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## **STATISTICAL RELEASE**

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# Financial statistics of consolidated general government

## 2018/2019

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## Key findings

### **The consolidated net change in the stock of cash of the general government sector amounted to a deficit of R26 108 million for the 2018/2019 fiscal year.**

The revenue cash flows from operating activities amounted to R1 598 581 million and the expense cash flows amounted to R1 656 211 million, resulting in a net cash outflow from operating activities of R57 630 million for the 2018/2019 fiscal year ended 31 March 2019. The net cash outflow from transactions in non-financial assets amounted to R137 266 million for the 2018/2019 fiscal year. The net acquisition of financial assets other than cash amounted to a cash outflow of R33 827 million for the 2018/2019 fiscal year. The net incurrence of liabilities amounted to R202 615 million, resulting in a net cash inflow of R168 788 million from financing activities for the 2018/2019 fiscal year. The total net change in the stock of cash of the general government sector amounted to a deficit of R26 108 million (see Table A, p. 4).

The largest contributor to the total expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of R1 794 672 million by the general government sector for the 2018/2019 fiscal year was general public services (R437 129 million, contributing 24,4%), followed by education (R360 239 million or 20,1%), social protection (R257 429 million or 14,3%), health (R217 349 million or 12,1%), economic affairs (R175 082 million or 9,8%), public order and safety (R173 760 million or 9,7%), housing and community amenities (R71 420 million or 4,0%), defence (R46 659 million or 2,6%), recreation, culture and religion (R41 473 million or 2,3%) and environmental protection (R14 130 million or 0,8%) (see Table C, p.11, and Figure 4, p.12).

## **Revenue cash flows from operating activities, the expense cash flows for operating activities and net cash flows from investment in non-financial assets by economic classification**

Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. There are seven main economic classification categories of expense cash flows for operating activities: compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

The revenue cash flows from operating activities increased by R101 958 million from R1 496 623 million in 2017/2018 to R 1 598 581 million in 2018/2019. The increase was mainly due to an increase in taxes collected.

The increase of R84 403 million in cash receipts of taxes from R1 317 073 million in 2017/2018 to R1 401 476 million in 2018/2019 was mainly due to increases in taxes collected from individuals' income and in taxes on goods and services (i.e. value added tax (VAT) and excise taxes).

The increase of R16 770 million in other receipts from R152 446 million in 2017/2018 to R169 216 million in 2018/2019 was mainly due to an increase in property income received by the national government and municipalities, and an increase in the sale of water services by the Water Trading Entity.

Expense cash flows for operating activities increased by R92 094 million from R1 564 117 million in 2017/2018 to R1 656 211 million in 2018/2019. The increase was mainly due to increases in compensation of employees, social benefits, interest paid and purchases of goods and services.

The largest contributor to total cash payments for operating activities for the 2018/2019 fiscal year was compensation of employees (R694 256 million), followed by purchases of goods and services (R352 672 million), social benefits (R225 859 million), interest (R196 948 million), other payments (R105 243 million), grants paid (R55 069 million) and subsidies (R26 162 million) (see Table A, p.4 and Figure 1, p.5).

The increase of R45 505 million in compensation of employees from R648 751 million in 2017/2018 to R694 256 million in 2018/2019 was due to increases in compensation of employees by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments, the national government and municipalities.

The increase of R20 867 million in social benefits paid from R204 992 million in 2017/2018 to R225 859 million in 2018/2019 was mainly due to an increase in payments of social grants to households by the Department of Social Development and higher claims paid to households by the Road Accident Fund.

The increase of R16 800 million in interest from R180 148 million in 2017/2018 to R196 948 million in 2018/2019 was due to an increase in interest paid on public debt by the national government.

The increase of R16 386 million in purchases of goods and services from R336 286 million in 2017/2018 to R352 672 million in 2018/2019 was due to an increase in payments made by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments and the Water Trading Entity.

The increase of R3 127 million in subsidies paid from R23 035 million in 2017/2018 to R26 162 million in 2018/2019 was due to an increase in subsidies paid to corporations by the Department of Transport and the Gauteng and KwaZulu-Natal provincial governments.

The decrease of R7 174 million in grants from R62 243 million in 2017/2018 to R55 069 million in 2018/2019 was due to a decrease in grants paid by the Department of National Treasury to foreign governments.

The decrease of R3 418 million in other payments from R108 661 million in 2017/2018 to R105 243 million in 2018/2019 was mainly due to once-off payments which were paid to public corporations during the 2017/2018 fiscal year by the Department of National Treasury.

The net cash flows from investment in non-financial assets decreased by R485 million from R137 751 million in 2017/2018 to R137 266 million in 2018/2019 due to a decrease in capital expenditure on buildings and other structures by provincial governments and extra-budgetary accounts and funds.

**Table A – Economic classification of statement of sources and uses of cash of consolidated general government for the 2017/2018 and 2018/2019 fiscal years (summary)<sup>1</sup>**

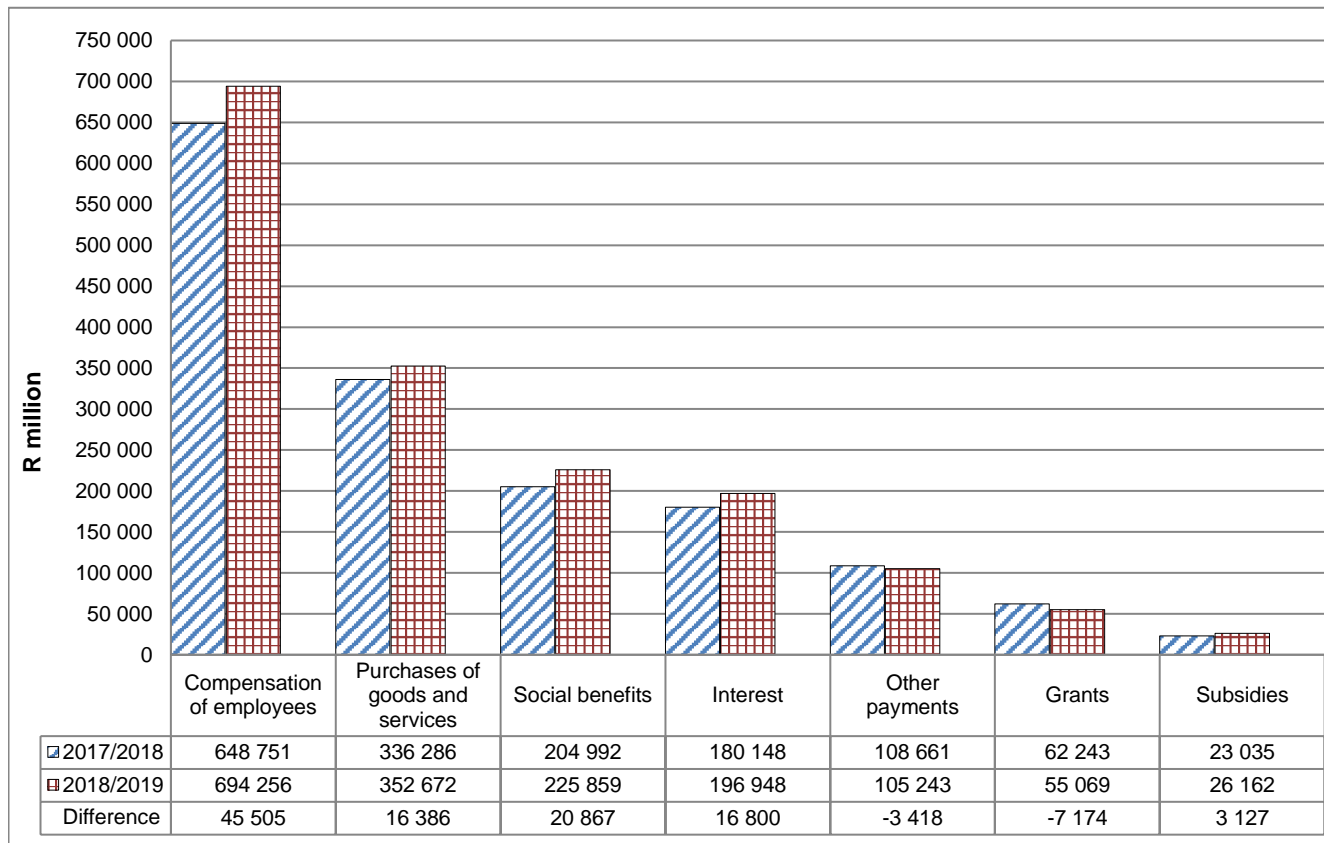
GFS 2014 code	Economic classification of sources and uses of cash	2017/2018 <sup>2</sup>	2018/2019	Difference between 2017/2018 and 2018/2019
		R million		
	<b>Cash flows from operating activities:</b>			
	Revenue cash flows <b>a</b>	1 496 623	1 598 581	101 958
11	Taxes	1 317 073	1 401 476	84 403
12	Social contributions	25 174	25 956	782
13	Grants	1 929	1 933	4
14	Other receipts	152 446	169 216	16 770
	Expense cash flows <b>b</b>	1 564 117	1 656 211	92 094
21	Compensation of employees	648 751	694 256	45 505
22	Purchases of goods and services	336 286	352 672	16 386
24	Interest	180 148	196 948	16 800
25	Subsidies	23 035	26 162	3 127
26	Grants	62 243	55 069	-7 174
27	Social benefits	204 992	225 859	20 867
28	Other payments	108 661	105 243	-3 418
	<i>Net cash flow from operating activities: (outflow)/ inflow</i>			
	<b>(a-b)=c</b>	-67 494	-57 630	9 864
	<b>Cash flows from transactions in non-financial assets:</b>			
	Net cash outflow from investments in non-financial assets <sup>3</sup> <b>d</b>	137 751	137 266	-485
611	Fixed assets	136 641	136 185	-456
612	Inventories	0	0	0
613	Valuables	33	42	9
614	Non-produced assets	1 078	1 040	-38
	<i>Cash surplus/ (deficit)</i>			
	<b>(c-d)=e</b>	-205 244	-194 896	
	<b>Cash flows from financing activities:</b>			
	Net acquisition of financial assets other than cash: cash outflow/ (inflow) <b>f</b>	28 183	33 827	
321	Domestic	27 428	34 797	
322	Foreign	755	-970	
	Net incurrence of liabilities: cash (outflow) / inflow <b>g</b>	239 181	202 615	
331	Domestic	207 303	178 629	
332	Foreign	31 878	23 986	
	<i>Net cash flow from financing activities: (outflow) / inflow</i>			
	<b>(g-f)=h</b>	210 998	168 788	
	<b>NET CHANGE IN THE STOCK OF CASH</b>			
	<b>(h+e)=i</b>	<b>5 754</b>	<b>-26 108</b>	

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.

