

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 365 [NW393E]**  
**DATE OF PUBLICATION: 20 FEBRUARY 2015**

**365. Mr K J Mileham (DA) to ask the Minister of Finance:**

- (1) For each metropolitan municipality, based on the 2013-14 audited annual financial statements, what was the (a) average debt collection rate for the year, (b) outstanding consumer debt at the year end at (i) current, (ii) 30 days, (iii) 60 days, (iv) 90 days and (v) more than 120 days and (c) average debtor days for the year;
- (2) (a) what was owed to creditors at year end at (i) current, (ii) 30 days, (iii) 60 days, (iv) 90 days and (v) more than 120 days and (b) what was the average period to settle creditors' accounts for the year;
- (3) (a) what was the liquidity ratio of the municipality at year end, (b) what was the acid test ratio of the municipality at year end and (c) (i) how much conditional grant funding was allocated to be spent in the 2013-14 financial year and (ii) what amount went unspent?

NW393E

**REPLY:**

- (1) (a) The average collection of outstanding debt for the metropolitan municipalities measured in terms of days for the 2013/14 financial year is 72 days.
- (b) The total outstanding consumer debtors (gross) for the 8 Metros as at 30 June 2014 amounted to R60.7 billion of which R15.7 billion is outstanding for 30 days, R2.5 billion 60 days, R2.1 billion 90 days and R40.4 billion more than 120 days. Detail of the consumer debtors as at 30 June 2014 is indicated in **Table 1**.

**Table 1: Age analysis of outstanding debtors, 2013/14**

Municipality	Code	Debtors outstanding up to 30 days	Debtors outstanding between 31 to 60 days	Debtors outstanding between 61 and 90 days	Debtors outstanding more than 120 days	Total Gross Debtors	Impairment - Bad Debts to Council Policy	Total Net Debtors outstanding	Average debtors days
Buffalo City	BUF	278 318	51 323	36 296	884 394	1 250 331	686 127	564 204	71
Cape Town	CPT	2 994 932	201 396	184 438	5 158 555	8 539 321	4 230 967	4 308 354	79
City of Johannesburg	JHB	4 687 368	920 437	894 718	13 866 623	20 369 146	15 480 874	4 888 272	64
City of Tshwane	TSH	2 588 862	229 280	195 163	4 555 792	7 569 097	5 034 345	2 534 752	54
Ekurhuleni Metro	EKU	2 576 431	484 830	387 228	9 383 075	12 831 564	8 371 490	4 460 074	87
eThekweni	ETH	1 520 755	261 565	154 845	2 950 844	4 888 009	2 008 961	2 879 048	56
Mangaung	MAN	419 645	173 903	129 505	1 970 093	2 693 146	1 788 351	904 795	88
Nelson Mandela Bay	NMA	682 346	154 524	91 843	1 718 821	2 647 534	1 610 798	1 036 736	72
<b>Total</b>		<b>15 748 657</b>	<b>2 477 258</b>	<b>2 074 036</b>	<b>40 488 197</b>	<b>60 788 148</b>	<b>39 211 913</b>	<b>21 576 235</b>	
Average		<b>1 968 582</b>	<b>309 657</b>	<b>259 255</b>	<b>5 061 025</b>	<b>7 598 519</b>	<b>4 901 489</b>	<b>2 697 029</b>	<b>72</b>
Percentage		25.91%	4.08%	3.41%	66.61%	100.00%	64.51%	35.49%	

Source: 2013/14 Consolidated Annual Financial Statements

- (2) (a) The Metropolitan Municipalities owed creditors a total amount of R39.9 billion as at 30 June 2014.
- (b) The outstanding creditors were only reflected as outstanding within 30 days as the reporting for creditors age analysis is not a statutory reporting requirement for the disclosure in annual financial statements. The average period within which creditors have been settled for the year is therefore not available; it is proposed that the information be obtained directly from the relevant metros (**Table 2** provides details of creditors per metro).

**Table 2: Outstanding creditors, 2013/14**

Municipality	Code	Creditors outstanding up to 30 days	Creditors outstanding between 31 and 60 days	Creditors outstanding between 61 and 90 days	Creditors outstanding more than 120 days	Total Creditors
<b>R thousand</b>						
Buffalo City	BUF	844 967	0	0	0	<b>844 967</b>
Cape Town	CPT	6 289 748	0	0	0	<b>6 289 748</b>
City of Johannesburg	JHB	11 169 855	0	0	0	<b>11 169 855</b>
City of Tshwane	TSH	5 399 143	0	0	0	<b>5 399 143</b>
Ekurhuleni Metro	EKU	5 414 556	0	0	0	<b>5 414 556</b>
eThekweni	ETH	7 919 009	0	0	0	<b>7 919 009</b>
Mangaung	MAN	1 015 555	0	0	0	<b>1 015 555</b>
Nelson Mandela Bay	NMA	1 893 412	0	0	0	<b>1 893 412</b>
<b>Total</b>		<b>39 946 245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39 946 245</b>

Source: 2013/14 Consolidated Annual Financial Statements

- (3) (a) The liquidity ratio per metro is presented in **Table 3**. The norm ranges between 1.5:1 and 2.1:1 (National Treasury Circular 72).
- (b) Acid test ratios per metro are presented in **Table 3**.

**Table 3: Liquidity and acid test ratios, 2013/14**

Municipality	Code	Current Assets	Current Liabilities	Inventory	Pre paid	Liquidity	Acid Test (or Quick)
Buffalo City	BUF	2 846 977	1 088 772	50 598	0	2.61	2.57
Cape Town	CPT	10 300 818	8 218 660	270 351	0	1.25	1.22
City of Johannesburg	JHB	14 855 359	13 717 618	307 467	0	1.08	1.06
City of Tshwane	TSH	4 590 701	6 382 575	391 916	0	0.72	0.66
Ekurhuleni Metro	EKU	11 335 711	6 641 355	166 340	515 502	1.71	1.60
eThekweni	ETH	13 163 816	10 695 464	389 622	40 768	1.23	1.19
Mangaung	MAN	1 340 835	2 087 351	175 114	146 071	0.64	0.49
Nelson Mandela Bay	NMA	3 199 991	2 268 472	107 226	70 696	1.41	1.33
<b>Total</b>		<b>61 634 208</b>	<b>51 100 267</b>	<b>1 858 634</b>	<b>773 037</b>		

Source: 2013/14 Consolidated Annual Financial Statements

- (c) Unspent grants as at 30 June 2014 amounted to R2 billion for the eight Metropolitan Municipalities. This is compared to an allocation amount of R 5.4 billion received by the Metropolitan Municipalities for the 2013/14 financial year.

Detail of the grants as per Table 4.

**Table 4: 2013/2014 Unspent Conditional Grants for Metros**

Code	Municipality	Allocations	Amount Unspent before roll over Request
BUF	Buffalo City	59 584	1 952
NMA	Nelson Mandela Bay	395 341	54 688
MAN	Mangaung	110 796	735
EKU	Ekurhuleni	298 006	58 281
JHB	City of Johannesburg	1 273 318	460 650
TSH	City of Tshwane	1 094 663	4 059
ETH	eThekweni	695 486	841 531
CPT	City of Cape Town	1 478 717	536 540
<b>Total</b>		<b>5 405 911</b>	<b>1 958 436</b>

Source: 2013/14 Consolidated Pre-audited Annual Financial Statements