	18.6%
Mogale City	1 374 612	226 213	1 600 825	362 909	32 585	395 494	24.7%	684 779	58 358	743 137	46.4%	312 710	32 176	344 886	41.1%	14.7%
Msunduzi	3 339 106	411 313	3 750 419	691 531	37 806	729 337	19.4%	1 238 296	51 166	1 289 462	34.4%	525 895	11 014	536 909	38.9%	35.8%
Newcastle	1 478 551	312 846	1 791 397	327 667	46 839	374 506	20.9%	650 698	89 098	739 796	41.3%	238 918	27 293	266 212	38.3%	40.7%
Polokwane	1 475 280	389 198	1 864 478	336 167	79 265	415 432	22.3%	689 999	117 696	807 695	43.3%	257 037	132 023	389 060	33.7%	6.8%
Rustenburg	2 242 663	496 605	2 739 268	419 014	61 528	480 543	17.5%	891 113	86 121	977 235	35.7%	470 825	43 764	514 590	46.3%	(6.6%)
Sol Plaatje	1 198 854	246 419	1 445 273	239 524	28 735	268 259	18.6%	554 230	50 323	604 553	41.8%	338 354	20 336	358 691	39.4%	(25.2%)
Stellenbosch	842 801	199 066	1 041 867	162 204	31 570	193 774	18.6%	314 720	40 608	355 328	34.1%	120 343	15 351	135 694	29.4%	42.8%
Steve Tshwete	917 619	208 480	1 126 098	197 882	50 767	248 649	22.1%	431 661	84 186	515 847	45.8%	215 753	86 213	301 965	48.1%	(17.7%)
Tlokwe	788 796	118 956	907 752	165 429	39 221	204 651	22.5%	362 840	61 153	423 992	46.7%	170 576	10 176	180 752	43.1%	13.2%
uMhlabuze	2 046 274	220 734	2 267 008	478 436	17 516	495 952	21.9%	951 060	21 350	972 410	42.9%	381 777	21 294	403 071	43.3%	23.0%
Total	28 335 805	4 994 458	33 330 263	6 339 765	731 202	7 070 967	21.2%	12 576 302	1 202 340	13 778 643	41.3%	5 498 609	815 282	6 313 891	38.8%	12.0%

Source: National Treasury Local Government Database

Operating expenditure per function for metros

Table 5: Metros aggregated budgets and expenditure per function as at 2nd quarter ended 31 December 2011

	Budget	Second Quarter 2011/12		Year to date: 31 December 2011		Second Quarter 2010/11		Q2 of 2010/11 to Q2 of 2011/12
	Main appropriation	Actual Expenditure	2nd 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	76 150	25.6%	149 296	50.2%	98 297	44.2%	(22.5%)
Cape Town	3 490 518	787 644	22.6%	1 519 699	43.5%	761 297	45.1%	3.5%
Ekurhuleni Metro	3 486 573	721 515	20.7%	1 429 344	41.0%	681 848	50.5%	5.8%
eThekwini	3 203 167	697 941	21.8%	1 305 793	40.8%	765 079	43.1%	(8.8%)
City Of Johannesburg	4 628 628	1 156 450	25.0%	2 453 162	53.0%	1 091 466	52.6%	6.0%
Mangaung	402 198	104 949	26.1%	197 266	49.0%	97 476	54.9%	7.7%
Nelson Mandela Bay	491 633	114 041	23.2%	206 169	41.9%	105 746	49.7%	7.8%
City Of Tshwane	2 124 063	548 391	25.8%	955 323	45.0%	424 953	50.3%	29.0%
Total	18 124 163	4 207 081	23.2%	8 216 052	45.3%	4 026 161	48.5%	4.5%
Electricity								
Buffalo City	1 066 194	197 026	18.5%	548 531	51.4%	224 875	38.9%	(12.4%)
Cape Town	7 835 469	1 656 920	21.1%	3 589 727	45.8%	1 415 375	46.0%	17.1%
Ekurhuleni Metro	8 957 159	1 913 441	21.4%	4 590 117	51.2%	1 587 282	54.6%	20.5%
eThekwini	8 361 238	1 681 731	20.1%	3 946 502	47.2%	1 460 502	47.6%	15.1%
City Of Johannesburg	10 664 219	2 119 628	19.9%	5 584 598	52.4%	1 631 861	50.6%	29.9%
Mangaung	1 438 444	351 756	24.5%	598 062	41.6%	244 940	43.9%	43.6%
Nelson Mandela Bay	2 490 100	513 701	20.6%	1 093 577	43.9%	369 122	38.8%	39.2%
City Of Tshwane	6 675 028	1 618 735	24.3%	3 359 976	50.3%	1 141 182	52.4%	41.8%
Total	47 487 851	10 052 939	21.2%	23 311 090	49.1%	8 075 137	49.1%	24.5%
Waste water management								
Buffalo City	336 815	75 230	22.3%	141 461	42.0%	88 655	33.8%	(15.1%)
Cape Town	1 803 652	447 596	24.8%	837 983	46.5%	386 110	46.9%	15.9%
Ekurhuleni Metro	419 402	101 501	24.2%	201 957	48.2%	6 617	150.7%	1434.0%
eThekwini	1 160 231	242 202	20.9%	449 714	38.8%	249 267	41.3%	(2.8%)
City Of Johannesburg	-	-	-	-	-	-	-	-
Mangaung	122 748	35 192	28.7%	58 856	47.9%	18 591	36.5%	89.3%
Nelson Mandela Bay	433 987	99 020	22.8%	161 696	37.3%	53 525	30.5%	85.0%
City Of Tshwane	503 080	105 749	21.0%	172 008	34.2%	122 030	36.1%	(13.3%)
Total	4 779 915	1 106 489	23.1%	2 023 675	42.3%	924 795	42.3%	19.6%
Waste management								
Buffalo City	205 577	31 264	15.2%	61 143	29.7%	39 360	30.7%	(20.6%)
Cape Town	2 055 213	507 184	24.7%	929 808	45.2%	461 162	44.3%	10.0%
Ekurhuleni Metro	1 034 889	243 853	23.6%	437 872	42.3%	207 982	40.4%	17.2%
eThekwini	997 779	216 335	21.7%	395 333	39.6%	200 453	40.0%	7.9%
City Of Johannesburg	1 135 931	315 330	27.8%	583 519	51.4%	294 922	49.8%	6.9%
Mangaung	77 889	22 825	29.3%	38 371	49.3%	16 514	40.2%	38.2%
Nelson Mandela Bay	311 457	65 963	21.2%	113 567	36.5%	56 762	43.0%	16.2%
City Of Tshwane	862 179	189 659	22.0%	325 563	37.8%	81 427	24.1%	132.9%
Total	6 680 913	1 592 413	23.8%	2 885 176	43.2%	1 358 583	41.4%	17.2%