<sup>2</sup> Revised since the previous publication.

<sup>3</sup> The net cash outflow from investment in non-financial assets (R137 266 million) is equal to purchases of non-financial assets (R138 462 million) minus sales of non-financial assets (R1 196 million). The total amounts for purchases (see Table B, p. 8) and sales of non-financial assets (see Table 4, p. 26) are shown, respectively, in the disaggregated tables available on the Stats SA website.

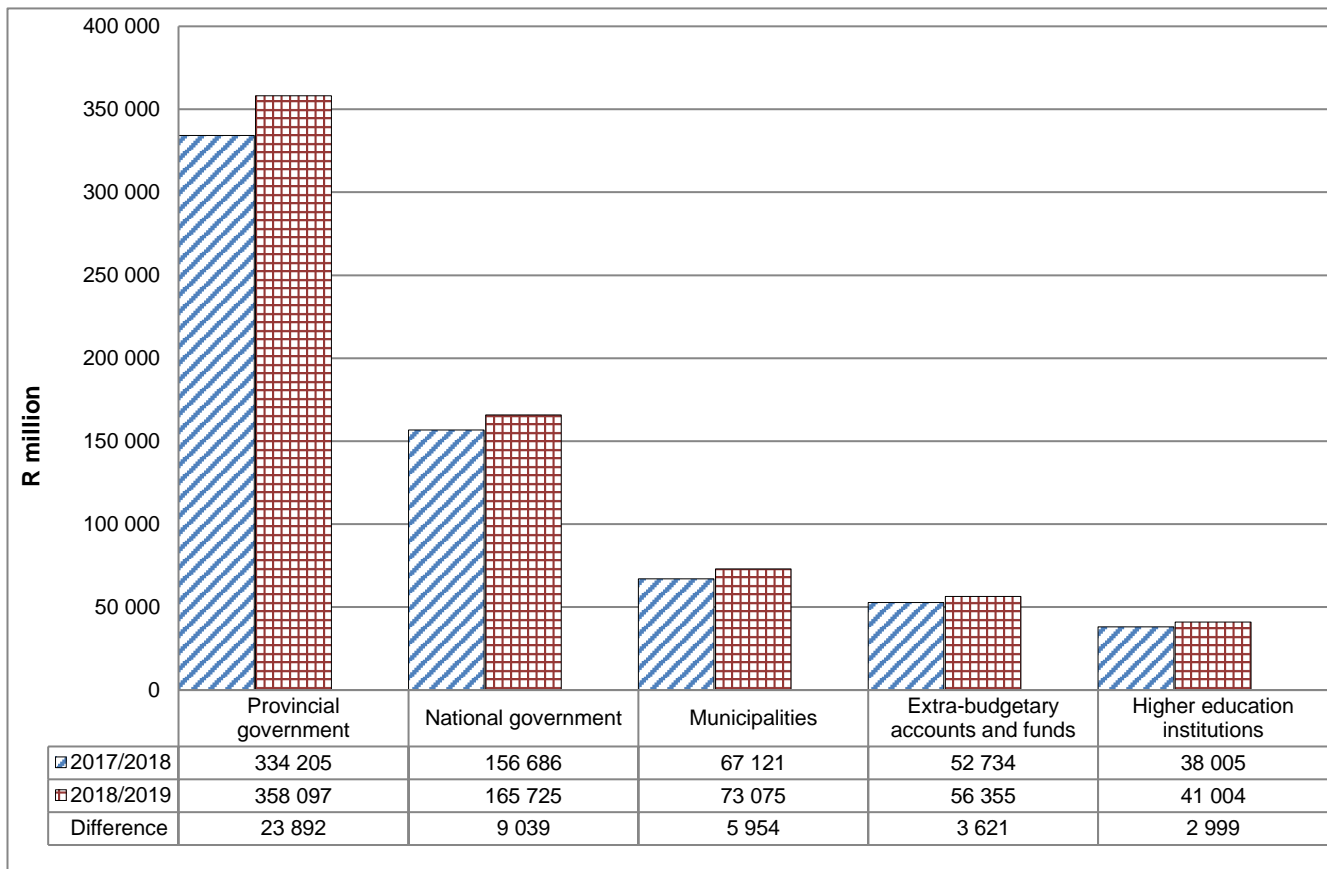
**Figure 1 – Economic classification of expense cash flows for operating activities for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**



\* Some of the figures have been revised since the previous publication.  
 \*\* The breakdown can be found in the disaggregated tables available on the Stats SA website.

Figure 1 shows the economic classification of expense cash flows for operating activities for the 2017/2018 and 2018/2019 fiscal years. In 2018/2019, consolidated general government main costs were compensation of employees (R694 256 million), purchases of goods and services (R352 672 million), social benefits (R225 859 million) and interest (R196 948 million).

**Figure 2 – Compensation of employees by type of general government institution for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**

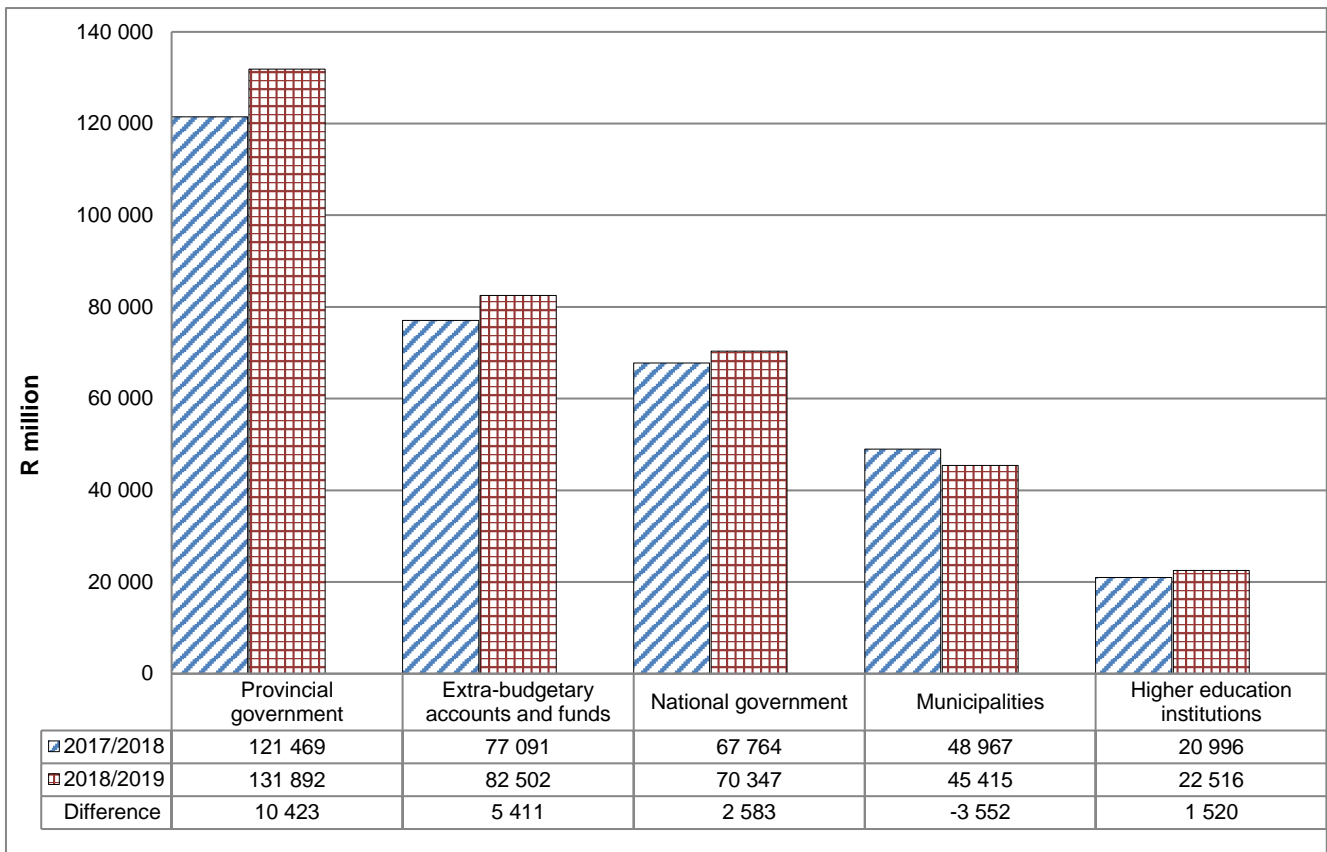


\* Some of the figures have been revised since the previous publication.

\*\* The breakdown can be found in the disaggregated tables available on the Stats SA website.

Figure 2 shows general government expense cash flows on compensation of employees. The total for the 2018/2019 fiscal year was R694 256 million, with provincial governments accounting for the largest proportion of this expenditure (R358 097 million), followed by national government (R165 725 million), municipalities (R73 075 million), extra-budgetary accounts and funds (R56 355 million) and higher education institutions (R41 004 million).

**Figure 3 – Purchases of goods and services by type of general government institution for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**



\* Some of the figures have been revised since the previous publication.  
 \*\* The breakdown can be found on the disaggregated tables available on the Stats SA website.

The total purchases of goods and services by the general government for the 2018/2019 fiscal year was R352 672 million. Figure 3 shows purchases of goods and services by type of general government. Provincial government recorded the largest spending (R131 892 million), followed by extra-budgetary accounts and funds (R82 502 million), national government (R70 347 million), municipalities (R45 415 million) and higher education institutions (R22 516 million).



**Table B – Economic classification of cash outflows (purchases) from investment in non-financial assets for the 2017/2018 and 2018/2019 fiscal years (summary)<sup>1</sup>**

GFS 2014 code	Cash flows from transactions in non-financial assets	2017/2018 <sup>2</sup>	2018/2019	Difference between 2017/2018 and 2018/2019
		R million		
	<b>Cash flows from investments in non-financial assets: (b+r+s+t)=a</b>	<b>139 062</b>	<b>138 462</b>	<b>-600</b>
<b>611</b>	<b>Fixed assets (c+d+i+q)=b</b>	<b>137 895</b>	<b>137 346</b>	<b>-549</b>
<b>6111</b>	<b>Buildings and structures c</b>	<b>112 788</b>	<b>109 711</b>	<b>-3 077</b>
61111	Dwellings	2 220	669	-1 551
61112	Buildings other than dwellings	30 692	29 375	-1 317
61113	Other structures	79 571	79 419	-152
61114	Land improvements	305	248	-57
<b>6112</b>	<b>Machinery and equipment (e+f)=d</b>	<b>22 304</b>	<b>24 721</b>	<b>2 417</b>
61121	Transport equipment e	7 346	7 299	-47
<b>61122</b>	<b>Machinery and equipment other than transport equipment (g+h)=f</b>	<b>14 958</b>	<b>17 422</b>	<b>2 464</b>
611221	Information, computer and telecommunications equipment g	3 973	3 976	3
<b>611222</b>	<b>Machinery and equipment not elsewhere classified h</b>	<b>10 985</b>	<b>13 446</b>	<b>2 461</b>
6112221	Office furniture (and domestic furniture)	1 638	1 544	-94
6112222	Other machinery and equipment	9 125	11 675	2 550
6112223	Books	222	227	5
<b>6113</b>	<b>Other fixed assets (j+k)=i</b>	<b>2 803</b>	<b>2 914</b>	<b>111</b>
<b>61131</b>	<b>Cultivated biological resources j</b>	<b>42</b>	<b>30</b>	<b>-12</b>
611311	Animal resources yielding repeat products	42	30	-12
611312	Tree, crop, and plant resources yielding repeat products	0	0	0
<b>61132</b>	<b>Intellectual property products (l+m+n+o+p)=k</b>	<b>2 761</b>	<b>2 884</b>	<b>123</b>
611321	Research and development l	0	0	0
611322	Mineral exploration and evaluation m	0	0	0
<b>611323</b>	<b>Computer software and databases n</b>	<b>2 741</b>	<b>2 838</b>	<b>97</b>
6113231	Computer software	2 741	2 835	94
6113232	Databases	0	3	3
611324	Entertainment, literary, and artistic originals o	0	5	5
611325	Other intellectual property products p	20	41	21
<b>6114</b>	<b>Weapons systems q</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>612</b>	<b>Inventories r</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>613</b>	<b>Valuables s</b>	<b>33</b>	<b>42</b>	<b>9</b>
<b>614</b>	<b>Non-produced assets t</b>	<b>1 136</b>	<b>1 074</b>	<b>-62</b>

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.

<sup>2</sup> Revised since the previous publication.

The largest contributor to the cash outflow from investment in non-financial assets was buildings and structures (R109 711 million), followed by machinery and equipment (R24 721 million), other fixed assets (R2 914 million), non-produced assets (R1 074 million) and valuables (R42 million) for the 2018/2019 fiscal year.

## **Expenditure cash flows for operating activities and purchases of non-financial assets by functional classification**

Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote government objectives and various services rendered to the community. The functionally classified expenditure categories are indicated in Table C, p.11. There are ten main categories of functional classification of expenditure cash flows for operating activities and purchases of non-financial assets: general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection.

Total expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) by the general government sector increased by R91 493 million from R1 703 179 million in 2017/2018 to R1 794 672 million in the 2018/2019 fiscal year.

The increase of R32 120 million in cash payments for education from R328 119 million in 2017/2018 to R360 239 million in 2018/2019 was due to increased transfer payments to households by the National Student Financial Aid Scheme and spending on education by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments and higher education institutions.

The increase of R21 330 million in cash payments for social protection from R236 099 million in 2017/2018 to R257 429 million in 2018/2019 was due to increased social grants paid to households by the Department of Social Development and higher claims paid by the Road Accident Fund.

The increase of R19 204 million in cash payments for public debt transactions from R162 645 million in 2017/2018 to R181 849 million in 2018/2019 was due to increased payments of interest on public debt by the national government.

The increase of R16 487 million in cash payments for health from R200 862 million in 2017/2018 to R217 349 million in 2018/2019 was due to increased spending on hospital services and public health services by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R10 843 million in cash payments for public order and safety from R162 917 million in 2017/2018 to R173 760 million in 2018/2019 was due to increased spending on police services and prisons by the national government and municipalities.

The increase of R1 896 million in cash payments for recreation, culture and religion from R39 577 million in 2017/2018 to R41 473 million in 2018/2019 was mainly due to an increase in cash payments by municipalities and the National Gambling Board.

The increase of R1 562 million in cash payments for agriculture, forestry, fishing and hunting from R20 727 million in 2017/2018 to R22 289 million in 2018/2019 was due to increased spending on buildings and structures, compensation of employees and goods and services by the Department of Rural Development and Land Reform and the Limpopo and Northern Cape provincial governments.

The increase of R1 273 million in cash payments for general services from R48 004 million in 2017/2018 to R49 277 million in 2018/2019 was mainly due to an increase in cash payments by the Property Management Trading Entity, the Government Printing Works Trading Account and the Eastern Cape provincial government.

The increase of R758 million in cash payments for mining, manufacturing and construction from R7 901 million in 2017/2018 to R8 659 million in 2018/2019 was mainly due to increased cash payments for operating expenditure by the Construction Education and Training Authority and an increase in payments of subsidies to private enterprise by the Department of Trade and Industry.

The increase of R729 million in cash payments for housing and community amenities from R70 691 million in 2017/2018 to R71 420 million in 2018/2019 was mainly due to increases in cash payments for operating expenditure by the Water Trading Entity and transfers paid to households by municipalities.

The increase of R196 million in cash payments for environmental protection from R13 934 million in 2017/2018 to R14 130 million in 2018/2019 was mainly due to increased cash payments by the Department of Environmental Affairs, the South African National Biodiversity Institute and the KwaZulu-Natal Nature Conservation Board.

The decrease of R9 167 million in cash payments for executive and legislative organs, financial and fiscal affairs, external affairs from R201 243 million in 2017/2018 to R192 076 million in 2018/2019 was due to a decrease in payments to the Southern African Customs Union and decreased expenditure by municipalities.

The decrease of R2 981 million in cash payments for general economic, commercial and labour affairs from R34 975 million in 2017/2018 to R31 994 million in 2018/2019 was mainly due to decreased transfers to households by the National Skills Fund and decreased cash payments for goods and services by the COEGA Development Corporation.

The decrease of R2 186 million in cash payments for transport from R92 499 million in 2017/2018 to R90 313 million in 2018/2019 was mainly due to once-off capital transfers which were paid during 2017/2018 to non-financial public corporations by the Department of National Treasury.

The decrease of R1 069 million in cash payments for communications from R6 355 million in 2017/2018 to R5 286 million 2018/2019 was mainly due to once-off capital transfers which were paid during 2017/2018 to non-financial public corporations by the Department of Telecommunications and Postal Services.

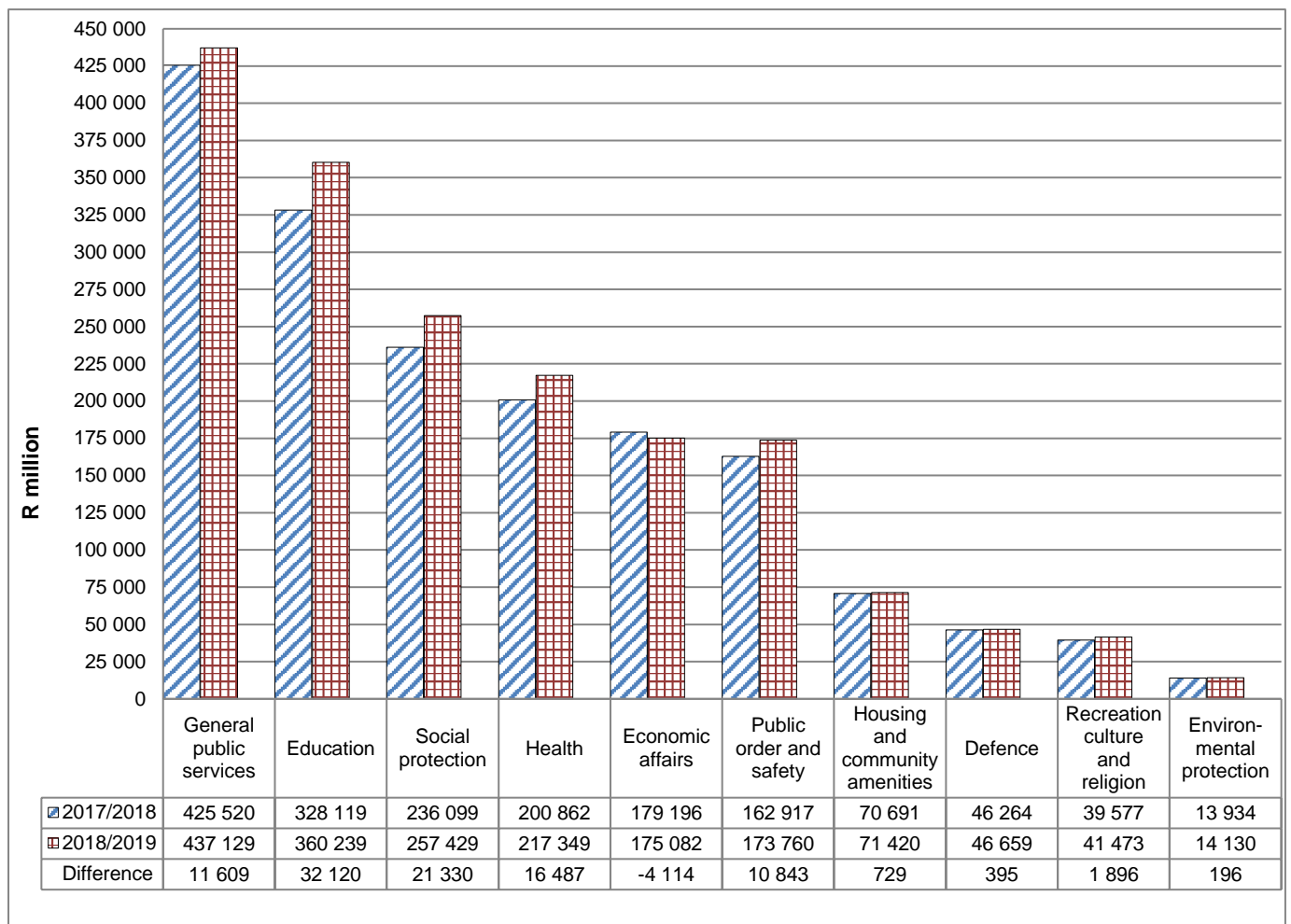
**Table C – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2017/2018 and 2018/2019 fiscal years (summary)<sup>1</sup>**