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 2nd quarter ended 31 December 2011

	Budget	Second Quarter 2011/12		Year to date: 31 December 2011		Second Quarter 2010/11		Q2 of 2010/11 to Q2 of 2011/12
	Main appropriation	Actual Expenditure	2nd Q as % of Main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
R thousands								
Water								
City Of Matlosana	62 200	65 465	105.3%	84 381	135.7%	19 830	37.2%	230.1%
Drakenstein	59 287	15 172	25.6%	34 644	58.4%	14 815	42.7%	2.4%
Emalahleni (Mp)	-	31 615	-	58 168	-	24 371	43.1%	29.7%
Emfuleni	439 275	113 909	25.9%	182 563	41.6%	103 141	53.3%	10.4%
George	114 384	31 847	27.8%	44 149	38.6%	20 965	29.3%	51.9%
Gov an Mbeki	149 812	50 566	33.8%	93 178	62.2%	32 442	45.6%	55.9%
Madibeng	-	-	-	-	-	12 991	16.7%	(100.0%)
Matjhabeng	198 430	30 024	15.1%	68 004	34.3%	25 050	31.5%	19.9%
Mbombela	114 449	23 736	20.7%	40 971	35.8%	19 954	-	19.0%
Mogale City	180 314	53 882	29.9%	95 736	53.1%	47 645	49.1%	13.1%
Msunduzi	592 785	83 918	14.2%	126 546	21.3%	46 941	39.6%	78.8%
New castle	169 174	52 689	31.1%	112 125	66.3%	58 938	54.4%	(10.6%)
Polokwane	195 305	46 500	23.8%	89 852	46.0%	40 171	42.1%	15.8%
Rustenburg	333 429	74 939	22.5%	149 997	45.0%	79 479	48.4%	(5.7%)
Sol Plaatje	114 611	23 409	20.4%	40 139	35.0%	33 399	33.5%	(29.9%)
Stellenbosch	58 573	9 677	16.5%	15 861	27.1%	8 272	20.0%	17.0%
Steve Tshwete	55 499	13 776	24.8%	24 127	43.5%	11 779	43.7%	17.0%
Tlokwe	34 735	28 360	81.6%	35 937	103.5%	10 136	42.1%	179.8%
uMhlathuze	325 880	78 366	24.0%	160 835	49.4%	61 271	50.4%	27.9%
Total	3 198 142	827 850	25.9%	1 457 214	45.6%	671 587	44.0%	23.3%

Source: National Treasury Local Government Database

Table 6b: 19 Secondary cities aggregated budgets and expenditure per function as at 2nd quarter ended 31 December 2011

	Budget	Second Quarter 2011/12		Year to date: 31 December 2011		Second Quarter 2010/11		Q2 of 2010/11 to Q2 of 2011/12
	Main appropriation	Actual Expenditure	2nd Q as % of Main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
R thousands								
Electricity								
City Of Matlosana	448 924	73 191	16.3%	133 735	29.8%	77 865	56.5%	(6.0%)
Drakenstein	511 241	116 730	22.8%	288 622	56.5%	67 267	40.1%	73.5%
Emalahleni (Mp)	-	107 876	-	288 011	-	87 646	42.6%	23.1%
Emfuleni	1 376 526	262 659	19.1%	707 254	51.4%	226 268	49.0%	16.1%
George	353 837	83 693	23.7%	155 521	44.0%	60 596	40.0%	38.1%
Gov an Mbeki	334 947	82 607	24.7%	198 127	59.2%	53 960	54.9%	53.1%
Madibeng	-	-	-	-	-	50 978	52.4%	(100.0%)
Matjhabeng	234 674	56 715	24.2%	174 768	74.5%	75 097	69.6%	(24.5%)
Mbombela	409 421	114 866	28.1%	213 394	52.1%	53 092	33.9%	116.4%
Mogale City	510 768	119 139	23.3%	237 477	46.5%	97 502	46.0%	22.2%
Msunduzi	1 181 370	288 605	24.4%	560 759	47.5%	176 032	47.8%	63.9%
New castle	429 394	89 163	20.8%	189 501	44.1%	52 040	28.2%	71.3%
Polokwane	480 304	101 958	21.2%	252 533	52.6%	79 408	47.9%	28.4%
Rustenburg	1 143 973	157 247	13.7%	392 940	34.3%	186 800	52.7%	(15.8%)
Sol Plaatje	406 053	65 197	16.1%	201 011	49.5%	137 229	54.5%	(52.5%)
Stellenbosch	273 522	49 875	18.2%	110 138	40.3%	39 069	36.3%	27.7%
Steve Tshwete	315 427	52 092	16.5%	151 308	48.0%	84 455	52.0%	(38.3%)
Tlokwe	434 941	32 624	7.5%	131 866	30.3%	75 457	54.2%	(56.8%)
uMhlathuze	1 030 860	237 834	23.1%	474 430	46.0%	194 441	47.5%	22.3%
Total	9 876 181	2 092 072	21.2%	4 861 394	49.2%	1 875 202	47.5%	11.6%

Source: National Treasury Local Government Database

Table 6c: 19 Secondary cities aggregated budgets and expenditure per function as at 2nd quarter ended 31 December 2011