GFS 2014 code	Functional classification	2017/2018 <sup>2</sup>	2018/2019	Difference between 2017/2018 and 2018/2019	% of total cash payments 2018/2019
		R million			%
<b>701</b>	<b>General public services</b>				
<b>7011</b>	Executive and legislative organs, financial and fiscal affairs, external affairs	201 243	192 076	-9 167	10,7
<b>7012</b>	Foreign economic aid	483	424	-59	0,0
<b>7013</b>	General services	48 004	49 277	1 273	2,7
<b>7014</b>	Basic research	7 882	7 981	99	0,4
<b>7015</b>	Research and development general public services	820	883	63	0,0
<b>7016</b>	General public services n.e.c.	4 443	4 638	195	0,3
<b>7017</b>	Public debt transactions (mainly interest)	162 645	181 849	19 204	10,1
<b>7018</b>	Transfers of a general character between different levels of government	0	0	0	0,0
	<b>Total general public services</b>	<b>a 425 520</b>	<b>437 129</b>	<b>11 609</b>	<b>24,4</b>
<b>702</b>	<b>Defence</b>	<b>b 46 264</b>	<b>46 659</b>	<b>395</b>	<b>2,6</b>
<b>703</b>	<b>Public order and safety</b>				
<b>7031</b>	Police	108 450	116 055	7 605	6,5
<b>7032</b>	Fire protection services	8 405	9 127	722	0,5
<b>7033</b>	Law courts	21 231	22 056	825	1,2
<b>7034</b>	Prisons	21 650	22 701	1 051	1,3
<b>7035</b>	Research and development public order and safety	106	193	87	0,0
<b>7036</b>	Public order and safety n.e.c.	3 076	3 629	553	0,2
	<b>Total public order and safety</b>	<b>c 162 917</b>	<b>173 760</b>	<b>10 843</b>	<b>9,7</b>
<b>704</b>	<b>Economic affairs</b>				
<b>7041</b>	General economic, commercial and labour affairs	34 975	31 994	-2 981	1,8
<b>7042</b>	Agriculture, forestry, fishing and hunting	20 727	22 289	1 562	1,2
<b>7043</b>	Fuel and energy	7 852	7 295	-557	0,4
<b>7044</b>	Mining, manufacturing and construction	7 901	8 659	758	0,5
<b>7045</b>	Transport	92 499	90 313	-2 186	5,0
<b>7046</b>	Communications	6 355	5 286	-1 069	0,3
<b>7047</b>	Other industries	5 383	5 663	280	0,3
<b>7048</b>	Research and development economic affairs	3 503	3 584	81	0,2
	<b>Total economic affairs</b>	<b>d 179 196</b>	<b>175 082</b>	<b>-4 114</b>	<b>9,8</b>
<b>705</b>	<b>Environmental protection</b>	<b>e 13 934</b>	<b>14 130</b>	<b>196</b>	<b>0,8</b>
<b>706</b>	<b>Housing and community amenities</b>	<b>f 70 691</b>	<b>71 420</b>	<b>729</b>	<b>4,0</b>
<b>707</b>	<b>Health</b>	<b>g 200 862</b>	<b>217 349</b>	<b>16 487</b>	<b>12,1</b>
<b>708</b>	<b>Recreation, culture and religion</b>	<b>h 39 577</b>	<b>41 473</b>	<b>1 896</b>	<b>2,3</b>
<b>709</b>	<b>Education</b>	<b>i 328 119</b>	<b>360 239</b>	<b>32 120</b>	<b>20,1</b>
<b>710</b>	<b>Social protection</b>	<b>j 236 099</b>	<b>257 429</b>	<b>21 330</b>	<b>14,3</b>
	<b>Total consolidated general government expenditure cash flows for operating activities and purchases of non-financial assets</b>				
	<b>(a+b+c+d+e+f+g+h+i+j)=k</b>	<b>1 703 179</b>	<b>1 794 672</b>	<b>91 493</b>	<b>100,0</b>

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.

<sup>2</sup> Revised since the previous publication.

**Figure 4 – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**

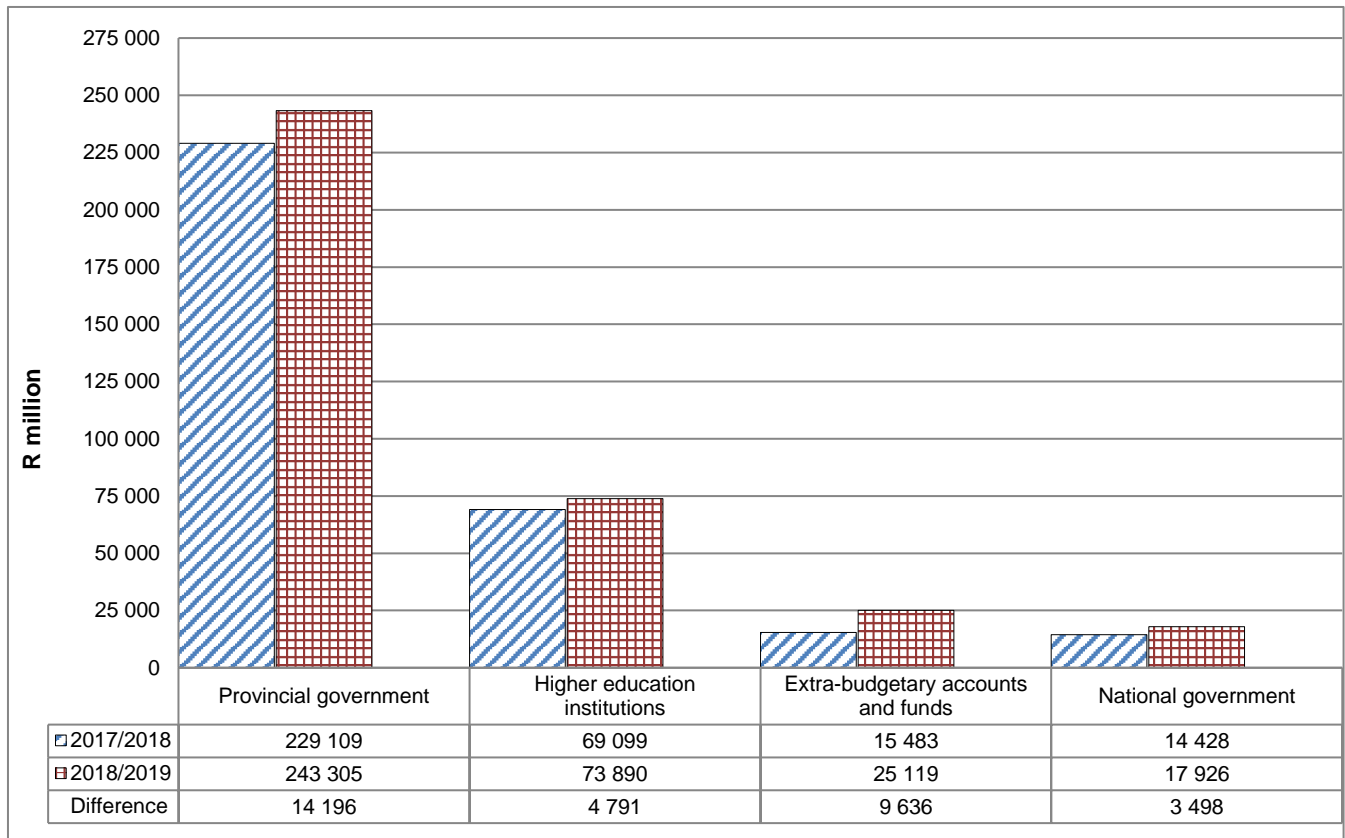


\* Some of the figures have been revised since the previous publication.

\*\* Total amount can be found on the disaggregated tables available on the Stats SA website.

Figure 4 shows the functional classification of expenditure cash flows for operating activities and purchases of non-financial assets. The total for the 2018/2019 fiscal year was R1 794 672 million, with general public services spending the highest amount (R437 129 million), followed by education (R360 239 million), social protection (R257 429 million) and health (R217 349 million).

**Figure 5 – Spending on education by type of general government institution for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**

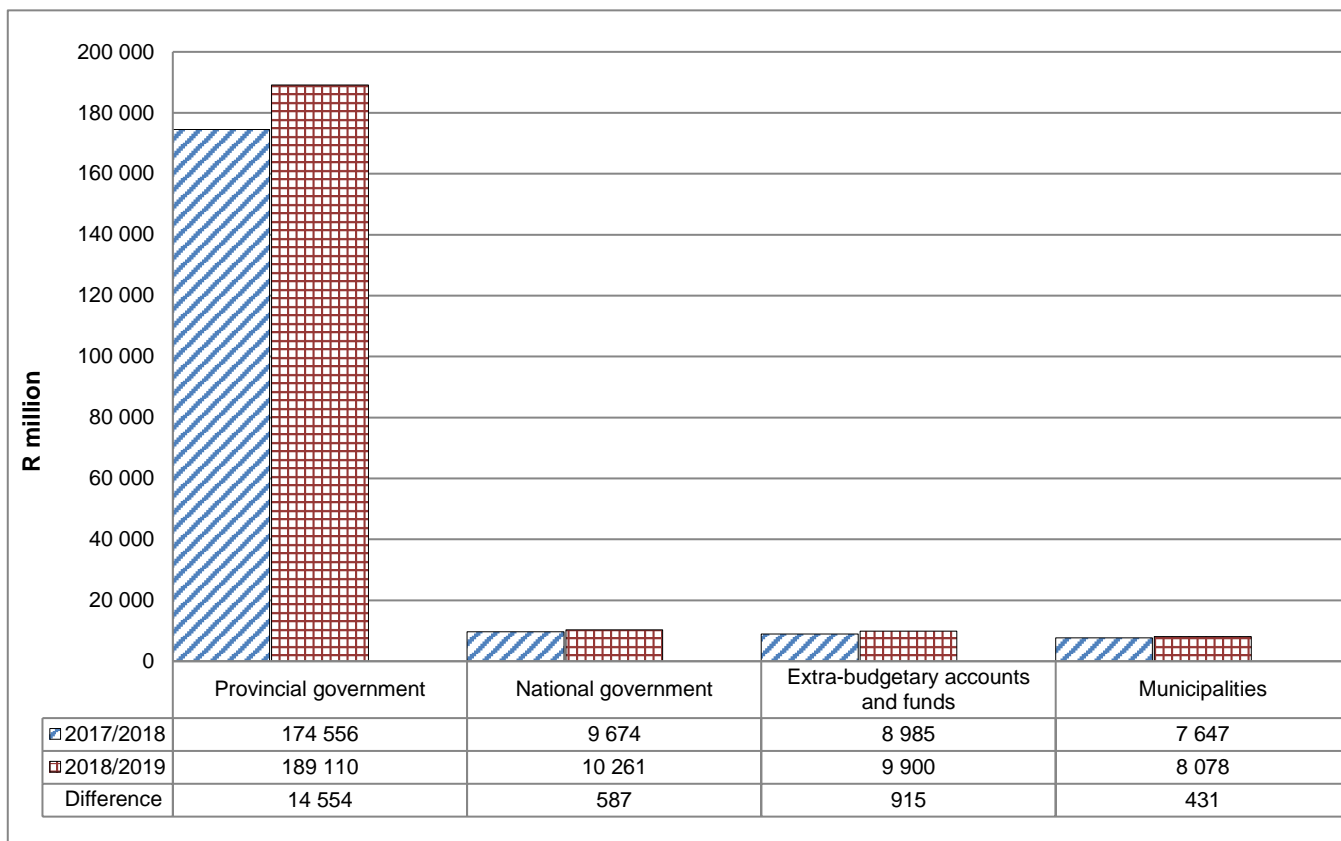


\* Some of the figures have been revised since the previous publication.

\*\* Total amount can be found on the disaggregated tables available on the Stats SA website.

Figure 5 shows general government expenditure on education. The total for the 2018/2019 fiscal year was R360 239 million, with provincial governments spending the highest amount (R243 305 million), followed by higher education institutions (R73 890 million), extra-budgetary accounts and funds (R25 119 million) and national government (R17 926 million).

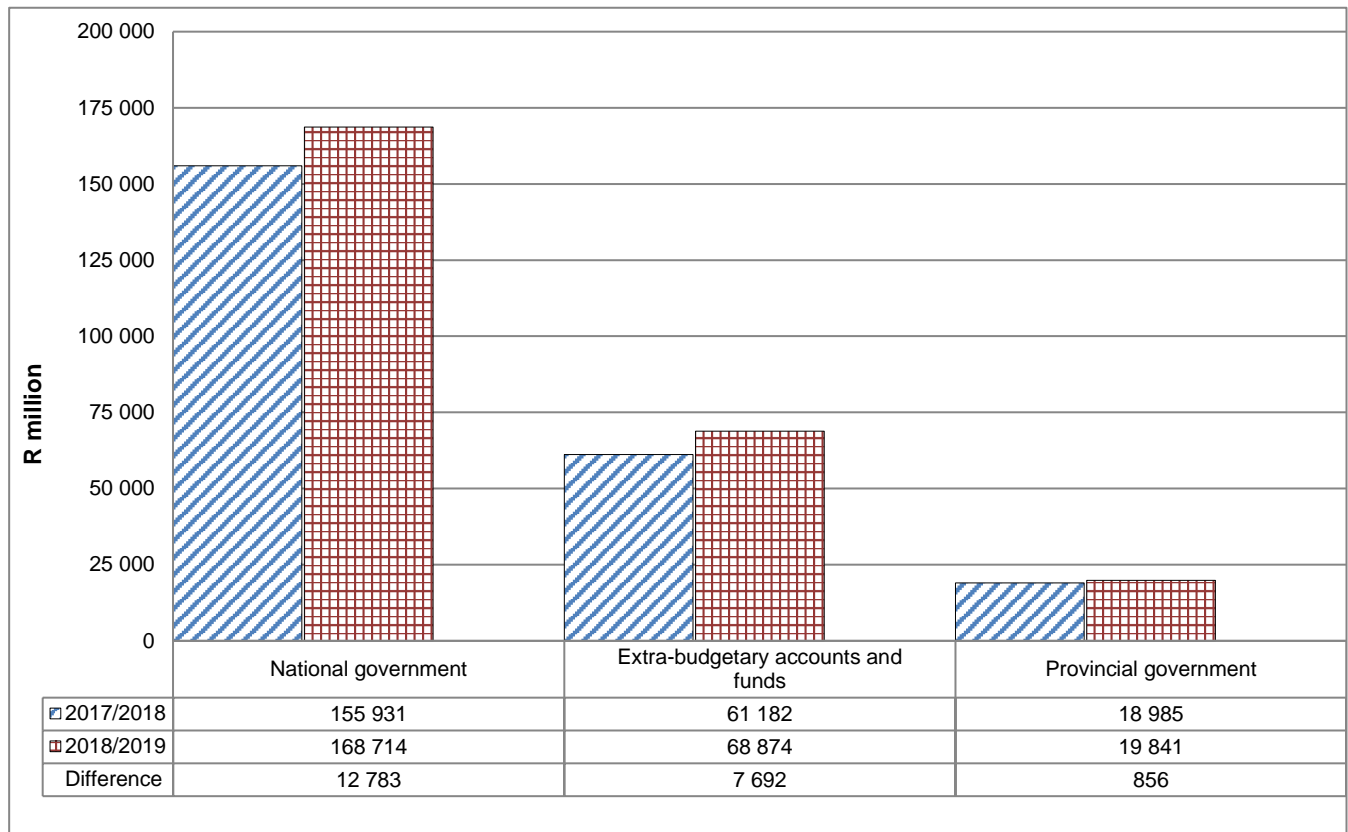
**Figure 6 – Spending on health by type of general government institution for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**



\* Some of the figures have been revised since the previous publication.  
 \*\* Total amount can be found on the disaggregated tables available on the Stats SA website.

Figure 6 shows general government expenditure on health. The total for the 2018/2019 fiscal year was R217 349 million, with provincial governments spending the largest amount (R189 110 million), followed by national government (R10 261 million), extra-budgetary accounts and funds (R9 900 million) and municipalities (R8 078 million).

**Figure 7 – Spending on social protection by type of general government institution for the 2017/2018\* and 2018/2019\*\* fiscal years (R million)**



\* Some of the figures have been revised since the previous publication.

\*\* Total amount can be found on the disaggregated tables available on the Stats SA website.

Figure 7 shows general government expenditure on social protection. The total for the 2018/2019 fiscal year was R257 429 million, with national government spending the highest amount (R168 714 million), followed by extra-budgetary accounts and funds (R68 874 million) and provincial governments (R19 841 million).



**Table D – Contribution of the different types of general government institutions to the total consolidated expenditure cash flows for operating activities and purchases of non-financial assets by general government for the 2017/2018 and 2018/2019 fiscal years<sup>1</sup>**

Type of general government institution	R million			% of total cash payments for 2017/2018 and 2018/2019	
	2017/2018 <sup>2</sup>	2018/2019	Difference between 2017/2018 and 2018/2019		
National government	673 473	707 700	34 227	39,5	39,4
Provincial governments	534 336	567 728	33 392	31,4	31,6
Extra-budgetary accounts and funds	233 058	252 469	19 411	13,7	14,1
Municipalities	193 213	192 885	-328	11,3	10,7
Higher education institutions	69 099	73 890	4 791	4,1	4,1
<b>Total expenditure</b>	<b>1 703 179</b>	<b>1 794 672</b>	<b>91 493</b>	<b>100,0</b>	<b>100,0</b>

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.

<sup>2</sup> Revised since the previous publication.

Sources:

- (i) P9101 *Capital expenditure by the public sector for 2019*
- (ii) P9102 *Financial statistics of extra-budgetary accounts and funds 2018/2019*
- (iii) P9103.1 *Financial statistics of higher education institutions 2018 and 2019*
- (iv) P9114 *Financial census of municipalities June 2018 and June 2019*
- (v) P9119.3 *Financial statistics of national government 2018/2019*
- (vi) P9121 *Financial statistics of provincial government 2018/2019*

**Remarks on the figures in Table D**

The increase of R34 227 million in the expenditure of national government was mainly due to interest paid on public debt, payments of social grants to households and compensation of employees.

The increase of R33 392 million in the expenditure of provincial governments was mainly due to increases in cash payments for compensation of employees and purchases of goods and services.

The increase of R19 411 million in the expenditure of extra-budgetary accounts and funds was mainly due to higher claims paid to households, increased transfer payments to households and compensation of employees.

The decrease of R328 million in the expenditure of municipalities was mainly due to decreases in purchases of goods and services, other payments and interest paid on loans.

The increase of R4 791 million in the expenditure of higher education institutions was mainly due to increases in cash payments for compensation of employees and purchases of goods and services.