R thousands	Budget	Second Quarter 2011/12		Year to date: 31 December 2011		Second Quarter 2010/11		Q2 of 2010/11 to Q2 of 2011/12
	Main appropriation	Actual Expenditure	2nd Q as % of Main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
Sanitation								
City Of Matlosana	118 989	19 978	16.8%	37 846	31.8%	30 166	6.8%	(33.8%)
Drakenstein	55 941	13 200	23.6%	25 395	45.4%	11 182	43.8%	18.0%
Emalahleni (Mp)	-	10 951	-	19 512	-	7 803	37.0%	40.3%
Emfuleni	118 957	23 156	19.5%	41 370	34.8%	26 439	17.4%	(12.4%)
George	77 509	23 408	30.2%	36 375	46.9%	28 224	31.2%	(17.1%)
Govan Mbeki	62 881	11 035	17.5%	21 304	33.9%	14 726	43.4%	(25.1%)
Madibeng	-	-	-	-	-	9 075	113.5%	(100.0%)
Matjhabeng	-	7 558	-	14 557	-	12 614	30.5%	(40.1%)
Mbombela	89 086	14 589	16.4%	25 490	28.6%	10 535	39.1%	38.5%
Mogale City	56 939	15 589	27.4%	24 711	43.4%	13 581	38.3%	14.8%
Msunduzi	221 106	2 959	1.3%	5 047	2.3%	2 509	22.8%	17.9%
Newcastle	23 571	11 090	47.1%	20 923	88.8%	8 932	30.4%	24.2%
Polokwane	42 820	7 631	17.8%	14 332	33.5%	5 235	21.7%	45.8%
Rustenburg	86 011	15 979	18.6%	35 853	41.7%	24 592	45.0%	(35.0%)
Sol Plaatje	45 409	9 767	21.5%	17 239	38.0%	7 968	44.3%	22.6%
Stellenbosch	54 731	11 495	21.0%	19 096	34.9%	6 271	20.3%	83.3%
Steve Tshwete	57 899	14 037	24.2%	27 455	47.4%	12 075	49.6%	16.2%
Tlokwe	23 159	8 803	38.0%	15 682	67.7%	12 537	75.5%	(29.8%)
uMhlathuze	118 745	30 949	26.1%	61 427	51.7%	21 901	63.1%	41.3%
Total	1 253 754	252 175	20.1%	463 613	37.0%	266 366	32.9%	(5.3%)

Source: National Treasury Local Government Database

Table 6d: 19 Secondary cities aggregated budgets and expenditure per function as at 2nd quarter ended 31 December 2011

R thousands	Budget	Second Quarter 2011/12		Year to date: 31 December 2011		Second Quarter 2010/11		Q2 of 2010/11 to Q2 of 2011/12
	Main appropriation	Actual Expenditure	2nd Q as % of Main app	Actual Expenditure	Total Exp as % of main app	Actual Expenditure	Total Exp as % of main app	
Refuse removal								
City Of Matlosana	47 270	9 935	21.0%	19 343	40.9%	10 721	48.7%	(7.3%)
Drakenstein	42 989	9 862	22.9%	19 099	44.4%	8 481	41.4%	16.3%
Emalahleni (Mp)	-	13 430	-	25 140	-	11 536	45.9%	16.4%
Emfuleni	99 505	26 787	26.9%	47 046	47.3%	24 708	25.2%	8.4%
George	43 644	9 933	22.8%	16 851	38.6%	8 711	40.6%	14.0%
Govan Mbeki	53 268	11 285	21.2%	21 488	40.3%	8 662	38.3%	30.3%
Madibeng	-	-	-	-	-	-	-	-
Matjhabeng	-	-	-	-	-	-	-	-
Mbombela	103 344	21 693	21.0%	41 882	40.5%	18 412	41.7%	17.8%
Mogale City	67 639	23 384	34.6%	41 154	60.8%	17 888	34.0%	30.7%
Msunduzi	132 193	50 658	38.3%	82 792	62.6%	42 138	34.4%	20.2%
Newcastle	56 829	20 888	36.8%	39 954	70.3%	11 184	32.6%	86.8%
Polokwane	59 515	18 972	31.9%	31 433	52.8%	10 885	35.9%	74.3%
Rustenburg	73 803	17 393	23.6%	33 887	45.9%	21 519	52.7%	(19.2%)
Sol Plaatje	36 444	10 160	27.9%	19 651	53.9%	8 554	66.4%	18.8%
Stellenbosch	26 605	5 910	22.2%	10 989	41.3%	4 520	27.4%	30.7%
Steve Tshwete	52 862	14 494	27.4%	26 894	50.9%	12 715	51.1%	14.0%
Tlokwe	26 017	7 419	28.5%	14 770	56.8%	2 457	21.3%	201.9%
uMhlathuze	64 824	17 409	26.9%	33 850	52.2%	15 707	50.2%	10.8%
Total	986 750	289 613	29.4%	526 223	53.3%	238 800	36.9%	21.3%

Source: National Treasury Local Government Database

Aggregated municipal debtors age analysis

Table 7a: National Debtors Age Analysis as at 2nd quarter ended 31 December 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Bad Debt Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Income Source												
Water	1 916 323	9.7%	879 314	4.5%	821 397	4.2%	16 075 055	81.6%	19 692 089	26.1%	295 002	1.5%
Electricity	4 514 089	35.4%	1 212 373	9.5%	766 064	6.0%	6 253 787	49.1%	12 746 312	16.9%	13 914	.1%
Property Rates	2 788 246	15.6%	984 743	5.5%	318 506	1.8%	13 809 703	77.1%	17 901 199	23.7%	44 979	.3%
Sanitation	1 298 494	18.1%	(222 957)	(3.1%)	309 444	4.3%	5 793 300	80.7%	7 178 280	9.5%	12 499	.2%
Refuse Removal	452 054	8.4%	198 137	3.7%	248 397	4.6%	4 467 779	83.3%	5 366 366	7.1%	17 695	.3%
Other	363 884	2.9%	315 944	2.5%	277 834	2.2%	11 653 197	92.4%	12 610 859	16.7%	63 737	.5%
Total By Income Source	11 333 089	15.0%	3 367 554	4.5%	2 741 641	3.6%	58 052 821	76.9%	75 495 106	100.0%	447 826	.6%
Debtor Age Analysis By Customer Group												
Government	413 738	11.8%	247 597	7.0%	262 097	7.5%	2 589 742	73.7%	3 513 174	4.7%	75 026	2.1%
Business	4 578 882	29.5%	1 286 837	8.3%	273 560	1.8%	9 375 878	60.4%	15 515 157	20.6%	86 063	.6%
Households	5 722 233	11.9%	1 417 983	2.9%	1 889 286	3.9%	39 182 000	81.3%	48 211 502	63.9%	442 725	.9%
Other	618 236	7.5%	415 138	5.0%	316 698	3.8%	6 905 200	83.6%	8 255 272	10.9%	11 457	.1%
Total By Customer Group	11 333 089	15.0%	3 367 554	4.5%	2 741 641	3.6%	58 052 821	76.9%	75 495 106	100.0%	615 271	.8%

Source: National Treasury Local Government Database

Debtors' age analysis for the metros

Table 7b: Metros Debtors Age Analysis as at 2nd quarter ended 31 December 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
2nd Quarter Ended 31 December 2011										
Nelson Mandela Bay	747 001	37.0%	94 994	4.7%	24 833	1.2%	1 154 641	57.1%	2 021 469	4.5%
Buffalo City	155 845	17.8%	59 819	6.8%	38 783	4.4%	619 792	70.9%	874 240	2.0%
Mangaung	104 792	6.6%	166 708	10.5%	154 229	9.7%	1 156 649	73.1%	1 582 378	3.6%
Ekurhuleni Metro	1 123 358	11.5%	468 913	4.8%	290 693	3.0%	7 915 263	80.8%	9 798 226	22.0%
City Of Johannesburg	2 631 168	19.0%	162 655	1.2%	89 878	0.6%	10 985 984	79.2%	13 869 684	31.2%
City Of Tshwane	1 123 106	23.5%	133 841	2.8%	109 379	2.3%	3 412 981	71.4%	4 779 307	10.7%
eThekwini	1 049 185	18.5%	396 791	7.0%	189 897	3.4%	4 023 419	71.1%	5 659 292	12.7%
Cape Town	1 165 676	19.8%	191 542	3.3%	140 407	2.4%	4 393 539	74.6%	5 891 164	13.2%
Total	8 100 132	18.2%	1 675 262	3.8%	1 038 098	2.3%	33 662 268	75.7%	44 475 760	12.5%
2nd Quarter Ended 31 December 2010										
Nelson Mandela Bay	608 792	34.5%	115 894	6.6%	44 698	2.5%	995 467	56.4%	1 764 851	4.8%
Buffalo City	140 940	19.6%	46 047	6.4%	25 944	3.6%	506 110	70.4%	719 040	2.0%
Mangaung	228 240	16.3%	89 668	6.4%	63 794	4.5%	1 022 197	72.8%	1 403 899	3.8%
Ekurhuleni Metro	1 025 916	11.8%	454 466	5.2%	290 390	3.3%	6 918 868	79.6%	8 689 640	23.6%
City Of Johannesburg	2 318 482	21.5%	490 597	4.5%	488 943	4.5%	7 491 514	69.4%	10 789 536	29.3%
City Of Tshwane	788 274	21.7%	58 902	1.6%	101 327	2.8%	2 678 740	73.9%	3 627 243	9.9%
eThekwini	948 289	19.9%	292 293	6.1%	78 319	1.6%	3 449 328	72.3%	4 768 228	13.0%
Cape Town	1 115 410	22.2%	227 539	4.5%	152 612	3.0%	3 527 837	70.2%	5 023 398	13.7%
Total	7 174 342	19.5%	1 775 405	4.8%	1 246 027	3.4%	26 590 061	72.3%	36 785 836	12.5%
Movement between 31 December 2010 and 31 December 2011										
Nelson Mandela Bay	138 210		(20 900)		(19 865)		159 174		256 618	
Buffalo City	14 905		13 773		12 839		113 682		155 199	
Mangaung	(123 448)		77 040		90 435		134 452		178 479	
Ekurhuleni Metro	97 441		14 446		303		996 395		1 108 586	
City Of Johannesburg	312 686		(327 942)		(399 065)		3 494 469		3 080 148	
City Of Tshwane	334 832		74 939		8 051		734 242		1 152 064	
eThekwini	100 896		104 498		111 578		574 091		891 064	
Cape Town	50 266		(35 997)		(12 206)		865 702		867 766	
Total	925 789		(100 143)		(207 929)		7 072 207		7 689 924	
Growth rate Q2 of 2010/11 to Q2 of 2011/12										
Nelson Mandela Bay	22.7%		(18.0%)		(44.4%)		16.0%		14.5%	
Buffalo City	10.6%		29.9%		49.5%		22.5%		21.6%	
Mangaung	(54.1%)		85.9%		141.8%		13.2%		12.7%	
Ekurhuleni Metro	9.5%		3.2%		0.1%		14.4%		12.8%	
City Of Johannesburg	13.5%		(66.8%)		(81.6%)		46.6%		28.5%	
City Of Tshwane	42.5%		127.2%		7.9%		27.4%		31.8%	
eThekwini	10.6%		35.8%		142.5%		16.6%		18.7%	
Cape Town	4.5%		(15.8%)		(8.0%)		24.5%		17.3%	
Total	12.9%		(5.6%)		(16.7%)		26.6%		20.9%	

Source: National Treasury Local Government Database

Table 7c: Metro Debtors Age Analysis as at 2nd quarter ended 31 December 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Bad Debt Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Customer Group												
Government	190 806	12.8%	136 931	9.2%	8 582	.6%	1 149 813	77.4%	1 486 133	3.3%	633	-
Business	3 478 844	30.6%	735 715	6.5%	6 119	.1%	7 165 845	62.9%	11 386 523	25.6%	731	-
Households	4 232 407	14.7%	632 286	2.2%	925 892	3.2%	23 068 497	79.9%	28 859 082	64.9%	2 570	-
Other	198 075	7.2%	170 330	6.2%	97 504	3.6%	2 278 113	83.0%	2 744 022	6.2%	35 086	1.3%
Total By Customer Group	8 100 132	18.2%	1 675 262	3.8%	1 038 098	2.3%	33 662 268	75.7%	44 475 760	100.0%	39 021	.1%