**Risenga Maluleke**  
**Statistician-General**

**Table 1 – Economic classification of revenue cash flows from operating activities for the 2018/2019\* fiscal year (summary)**

<b>GFS 2014 code</b>	<b>Economic classification</b>	<b>R million</b>
<b>1</b>		<b>1 598 581</b>
11	Taxes	1 401 476
12	Social contributions	25 956
13	Grants	1 933
14	Other receipts	169 216

\*The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 2 – Economic and functional classification of expense cash flows for operating activities for the 2018/2019\* fiscal year (summary)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21-28)  TOTAL
		R million							
<b>70</b>	<b>GENERAL GOVERNMENT SERVICES</b>	<b>694 256</b>	<b>352 672</b>	<b>196 948</b>	<b>26 162</b>	<b>55 069</b>	<b>225 859</b>	<b>105 243</b>	<b>1 656 211</b>
<b>701</b>	<b>GENERAL PUBLIC SERVICES</b>	<b>79 067</b>	<b>73 629</b>	<b>188 481</b>	<b>963</b>	<b>50 786</b>	<b>170</b>	<b>5 200</b>	<b>398 295</b>
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	57 756	41 442	6 544	0	50 361	80	3 875	160 059
7012	Foreign economic aid	0	0	0	0	424	0	0	424
7013	General services	17 408	25 639	132	0	0	88	237	43 503
7014	Basic research	1 682	3 991	1	963	0	1	1 050	7 688
7015	R&D General public services	101	777	0	0	0	1	3	882
7016	General public services n.e.c.	2 120	1 728	7	0	0	0	34	3 889
7017	Public debt transactions (mainly interest)	0	52	181 797	0	0	0	0	181 849
7018	Transfers of a general character between different levels of government	0	0	0	0	0	0	0	0
<b>702</b>	<b>DEFENCE</b>	<b>30 661</b>	<b>12 122</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>152</b>	<b>111</b>	<b>43 045</b>
7021	Military defence	26 232	10 995	0	0	0	152	111	37 489
7022	Civil defence	0	0	0	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0	0	0	0
7024	R&D Defence	0	41	0	0	0	0	0	41
7025	Defence n.e.c.	4 429	1 086	0	0	0	0	0	5 515
<b>703</b>	<b>PUBLIC ORDER AND SAFETY</b>	<b>121 820</b>	<b>31 258</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>1 295</b>	<b>1 726</b>	<b>156 112</b>
7031	Police services	85 516	18 667	4	0	0	630	662	105 479
7032	Fire protection services	4 647	514	4	0	0	0	1	5 167
7033	Law courts	14 719	5 064	2	0	0	150	942	20 875
7034	Prisons	15 231	6 314	2	0	0	515	118	22 179
7035	R&D Public order and safety	64	119	0	0	0	0	0	184
7036	Public order and safety n.e.c.	1 644	580	1	0	0	0	3	2 228

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 2 – Economic and functional classification of expense cash flows for operating activities for the 2018/2019\* fiscal year (summary) (continued)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21-28)
		R million							
<b>704</b>	<b>ECONOMIC AFFAIRS</b>	<b>32 772</b>	<b>54 489</b>	<b>4 379</b>	<b>21 639</b>	<b>4 282</b>	<b>199</b>	<b>33 050</b>	<b>150 810</b>
7041	General economic, commercial and labour affairs	8 384	10 091	8	683	4 282	15	6 762	30 225
7042	Agriculture, forestry, fishing and hunting	10 088	6 143	1	131	0	99	3 811	20 273
7043	Fuel and energy	747	1 103	4	1 253	0	0	4 083	7 189
7044	Mining, manufacturing and construction	1 412	4 442	0	2 657	0	2	21	8 535
7045	Transport	8 049	26 510	4 355	16 912	0	76	14 776	70 679
7046	Communication	698	1 556	4	0	0	2	2 972	5 232
7047	Other industries	1 658	3 352	6	4	0	2	193	5 214
7048	R&D Economic affairs	1 736	1 293	0	0	0	3	431	3 462
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
<b>705</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>5 705</b>	<b>5 972</b>	<b>34</b>	<b>837</b>	<b>0</b>	<b>21</b>	<b>454</b>	<b>13 022</b>
7051	Waste management	254	368	0	430	0	1	70	1 123
7052	Waste water management	0	0	0	406	0	0	0	406
7053	Pollution abatement	141	68	0	0	0	1	2	211
7054	Protection of biodiversity and landscape	4 955	5 151	34	1	0	18	380	10 539
7055	R&D Environmental protection	143	285	0	0	0	1	1	430
7056	Environmental protection n.e.c.	212	99	0	0	0	1	1	313
<b>706</b>	<b>HOUSING AND COMMUNITY AMENITIES</b>	<b>15 013</b>	<b>22 197</b>	<b>3 058</b>	<b>737</b>	<b>0</b>	<b>31</b>	<b>19 309</b>	<b>60 345</b>
7061	Housing development	4 787	4 187	158	0	0	14	17 615	26 762
7062	Community development	6 728	7 296	49	0	0	7	736	14 816
7063	Water supply	3 318	10 440	2 850	737	0	10	918	18 273
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	180	274	1	0	0	1	40	495
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 2 – Economic and functional classification of expense cash flows for operating activities for the 2018/2019\* fiscal year (summary) (continued)**

		Economic classification							(21-28)  TOTAL
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
Functional classification		R million							
<b>707</b>	<b>HEALTH</b>	<b>131 292</b>	<b>67 453</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>520</b>	<b>4 980</b>	<b>204 313</b>
7072	Outpatient services	83	51	0	0	0	0	0	135
70724	Ambulance services	5 143	1 836	7	0	0	10	26	7 021
7073	Hospital services	82 367	31 471	44	0	0	342	2 243	116 467
7074	Public health services	38 232	25 338	6	0	0	165	2 669	66 410
7075	R&D Health	3 975	5 079	11	0	0	0	13	9 078
7076	Health n.e.c.	1 491	3 676	0	0	0	3	31	5 202
<b>708</b>	<b>RECREATION, CULTURE AND RELIGION</b>	<b>16 732</b>	<b>9 456</b>	<b>56</b>	<b>635</b>	<b>0</b>	<b>32</b>	<b>4 740</b>	<b>31 652</b>
7081	Recreational and sporting services	6 360	3 709	20	7	0	4	2 113	12 214
7082	Cultural services	9 906	5 212	36	99	0	28	854	16 135
7083	Broadcasting and publishing services	116	139	0	529	0	0	431	1 215
7084	Religious and other community services	256	326	0	0	0	0	1 342	1 924
7085	R&D Recreation, culture and religion	12	16	0	0	0	0	0	28
7086	Recreation, culture and religion n.e.c.	81	54	0	0	0	0	0	135
<b>709</b>	<b>EDUCATION</b>	<b>243 617</b>	<b>67 152</b>	<b>535</b>	<b>1 351</b>	<b>0</b>	<b>1 247</b>	<b>28 544</b>	<b>342 447</b>
7091	Pre-primary and primary education	96 237	10 858	0	828	0	648	69	108 640
7092	Secondary education	71 931	9 839	0	523	0	397	18	82 709
7093	Post-secondary non-tertiary education (e.g. CET)	11 602	5 161	0	0	0	24	298	17 086
7094	Tertiary education	41 291	22 714	480	0	0	0	27 095	91 581
7095	Education not definable by level	2	3	0	0	0	0	0	5
7096	Subsidiary services to education	0	0	0	0	0	0	0	0
7097	R&D Education	5	58	0	0	0	0	0	63
7098	Education n.e.c.	22 549	18 519	54	0	0	178	1 065	42 364

\*The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 2 – Economic and functional classification of expense cash flows for operating activities for the 2018/2019\* fiscal year (summary) (concluded)**

		Economic classification							(21-28)
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	TOTAL
Functional classification		R million							
<b>710</b>	<b>SOCIAL PROTECTION</b>	<b>17 578</b>	<b>8 945</b>	<b>323</b>	<b>0</b>	<b>1</b>	<b>222 193</b>	<b>7 129</b>	<b>256 169</b>
7101	Sickness and disability	1 106	786	31	0	0	26 158	486	28 567
7102	Old age	537	312	0	0	1	74 773	1 046	76 671
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	3 059	577	0	0	0	68 807	3 692	76 135
7105	Unemployment	1 318	567	0	0	0	11 213	3	13 101
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 464	643	0	0	0	2	666	2 775
7108	R&D Social protection	262	196	0	0	0	0	1	459
7109	Social protection n.e.c.	9 831	5 865	291	0	0	41 241	1 234	58 461

\*The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 3 – Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019\* fiscal year (summary)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614) TOTAL
		R million				
<b>70</b>	<b>GENERAL GOVERNMENT SERVICES</b>	<b>137 346</b>	<b>0</b>	<b>42</b>	<b>1 074</b>	<b>138 462</b>
<b>701</b>	<b>GENERAL PUBLIC SERVICES</b>	<b>38 749</b>	<b>0</b>	<b>12</b>	<b>73</b>	<b>38 834</b>
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	32 000	0	12	6	32 018
7012	Foreign economic aid	0	0	0	0	0
7013	General services	5 734	0	0	40	5 774
7014	Basic research	266	0	0	26	292
7015	R&D General public services	1	0	0	0	1
7016	General public services n.e.c.	749	0	0	0	750
7017	Public debt transactions (mainly interest)	0	0	0	0	0
7018	Transfers of a general character between different levels of government	0	0	0	0	0
<b>702</b>	<b>DEFENCE</b>	<b>3 614</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 614</b>
7021	Military defence	3 158	0	0	0	3 158
7022	Civil defence	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0
7024	R&D Defence	0	0	0	0	0
7025	Defence n.e.c.	456	0	0	0	456
<b>703</b>	<b>PUBLIC ORDER AND SAFETY</b>	<b>17 641</b>	<b>0</b>	<b>5</b>	<b>3</b>	<b>17 648</b>
7031	Police services	10 571	0	3	2	10 575
7032	Fire protection services	3 958	0	1	1	3 960
7033	Law courts	1 181	0	0	0	1 181
7034	Prisons	522	0	0	0	522
7035	R&D Public order and safety	9	0	0	0	9
7036	Public order and safety n.e.c.	1 400	0	1	0	1 401

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 3 – Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019\* fiscal year (summary) (continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)  TOTAL
		R million				
<b>704</b>	<b>ECONOMIC AFFAIRS</b>	<b>23 331</b>	<b>0</b>	<b>0</b>	<b>941</b>	<b>24 272</b>
7041	General economic, commercial and labour affairs	1 730	0	0	39	1 769
7042	Agriculture, forestry, fishing and hunting	1 420	0	0	596	2 016
7043	Fuel and energy	105	0	0	0	105
7044	Mining, manufacturing and construction	125	0	0	0	125
7045	Transport	19 328	0	0	306	19 634
7046	Communication	53	0	0	0	53
7047	Other industries	448	0	0	0	448
7048	R&D Economic affairs	122	0	0	0	122
7049	Economic affairs n.e.c.	0	0	0	0	0
<b>705</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>1 109</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 109</b>
7051	Waste management	105	0	0	0	105
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	30	0	0	0	30
7054	Protection of biodiversity and landscape	920	0	0	0	920
7055	R&D Environmental protection	23	0	0	0	23
7056	Environmental protection n.e.c.	31	0	0	0	31
<b>706</b>	<b>HOUSING AND COMMUNITY AMENITIES</b>	<b>11 066</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>11 075</b>
7061	Housing development	1 989	0	1	5	1 994
7062	Community development	5 222	0	2	1	5 225
7063	Water supply	3 849	0	0	0	3 849
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	6	0	0	0	6
7066	Housing and community amenities n.e.c.	0	0	0	0	0

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.