Source: National Treasury Local Government Database

Debtors' age analysis for secondary cities

Table 8a: 19 Secondary cities Debtors Age Analysis as at 2nd quarter ended 31 December 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
City Of Matlosana	83 052	10.8%	31 051	4.0%	28 162	3.7%	629 043	81.6%	771 307	5.9%
Drakenstein	70 569	30.0%	11 345	4.8%	9 300	4.0%	144 193	61.3%	235 407	1.8%
Emalahleni (Mp)	77 802	11.1%	41 324	5.9%	23 239	3.3%	555 781	79.6%	698 146	5.3%
Emfuleni	155 669	6.2%	91 809	3.6%	78 282	3.1%	2 203 004	87.1%	2 528 764	19.3%
George	36 875	32.0%	3 525	3.1%	3 077	2.7%	71 871	62.3%	115 347	0.9%
Govan Mbeki	23 782	4.3%	15 125	2.7%	14 979	2.7%	504 934	90.4%	558 820	4.3%
Madibeng	66 590	9.4%	31 673	4.5%	23 084	3.3%	586 015	82.8%	707 362	5.4%
Matjhabeng	88 379	6.7%	51 835	3.9%	44 405	3.4%	1 129 874	86.0%	1 314 493	10.0%
Mbombela	63 553	15.6%	1 782	0.4%	17 631	4.3%	323 339	79.6%	406 305	3.1%
Mogale City	223 143	25.3%	37 021	4.2%	14 733	1.7%	607 125	68.8%	882 021	6.7%
Msunduzi	218 571	23.5%	38 627	4.2%	33 708	3.6%	639 270	68.7%	930 176	7.1%
Newcastle	37 239	5.0%	29 880	4.0%	23 014	3.1%	658 802	88.0%	748 934	5.7%
Polokwane	85 091	24.2%	22 563	6.4%	17 737	5.0%	225 880	64.3%	351 272	2.7%
Rustenburg	(38)	(0.0%)	139 830	8.4%	88 382	5.3%	1 438 685	86.3%	1 666 859	12.7%
Sol Plaatje	103 927	16.7%	32 424	5.2%	24 981	4.0%	459 139	74.0%	620 471	4.7%
Stellenbosch	23 360	17.6%	5 155	3.9%	3 535	2.7%	100 869	75.9%	132 919	1.0%
Steve Tshwete	24 743	43.5%	4 058	7.1%	2 707	4.8%	25 314	44.6%	56 822	0.4%
Tlokwe	50 902	31.1%	8 234	5.0%	4 256	2.6%	100 019	61.2%	163 412	1.2%
uMhlatuze	142 817	71.2%	9 440	4.7%	7 138	3.6%	41 141	20.5%	200 536	1.5%
Total	1 576 027	12.0%	606 701	4.6%	462 348	3.5%	10 444 299	79.8%	13 089 375	5.3%

Source: National Treasury Local Government Database

Table 8b: 19 Secondary cities Debtors Age Analysis as at 2nd quarter ended 31 December 2011

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Bad Debt Written Off	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtor Age Analysis By Customer Group												
Government	65 308	12.2%	31 155	5.8%	25 379	4.8%	411 743	77.2%	533 585	4.1%	-	-
Business	680 715	34.2%	184 679	9.3%	97 884	4.9%	1 027 904	51.6%	1 991 182	15.2%	-	-
Households	762 277	8.2%	358 099	3.9%	302 444	3.3%	7 818 184	84.6%	9 241 003	70.6%	-	-
Other	67 727	5.1%	32 769	2.5%	36 642	2.8%	1 186 468	89.6%	1 323 605	10.1%	-	-
Total By Customer Group	1 576 027	12.0%	606 701	4.6%	462 348	3.5%	10 444 299	79.8%	13 089 375	100.0%	-	-

Source: National Treasury Local Government Database

Collection rates

Table 9: National collection rates as at 31 December 2011

	2010/11	Budget year 2011/12			
	Audited Outcome	Original Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual
Collection Rate	105.81	91.78	78.67	93.07	85.40
Property rates	88.26	75.35	71.85	84.46	77.47
Service charges	112.76	97.97	81.65	97.18	89.01
Service charges - electricity revenue	94.63	78.21	79.34	97.57	87.78
Service charges - water revenue	91.61	81.01	78.61	84.53	81.69
Service charges - sanitation revenue	103.59	69.45	48.03	68.65	56.94
Service charges - refuse revenue	94.93	70.85	108.16	116.84	112.63
Service charges - other	(4 545.64)	3 600.42	2 418.16	(1 094.18)	(6 442.19)
Interest earned - outstanding debtors	98.15	43.06	58.20	47.85	52.51

Source: National Treasury Local Government Database

Aggregated municipal creditors age analysis

Table 10: Creditor Age Analysis for 2nd quarter as at 31 December 2011

R thousands	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Eastern Cape	432 020	66.8%	30 678	4.7%	(412)	-0.1%	184 727	28.6%	647 013	6.9%
Free State	319 350	28.4%	94 719	8.4%	109 090	9.7%	601 810	53.5%	1 124 969	11.9%
Gauteng	3 413 088	98.1%	51 139	1.5%	325	0.0%	13 969	0.4%	3 478 521	36.9%
KwaZulu-Natal	1 697 830	95.1%	40 482	2.3%	9 167	0.5%	38 224	2.1%	1 785 703	18.9%
Limpopo	128 241	25.1%	16 985	3.3%	5 166	1.0%	359 807	70.5%	510 199	5.4%
Mpumalanga	240 946	42.1%	20 311	3.5%	20 173	3.5%	291 530	50.9%	572 959	6.1%
Northern Cape	96 475	57.9%	13 530	8.1%	3 589	2.2%	53 055	31.8%	166 649	1.8%
North West	253 052	35.6%	49 347	6.9%	73 249	10.3%	334 945	47.1%	710 593	7.5%
Western Cape	380 941	88.7%	7 112	1.7%	2 605	0.6%	38 898	9.1%	429 557	4.6%
Total	6 961 943	73.9%	324 304	3.4%	222 953	2.4%	1 916 964	20.3%	9 426 163	100.0%

Source: National Treasury Local Government Database

Conditional grants transfers, payments and expenditure as at 31 December 2011

2nd Quarter Ended 31 December 2011

CONDITIONAL GRANTS TRANSFERRED FROM NATIONAL DEPARTMENTS AND ACTUAL PAYMENTS MADE BY MUNICIPALITIES: PRELIMINARY RESULTS

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		Second 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 by 31 December 2011	Actual expenditure by municipalities by 31 December 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	20,023,758	-	-	20,023,758	15,762,135	13,811,516	2,982,435	2,578,086	2,911,916	3,552,030	5,894,351	6,130,115	(2.4%)	37.8%	29.4%	30.6%
Infrastructure	18,858,903	-	-	18,858,903	14,745,417	12,821,761	2,497,674	2,204,106	2,812,952	3,154,227	5,310,626	5,358,334	12.6%	43.1%	28.2%	28.4%
Municipal infrastructure grant	11,443,505	-	-	11,443,505	8,438,213	7,211,244	1,849,815	1,682,369	1,985,218	2,095,353	3,835,033	3,777,722	7.3%	24.5%	33.5%	33.0%
National electrification programme	1,096,612	-	-	1,096,612	999,640	775,444	197,105	127,992	153,626	234,596	350,731	362,588	(22.1%)	83.3%	32.0%	33.1%
Public transport infrastructure and system grant	4,803,347	-	-	4,803,347	4,221,500	3,974,800	226,060	204,693	529,110	554,411	755,170	759,105	134.1%	170.8%	15.7%	15.8%
Neighbourhood development partnership grant	750,000	-	-	750,000	480,825	316,834	99,599	108,151	68,140	144,811	167,739	252,961	(31.6%)	33.9%	22.4%	33.7%
2010 FIFA World Cup stadiums development grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rural transport services and infrastructure grant	35,440	-	-	35,440	35,440	35,439	-	1,589	-	302	-	1,891	-	(81.0%)	-	5.3%
Electricity demand side management	280,000	-	-	280,000	119,800	58,000	-	19,403	16,263	41,087	16,263	60,490	-	111.8%	5.8%	21.6%
Municipal Drought Relief	450,000	-	-	450,000	450,000	450,000	125,096	59,909	60,595	83,668	185,691	143,576	(51.6%)	39.7%	41.3%	31.9%
Capacity and others	1,164,855	-	-	1,164,855	1,016,718	989,755	484,761	373,980	98,964	397,802	583,725	771,782	(79.6%)	6.4%	50.1%	66.3%
Municipal Systems Improvement Programme Grant	219,420	-	-	219,420	219,420	217,050	15,566	38,776	18,911	53,458	34,477	92,234	21.5%	37.9%	15.7%	42.0%
Local Government Financial Management Grant	384,641	-	-	384,641	384,641	384,641	83,473	97,594	80,053	91,285	163,526	188,879	(4.1%)	(6.5%)	42.5%	49.1%
Water Service Operating Subsidy Grant	560,794	-	-	560,794	412,657	388,064	385,722	237,610	-	253,059	385,722	490,669	(100.0%)	6.5%	68.8%	87.5%
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect transfers	3,992,188	-	-	3,992,188	3,044,433	724,138	-	-	-	-	-	-	-	-	-	-
National electrification programme	1,737,813	-	-	1,737,813	1,426,347	632,194	-	-	-	-	-	-	-	-	-	-
Neighbourhood development partnership grant	100,000	-	-	100,000	71,761	22,519	-	-	-	-	-	-	-	-	-	-
Water Service Operating Subsidy Grant	99,935	-	-	99,935	76,354	61,019	-	-	-	-	-	-	-	-	-	-
Regional bulk infrastructure grant	1,704,140	-	-	1,704,140	1,199,259	-	-	-	-	-	-	-	-	-	-	-
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	90,000	-	-	-	-	-	-	-	-	-	-	-
Rural household infrastructure grant	231,500	-	-	231,500	180,712	8,406	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	679,583	-	-	679,583	446,122	-	-	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Municipalities	679,583	-	-	679,583	446,122	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	24,695,529	-	-	24,695,529	19,252,690	14,535,654	2,982,435	2,578,086	2,911,916	3,552,030	5,894,351	6,130,115	(2.4%)	37.8%	29.4%	30.6%
Grants excluded from the publication	6,786,998	-	-	6,786,998	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total as per DoRA	31,482,527	-	-	31,482,527	19,252,690	14,535,654	2,982,435	2,578,086	2,911,916	3,552,030	5,894,351	6,130,115	-	-	-	-

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.

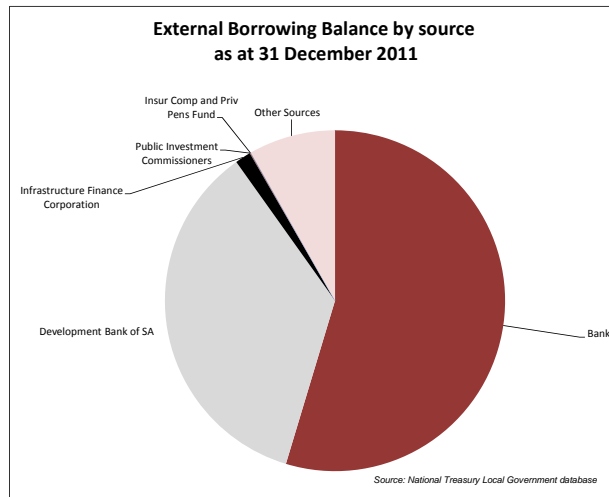
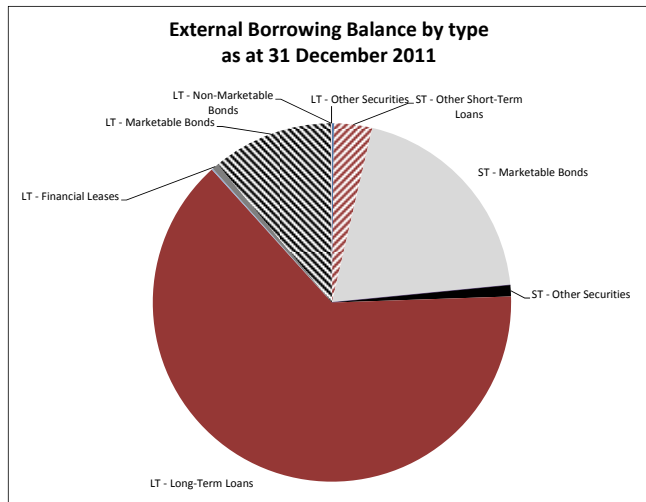
Sources: DoRA Monthly reports by the national transferring officer and Municipal sign-offs and electronic verification.

All the figures are unaudited.

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

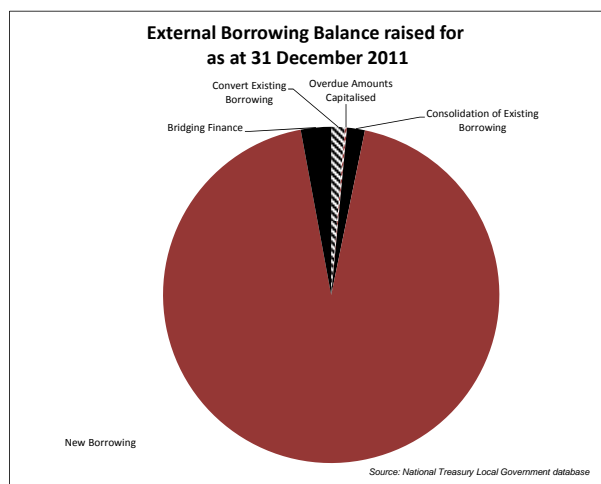
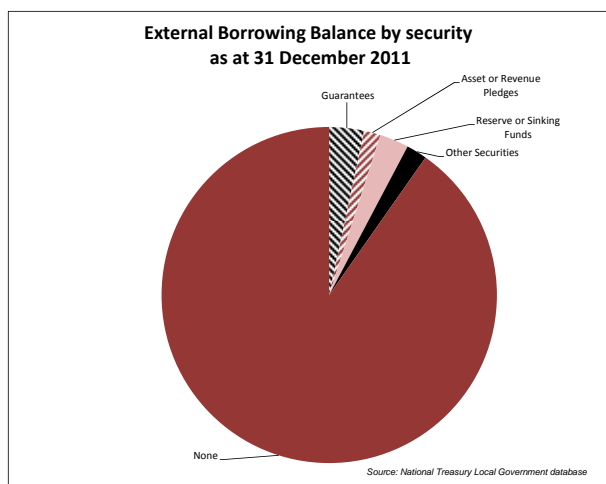
in the same format as the provincial payment schedule that correspond with the amount in Budget Statement 1 and 2.