**Table 3 – Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019\* fiscal year (summary) (continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)  TOTAL
		R million				
<b>707</b>	<b>HEALTH</b>	<b>13 034</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>13 036</b>
7072	Outpatient services	8	0	0	0	8
70724	Ambulance services	505	0	0	0	505
7073	Hospital services	6 247	0	0	0	6 247
7074	Public health services	5 470	0	1	1	5 472
7075	R&D Health	148	0	0	0	148
7076	Health n.e.c.	656	0	0	0	656
<b>708</b>	<b>RECREATION, CULTURE AND RELIGION</b>	<b>9 798</b>	<b>0</b>	<b>21</b>	<b>2</b>	<b>9 821</b>
7081	Recreational and sporting services	4 420	0	2	1	4 423
7082	Cultural services	5 357	0	20	1	5 377
7083	Broadcasting and publishing services	4	0	0	0	4
7084	Religious and other community services	14	0	0	0	14
7085	R&D Recreation, culture and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	3	0	0	0	3
<b>709</b>	<b>EDUCATION</b>	<b>17 743</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>17 792</b>
7091	Pre-primary and primary education	888	0	0	0	888
7092	Secondary education	878	0	0	0	878
7093	Post-secondary non-tertiary education (e.g. CET)	79	0	0	0	79
7094	Tertiary education	6 109	0	0	4	6 114
7095	Education not definable by level	0	0	0	0	0
7096	Subsidiary services to education	0	0	0	0	0
7097	R&D Education	0	0	0	0	0
7098	Education n.e.c.	9 788	0	0	44	9 833

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 3 – Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019\* fiscal year (summary) (concluded)**

		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)  TOTAL
Functional classification		R million				
<b>710</b>	<b>SOCIAL PROTECTION</b>	<b>1 260</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 260</b>
7101	Sickness and disability	37	0	0	0	37
7102	Old age	7	0	0	0	7
7103	Survivors	0	0	0	0	0
7104	Family and children	157	0	0	0	157
7105	Unemployment	223	0	0	0	223
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	101	0	0	0	101
7108	R&D Social protection	6	0	0	0	6
7109	Social protection n.e.c.	729	0	0	0	729

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 4 – Economic classification of the cash inflows (sales) from investment in non-financial assets for the 2018/2019\* fiscal year (summary)**

<b>GFS 2014 code</b>	<b>Economic classification</b>	<b>R million</b>
<b>31</b>		<b>1 196</b>
311	Fixed assets	1 161
312	Inventories	0
313	Valuables	0
314	Non-produced assets	34

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 5 – Economic classification of the net acquisition of financial assets other than cash for the 2018/2019\* fiscal year (summary)**

<b>GFS 2014 code</b>	<b>Economic classification</b>	<b>R million</b>
<b>32</b>		<b>33 827</b>
321	Domestic	34 797
322	Foreign	-970

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Table 6 – Economic classification of the net incurrence of liabilities for the 2018/2019\* fiscal year (summary)**

<b>GFS 2014 code</b>	<b>Economic classification</b>	<b>R million</b>
<b>33</b>		<b>202 615</b>
331	Domestic	178 629
332	Foreign	23 986

\* The sum of the data may not necessarily add up to totals due to rounding-off of figures.

**Annexure A:** **Information on disaggregated tables is available on the Stats SA website:**  
<http://www.statssa.gov.za/?s=P9119.4&sitem=publications>

## Tables

<b>Table 1</b>	Economic classification of revenue cash flows from operating activities for the 2018/2019 fiscal year
<b>Table 2</b>	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year
<b>Table 3</b>	Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019 fiscal year
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<b>Table 5</b>	Economic classification of the net acquisition of financial assets other than cash for the 2018/2019 fiscal year
<b>Table 6</b>	Economic classification of the net incurrence of liabilities for the 2018/2019 fiscal year
<b>Table 7</b>	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year: Government consumption cash payments divided between individual and collective services
<b>Table 8</b>	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year: Subsidies paid divided between subsidies on products and subsidies on production
<b>Table 9</b>	Economic classification of statement of sources and uses of cash according to the different levels of general government for the 2018/2019 fiscal year (Summary)
<b>Table 10</b>	Functional classification of the expenditure cash flows for operating activities and purchases of non-financial assets according to the different levels of general government for the 2018/2019 fiscal year (Summary)

## Explanatory notes

### Introduction

This statistical release includes economic and functional classifications of the transactions of consolidated general government for the 2018/2019 fiscal year. General government refers to those government institutions whose primary activity is to assume responsibility for the provision of goods and services to the community or to individual households free of charge or at prices that are not economically significant and to redistribute income and wealth by means of transfers. A defining characteristic of general government is the ability to impose, directly or indirectly, taxes and other compulsory levies, for which there is no direct quid pro quo, on other sectors of the economy. The different levels of general government institutions are national government departments; provincial government departments; extra-budgetary accounts and funds of the national and provincial governments; higher education institutions; and municipalities (non-trading services).

### Methodology

The published financial statistical releases of the different levels of general government were used. The transactions of consolidated general government are classified economically and functionally according to GFSM 2014. This statistical release eliminates intergovernmental transactions between general government institutions (i.e. grants, professional and special services, interest, compulsory fees received and paid between the general government institutions). The financial year of higher education institutions ends on 31 December and the municipalities' financial year ends on 30 June. For the purpose of consolidation estimates used in this publication have been adjusted from financial years-end to the fiscal year ending on 31 March.

### Disaggregated data

Disaggregated data (Tables 1 to 10) are on the Stats SA website. Internal transactions between the levels of general government institutions are eliminated in the tables.

### Scope of the financial statistics of consolidated general governments

The following statistical releases were used:

- *Financial statistics of national government 2018/2019* (statistical release P9119.3) published on 25 June 2020;
- *Financial census of municipalities for the year ended 30 June 2018* (statistical release P9114) published on 26 June 2019 and *Financial census of municipalities for the year ended 30 June 2019* (statistical release P9114), published on 9 July 2020;
- *Financial statistics of extra-budgetary accounts and funds 2018/2019* (statistical release P9102) published on 27 August 2020;
- *Financial statistics of provincial government 2018/2019* (statistical release P9121) published on 29 September 2020;
- *Financial statistics of higher education institutions 2018 and 2019* (statistical release P9103.1), 2018 published on 30 October 2019 and 2019 published on 28 October 2020; and
- *Capital expenditure by the public sector for 2019* (statistical release P9101) published on 28 October 2020.

## **Classifications Economic and functional classifications**

Cash flows from operating activities and transactions of non-financial assets in this statistical release are classified economically and functionally according to the standard classification of the GFSM 2014 of the International Monetary Fund (IMF).

### **Economic classification**

Economic classification is in general a measure of the nature and economic effect of government operations on the economy of the country.

**Revenue cash flows and expense cash flows for operating activities, cash flows from transactions in non-financial assets, net acquisition of financial assets other than cash and net incurrence of liabilities were classified economically as follows:**

- **Revenue cash flows**

Taxes  
Social contributions  
Grants  
Other receipts

- **Expense cash flows**

Compensation of employees  
Purchases of goods and services (excluding capitalised goods and services)  
Interest  
Subsidies  
Grants  
Social benefits  
Other payments

- **Cash outflows (purchases) from investment in non-financial assets (including capitalised goods and services)**

Fixed assets  
Inventories  
Valuables  
Non-produced assets

- **Cash inflows (sales) from investment in non-financial assets**

Fixed assets  
Inventories  
Valuables  
Non-produced assets

- **Net acquisition of financial assets other than cash**

Domestic  
Foreign

- **Net incurrence of liabilities**

Domestic  
Foreign

### **Functional classification**

Functional classification measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources of government in order to promote various services and objectives rendered to the community. The functional codes used in the tables are based on the functional codes used in the GFSM 2014 of the IMF.

### **Expense cash flows from operating activities and purchases of non-financial assets are classified functionally as follows:**

- **General public services**

Executive and legislative organs, financial and fiscal affairs, external affairs  
 Foreign economic aid  
 General services  
 Basic research  
 R&D General public services  
 General public services n.e.c.  
 Public debt transactions (mainly interest)  
 Transfers of a general character between different levels of government

- **Defence**

Military defence  
 Civil defence  
 Foreign military aid  
 R&D Defence  
 Defence n.e.c.

- **Public order and safety**

Police services  
 Fire protection services  
 Law courts  
 Prisons  
 R&D Public order and safety  
 Public order and safety n.e.c.

- **Economic affairs**

General economic, commercial and labour affairs  
 Agriculture, forestry, fishing and hunting  
 Fuel and energy  
 Mining, manufacturing and construction  
 Transport  
 Communication  
 Other industries  
 R&D Economic affairs  
 Economic affairs n.e.c.

- **Environmental protection**

Waste management  
 Waste water management  
 Pollution abatement  
 Protection of biodiversity and landscape  
 R&D Environmental protection  
 Environmental protection n.e.c.

- **Housing and community amenities**

Housing development  
 Community development  
 Water supply  
 Street lighting  
 R&D Housing and community amenities  
 Housing and community amenities n.e.c.

- **Health**

Outpatient services  
 Ambulance services  
 Hospital services  
 Public health services  
 R&D Health  
 Health n.e.c.

- **Recreation, culture and religion**

Recreational and sporting services  
 Cultural services  
 Broadcasting and publishing services  
 Religious and other community services  
 R&D Recreation, culture and religion  
 Recreation, culture and religion n.e.c.

- **Education**

Pre-primary and primary education  
 Secondary education  
 Post-secondary non-tertiary education  
 Tertiary education  
 Education not definable by level  
 Subsidiary services to education  
 R&D Education  
 Education n.e.c.

- **Social protection**

Sickness and disability  
 Old age  
 Survivors  
 Family and children  
 Unemployment  
 Housing  
 Social exclusion n.e.c.  
 R&D Social protection  
 Social protection n.e.c.

**Individual and collective services**

The disaggregated data (Tables 1 to 10) also include tables in which government consumption expenditure is split into individual and collective services (see Table 7 as listed in Annexure A, p.27). These categories are recommended by the 2008 System of National Accounts (SNA).

**Subsidies on products and subsidies on production**

The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure A, p.27). These categories are recommended by the 2008 System of National Accounts (SNA).