Borrowing instruments



Type	Balance (R'000)
ST - Bank Overdraft	70 724
ST - Other Short-Term Loans	1 357 909
ST - Marketable Bonds	7 814 120
ST - Non-Marketable Bonds	200
ST - Other Securities	399 227
LT - Long-Term Loans	25 160 817
LT - Instalment Credit	44 976
LT - Financial Leases	226 514
LT - Marketable Bonds	4 300 000
LT - Non-Marketable Bonds	6 805
LT - Other Securities	27 560
TOTAL	39 408 852

Source	Balance (R'000)
General Public	1 595
Banks	21 538 243
Development Bank of SA	13 982 845
Infrastructure Finance Corporation	594 125
Public Investment Commissioners	5 868
Insur Comp and Priv Pens Fund	35 650
Municipal Pension Funds	325
Other Public Pension Funds	
Unit Trusts	
Internal Funds	864
Other Sources	3 249 337
TOTAL	39 408 852



Security	Balance (R'000)
Guarantees	1 323 302
Asset or Revenue Pledges	624 332
Bond Insurance	
Reserve or Sinking Funds	1 103 871
Other Securities	787 359
None	35 569 988
TOTAL	39 408 852

Raised For	Balance (R'000)
Convert Existing Borrowing	515 006
Overdue Amounts Capitalised	76 817
Consolidation of Existing Borrowing	678 058
New Borrowing	36 993 320
Bridging Finance	1 145 651
TOTAL	39 408 852

Reconciliation of published 2011/12 MTREF budget information and section 71 in-year reporting

Table 13: National aggregated revenue and expenditure as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Q2 of 2010/11 to Q2 of 2011/12
	Operating	Capital	Total	Operating	Capital	Total	2nd 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	31 130 688	3 858 354	34 989 042	22.1%	62 955 338	5 950 189	68 905 527	43.4%	28 542 822	3 990 118	32 532 940	21.4%	4.3%
Category B (Local)	66 389 842	15 217 128	81 606 970	14 354 969	2 535 491	16 890 459	20.7%	28 726 025	4 383 568	33 109 592	40.6%	13 385 699	2 860 140	16 245 838	18.5%	(0.2%)
Category C (District)	13 346 934	6 881 953	20 228 887	2 827 692	980 824	3 808 516	18.8%	5 161 528	1 599 181	6 760 709	33.4%	2 886 446	1 252 543	4 138 989	17.0%	(28.7%)
Total incl indirect expenditure	215 901 906	44 564 427	260 466 333	48 313 349	7 374 669	55 688 018	21.4%	96 842 891	11 932 938	108 775 829	41.8%	44 814 967	8 102 800	52 917 767	20.1%	0.3%
Less:																
Indirect operating expenditure	11 101 985	-	11 101 985	2 500 464	-	2 500 464	-	5 037 715	-	5 037 715	-	2 551 458	-	2 551 458	-	-
Taxation	297 041	-	297 041	6 496	-	6 496	-	12 244	-	12 244	-	14 966	-	14 966	-	-
Total expenditure	204 502 879	44 564 427	249 067 306	45 806 388	7 374 669	53 181 057	21.4%	91 792 932	11 932 938	103 725 870	41.6%	42 431 854	8 102 800	50 534 654	21.5%	
Revenues																
Category A (Metro)	147 969 316	22 465 346	170 434 662	34 815 627	3 858 353	38 673 980	22.7%	71 398 806	5 950 188	77 348 994	45.4%	29 203 053	3 990 118	33 193 171	22.9%	16.5%
Category B (Local)	70 901 386	15 217 128	86 118 514	16 037 367	2 382 428	18 419 795	21.4%	37 145 059	4 380 766	41 525 825	48.2%	15 553 522	2 668 256	18 221 778	26.9%	26.8%
Category C (District)	17 663 190	6 881 953	24 545 143	4 324 732	971 367	5 296 098	21.6%	9 097 378	1 596 853	10 694 231	43.6%	4 932 899	1 274 470	6 207 369	29.2%	(13.0%)
Total incl indirect revenue and capital transfers	236 533 893	44 564 427	281 098 319	55 177 726	7 212 147	62 389 873	22.2%	117 641 242	11 927 807	129 569 050	46.1%	49 689 474	7 932 844	57 622 318	24.7%	16.6%
Less:																
Capital transfers	22 041 560	-	22 041 560	3 481 201	-	3 481 201	-	6 689 089	-	6 689 089	-	1 873 732	-	1 873 732	-	-
Indirect operating revenue	11 193 200	-	11 193 200	2 406 259	-	2 406 259	-	4 885 152	-	4 885 152	-	4 134 093	-	4 134 093	-	-
External loans / borrowing	-	7 267 846	7 267 846	-	1 084 799	1 084 799	-	-	1 739 226	1 739 226	-	-	1 632 509	1 632 509	-	-
Internally generated funds	-	8 014 380	8 014 380	-	1 231 906	1 231 906	-	-	1 937 973	1 937 973	-	-	1 827 603	1 827 603	-	-
Total revenue	203 299 133	29 282 201	232 581 334	49 290 266	4 895 442	54 185 708	23.3%	106 067 002	8 250 608	114 317 610	49.2%	43 681 648	4 472 732	48 154 380	19.5%	