<b>Comparability with the previous year</b>	The 2017/2018 classified information is generally comparable with the 2018/2019 information. Additional detail in terms of the GFSM 2014 is available on the Stats SA website (or on request).
<b>The Public Sector Classification Committee (PSCC)</b>	The Public Sector Classification Committee (PSCC) consists of the South African Reserve Bank (SARB), National Treasury (NT) and Statistics South Africa (Stats SA). The purpose of the PSCC is to coordinate the economic institutional classification of the public-sector units and subsectors for purposes of reporting to national and international stakeholders. The classification lists are made public by the SARB to inform stakeholders of the scope of the public sector and sub-sectors. Classification of public-sector institutions has taken place for the year ended 31 March 2018. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2019.
<b>Related publications</b>	<p>Statistics South Africa also publishes information on the transactions of the following levels of the general government in statistical releases:</p> <p>P0441      <i>Gross Domestic Product;</i>  P9101      <i>Capital expenditure by the public sector;</i>  P9102      <i>Financial statistics of extra-budgetary accounts and funds;</i>  P9103.1    <i>Financial statistics of higher education institutions;</i>  P9114      <i>Financial census of municipalities;</i>  P9119.3    <i>Financial statistics of national government; and</i>  P9121      <i>Financial statistics of provincial government.</i></p>
<b>Symbols and abbreviations</b>	<p>CET            Community Education and Training  GFSM          Government Finance Statistics Manual, 2014  IMF            International Monetary Fund  n.e.c.          Not elsewhere classified  NPISH        Non-Profit Institutions Serving Households  NT             National Treasury  PSCC         Public Sector Classification Committee  R&amp;D          Research and Development  SA             South Africa  SARB         South African Reserve Bank  SNA           System of National Accounts, 2008  Stats SA      Statistics South Africa</p>
<b>Revisions</b>	Figures for 2018/2019 should be regarded as preliminary, and may be revised. Revisions to 2017/2018 data are indicated by footnotes in Tables A, B, C and D. Revisions are due to improved classification of data and additional information becoming available after initial publication.

## Glossary of selected variables

<b>Accrual basis of recording</b>	Flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
<b>Buildings and structures</b>	Consist of dwellings, buildings other than dwellings, other structures and land improvements.
<b>Buildings other than dwellings</b>	Buildings other than dwellings include whole buildings or parts of buildings not designated as dwellings. Fixtures, facilities, and equipment that are integral parts of the structures are included. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouses and industrial buildings, commercial buildings, hotels, and restaurants.
<b>Capital expenditure</b>	Any expenditure incurred for or incidental to the acquisition or improvement of land, buildings, engineering structures and machinery and equipment. Note: The expenditure normally confers a lasting benefit and results in the acquisition of, or extends the life of, a fixed or long-term work, irrespective of whether payments were made outside contractors or concerns, or the work was done by the enterprise itself. Capital expenditure includes vehicles, office furniture and equipment, but excludes minor items that are generally regarded as being expendable even though in some instances their useful lives may extend beyond one year.
<b>Capital transfers</b>	Capital transfers are transfers in which the ownership of an asset (other than cash or inventories) changes from one party to another or that oblige one or both parties to acquire or dispose of an asset (other than cash or inventories).
<b>Cash basis of recording</b>	Flows are recorded when cash is received or disbursed.
<b>Collective services</b>	Services provided collectively to the community, particularly applicable to services such as general administration, public order or safety and economic services.
<b>Compensation of employees</b>	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except work connected with own account capital formation. It includes both wages and salaries and social contributions. Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments and housing subsidies.
<b>Cultivated assets</b>	Consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services.
<b>Dwellings</b>	Buildings that are used entirely or primarily as residences, including garages and other associated structures. Houseboats, barges, mobile homes, flats, hostels, nursing homes and caravans that are used as principal residences are also included. Dwellings acquired for military personnel are included because they are used in the same way as dwellings acquired by civilians.
<b>Economic classification</b>	A measure of the nature and economic effect of government operations on the economy of the country.
<b>Expense</b>	A decrease in net worth resulting from a transaction.
<b>Extra-budgetary accounts and funds</b>	Extra-budgetary accounts and funds refer to accounts and funds of national and provincial governments not included in normal budget totals and which do not operate through normal budgetary procedures, e.g. trading accounts and general government accounts.

<b>Financial assets</b>	Financial assets consist of financial claims which entitles one unit (the owner of the asset, i.e. the creditor) to receive one or more payments from a second unit (the debtor) according to the terms and conditions specified in a contract between the two units.
<b>Financial public corporations</b>	Units primarily engaged in both incurring liabilities and acquiring financial assets in the market. Note: Financial institutions may be entirely or mainly owned and/or controlled by the government in which case they are regarded as public financial institutions. It is the prime function of public financial institutions to act as intermediaries.
<b>Fixed assets</b>	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.
<b>Functional classification</b>	Classification of expenditure according to the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote various services and objectives rendered to the community.
<b>GFS Manual (2014)</b>	The manual describes an integrated statistical system that is harmonised, to the extent possible, with the 2008 edition of the System of National Accounts (2008 SNA). The GFSM 2014 is intended to be a reference volume describing the GFS system. The GFSM 2014 provides a harmonised systematic basis for reporting and analysing government finances.
<b>Government consumption expenditure</b>	Expenditure on all goods and services which are used (without further transformation) by government units for the direct satisfaction of individual needs or wants or the collective needs of members of the community.
<b>Grants</b>	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation. Current grants are those made for purposes of current expense and are not linked to or conditional on the acquisition of an asset by the recipient. Capital grants involve the acquisition of assets by the recipient.
<b>Higher education</b>	All learning programmes leading to qualifications higher than grade 12 or its equivalent in terms of the National Qualifications Framework as contemplated in the South African Qualification Authority Act, 1995 (Act No. 58 of 1995), including tertiary education as contemplated in schedule 4 of the Constitution.
<b>Higher education institutions</b>	Any institution that provides higher education on a full-time or part-time basis, and which is established or deemed to be established as a public higher education institution under the Higher Education Act, 1997; and declared as a public higher education institution under the Higher Education Act, 1997.
<b>Households</b>	Individuals or a small group of persons who share the same living accommodation, pool some or all of their income and wealth, and consume certain types of goods and services collectively.
<b>Individual services</b>	Community and social services, such as education, health and welfare, rendered to individuals or a small group of persons.
<b>Information, computer, and telecommunications</b>	Consists of devices using electronic controls and also the electronic components forming part of these devices. Examples are products that form part of computing machinery and parts and accessories thereof, television and radio transmitters, television, video, and digital cameras, and telephone sets.
<b>Intellectual property products</b>	Intellectual property products are the result of research, development, investigation, or innovation leading to knowledge that the developers can market or use to their own benefit in production for which the use of the knowledge is restricted by means of legal or other protection.
<b>Inventories</b>	Consist of goods and services held by producers for sale, use in production, or other use at a later date.

<b>Land improvements</b>	Are the result of actions that lead to major improvements in the quantity, quality or productivity of land, or prevent its deterioration. Activities such as land reclamation, land clearance, land contouring, creation of wells and watering holes that are integral to the land in question are to be treated as resulting in land improvements.
<b>Liability</b>	An obligation to provide economic benefits to the units holding the corresponding financial responsibility.
<b>Machinery and equipment</b>	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture. Military expenditure on machinery and equipment which could be used for civilian purposes is included.
<b>Machinery and equipment not elsewhere classified</b>	This category includes all machinery and equipment not classified in any of the other machinery and equipment categories. Types of assets that would be included are general and special purpose machinery; office and accounting equipment; electrical machinery; medical appliances; precision and optical instruments; furniture; watches and clocks; musical instruments; and sports goods. It also includes paintings, sculptures, other works of art or antiques and other collections of considerable value that are owned and displayed for the purpose of producing museum and similar services.
<b>Modified cash basis accounting</b>	This method recognises revenues in the period they become available and measurable, and recognises expenditures in the period the associated liability is incurred.
<b>Municipality</b>	A generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipality as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
<b>National government</b>	It is the first level of government which controls a nation and has power to set and maintain foreign policy and the ability to collect taxes.
<b>Non-financial public corporations</b>	Government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
<b>Non-produced assets</b>	Non-produced assets consist of tangible assets and naturally occurring assets over which ownership is enforced. Naturally occurring assets include land, subsoil assets and other naturally occurring assets.
<b>Non-profit institutions serving households</b>	Non-profit institutions which are mainly engaged in non-market production and serve households.
<b>Other economic flows</b>	Changes in the volume or value of assets or liabilities that do not result from transactions.
<b>Other structures</b>	All structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbours, dams, other waterworks, shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, outdoor sport and recreation facilities.
<b>Provincial government</b>	It is the second level of government, between the national government and the municipalities. The powers of the provincial governments are circumscribed by the national constitution.
<b>Revenue</b>	An increase in net worth resulting from a transaction.
<b>Social benefits</b>	Social benefits are transfers in cash or in kind to protect the entire population or specific segment of it against certain social risks.

<b>Social contributions</b>	Social contributions are actual receipt from either employer on behalf of their employee or from employee, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependents or their survivors.
<b>Statutory appropriations</b>	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
<b>Subsidies</b>	Subsidies are current unrequited payments that government units pay to enterprises on the basis of levels of their production activities or the quantities or values of the goods and services that they produce, sell, export or import. Subsidies may be designed to influence levels of production, prices at which outputs are sold, or the remuneration of the enterprises.
<b>Subsidies on production</b>	Payments made to resident enterprises as a consequence of engaging in production which is not related to a specific product. Included are subsidies on payroll or workforce, which are payable on the total wage and salary bill, the size of the total workforce or the employment of particular types of persons; subsidies to reduce pollution; and payments of interest on behalf of corporations.
<b>Subsidies on products</b>	Current unrequited payments that government units make to enterprises on the basis of quantities or values of the goods and services that they produce, sell, export or import.
<b>Tax revenue</b>	Tax revenue forms the dominant share of revenue for many government units and is composed of compulsory transfers to the general government sector.
<b>Transfer</b>	Is a transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart.
<b>Transport equipment</b>	Transport equipment consists of equipment for moving people and objects, including motor vehicles, trailers and semitrailers, ships, railway locomotives and rolling stock, aircraft, motorcycles, and bicycles.
<b>Valuables</b>	Valuables are produced goods of considerable value acquired and held primarily as a store of value and not used primarily for purposes of production or consumption.
<b>Value added tax</b>	A tax on goods or services collected in stages by enterprises but which is ultimately charged in full to the final purchasers.

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