Source: National Treasury Local Government database

Table 14: Metros aggregated revenue as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Total Rev as % of main app
	Operating Revenue ¹	Capital Revenue	Total	Operating Revenue	Capital Revenue	Total	2nd Q as % of Main app	Operating Revenue	Capital Revenue	Total	Total Rev as % of main app	Operating Revenue	Capital Revenue	Total	Total Rev as % of main app	
Buffalo City	4 307 707	764 669	5 072 376	705 611	49 447	755 059	14.9%	2 188 315	86 440	2 274 755	44.8%	616 760	97 311	714 071	27.7%	
Cape Town	33 275 647	5 089 867	38 365 513	7 471 903	863 962	8 335 864	21.7%	15 126 974	1 218 847	16 345 821	42.6%	6 152 336	610 988	6 763 324	23.2%	
Ekurhuleni Metro	21 151 848	2 374 785	23 526 634	5 375 230	377 235	5 752 465	24.5%	11 092 289	563 272	11 655 561	49.5%	4 756 097	376 226	5 132 323	26.3%	
eThekweni	25 700 435	5 097 529	30 797 964	6 309 336	964 162	7 273 498	23.6%	12 581 222	1 578 827	14 160 049	46.0%	4 810 076	1 250 232	6 060 308	21.9%	
City Of Johannesburg	32 072 726	3 722 199	35 794 925	7 584 720	654 509	8 239 229	23.0%	15 571 201	969 287	16 540 488	46.2%	6 602 813	672 499	7 275 312	22.0%	
Mangaung	4 438 450	824 147	5 262 597	941 716	141 693	1 083 410	20.6%	1 902 075	233 858	2 135 934	40.6%	803 327	131 871	935 198	24.1%	
Nelson Mandela Bay	7 616 421	1 406 732	9 023 153	1 891 359	255 809	2 147 167	23.8%	3 492 321	382 175	3 874 496	42.9%	1 607 583	396 324	2 003 907	20.2%	
City Of Tshwane	19 406 082	3 185 418	22 591 500	4 535 752	551 536	5 087 288	22.5%	9 444 408	917 482	10 361 890	45.9%	3 854 060	454 667	4 308 727	21.2%	
Total incl indirect revenue and capital transfers	147 969 316	22 465 346	170 434 662	34 815 627	3 858 353	38 673 980	22.7%	71 398 806	5 950 188	77 348 994	45.4%	29 203 053	3 990 118	33 193 171	22.9%	
Less:																
Capital transfers	12 594 541	-	12 594 541	1 908 444	-	1 908 444	-	2 820 763	-	2 820 763	-	1 015 258	-	1 015 258	-	
Indirect operating revenue	10 695 637	-	10 695 637	2 339 487	-	2 339 487	-	4 757 561	-	4 757 561	-	2 356 520	-	2 356 520	-	
External loans / borrowing	-	4 835 868	4 835 868	-	849 482	849 482	-	-	1 381 386	1 381 386	-	-	1 372 033	1 372 033	-	
Internally generated funds	-	4 603 450	4 603 450	-	660 370	660 370	-	-	1 074 518	1 074 518	-	-	999 997	999 997	-	
Total revenue	124 679 138	13 026 028	137 705 166	30 567 696	2 348 501	32 916 196	99.0%	63 820 481	3 494 284	67 314 765	48.9%	25 831 275	1 618 088	27 449 363	82.5%	

Source: National Treasury Local Government database

Table 15: Metros aggregated expenditure as at 2nd quarter ended 31 December 2011

R thousands	Main appropriation			Second Quarter 2011/12				Year to date: 31 December 2011				Second Quarter 2010/11				Q2 of 2010/11 to Q2 of 2011/12
	Operating Expenditure	Capital Expenditure	Total	Operating Expenditure	Capital Expenditure	Total	2nd 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	
Buffalo City	3 616 250	764 669	4 380 919	718 514	49 447	767 961	17.5%	1 548 046	86 440	1 634 487	37.3%	901 962	97 311	999 273	13.8%	(13.3%)
Cape Town	30 720 927	5 089 867	35 810 794	7 002 379	863 962	7 866 341	22.0%	13 720 214	1 218 847	14 939 061	41.7%	6 357 867	610 988	6 968 855	20.5%	1.5%
Ekurhuleni Metro	21 151 308	2 374 785	23 526 094	4 689 541	377 235	5 066 776	21.5%	10 091 859	563 272	10 655 131	45.3%	4 709 078	376 226	5 085 304	24.3%	9.9%
eThekweni	23 583 184	5 097 529	28 680 713	5 275 189	964 162	6 239 351	21.8%	10 544 385	1 578 827	12 123 212	42.3%	4 843 405	1 250 232	6 093 637	20.3%	(3.4%)
City Of Johannesburg	28 561 968	3 722 199	32 284 167	6 879 851	654 510	7 534 361	23.3%	14 439 524	969 288	15 408 812	47.7%	6 312 652	672 499	6 985 151	23.3%	12.7%
Mangaung	3 691 530	824 147	4 515 677	793 068	141 693	934 762	20.7%	1 469 826	233 858	1 703 684	37.7%	634 550	131 871	766 421	22.0%	0.3%
Nelson Mandela Bay	6 621 119	1 406 732	8 027 851	1 433 979	255 809	1 689 788	21.0%	2 876 008	382 175	3 258 183	40.6%	1 497 681	396 324	1 894 005	19.3%	(17.2%)
City Of Tshwane	18 218 844	3 185 418	21 404 261	4 338 167	551 536	4 889 703	22.8%	8 265 476	917 482	9 182 958	42.9%	3 285 628	454 667	3 740 294	20.5%	14.8%
Total incl indirect expenditure	136 165 129	22 465 346	158 630 475	31 130 688	3 858 354	34 989 042	22.1%	62 955 338	5 950 189	68 905 527	43.4%	28 542 822	3 990 118	32 532 940	21.4%	4.3%
Less:																
Indirect operating expenditure	10 695 637	-	10 695 637	2 444 689	-	2 444 689	-	4 925 397	-	4 925 397	-	2 344 336	-	2 344 336	-	
Taxation	295 486	-	295 486	6 496	-	6 496	-	10 079	-	10 079	-	3 563	-	3 563	-	
Total expenditure	125 174 007	22 465 346	147 639 353	28 679 502	3 858 354	32 537 856	22.0%	58 019 862	5 950 189	63 970 051	43.3%	26 194 923	3 990 118	30 185 041	21.5%	

Source: National Treasury Local Government database

1. Although improved alignment has been achieved in reporting against budget, (this is due 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 2nd 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 report. 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 2nd quarter section 71 in-year reporting publication.
3. Table 13 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 14 and 15 provides for the same reconciliation of the aggregated revenue and expenditure adopted budgets for metros.