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KEY FINDINGS

NET CHANGE IN THE STOCK OF CASH FROM THE NATIONAL REVENUE FUND AND DONOR FUNDS AMOUNTED TO R21 568 MILLION FOR THE 2005/2006 FISCAL YEAR

Cash receipts from operating activities amounted to R429 547 million and cash payments from operating activities amounted to R428 911 million resulting in net cash inflow from operating activities of R636 million for the 2005/2006 fiscal year ending 31 March 2006. Purchases of non-financial assets amounted to R7 856 million for 2005/2006. Sales of non-financial assets amounted to R80 million for the 2005/2006 fiscal year resulting in net cash outflow from investments in non-financial assets of R7 776 million. Net acquisition of financial assets other than cash amounted to R143 million for the 2005/2006 fiscal year. Net incurrence of liabilities amounted to R28 851 million resulting in net cash inflow of R28 708 million for the 2005/2006 fiscal year. Total net change in the stock of cash for national government amounted to R21 568 million (see Table A, p. 4).

Economic classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund and donor funds received

The National Revenue Fund refers to the votes of the national departments as well as to fixed statutory appropriations and standing appropriations. Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. Seven main economically classified cash payments for operating activities categories exist: Compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

The accounts of the national government are kept on a cash basis, i.e. all transactions are recorded at the time when warrant vouchers are issued for payment regardless of when the obligations for payments originated.

The contribution of cash receipts from operating activities, cash payments for operating activities and purchases of non-financial assets to total expenditure by economic classification

Cash receipts from operating activities increased by 19,0% from R360 915 million in 2004/2005 to R429 547 million in 2005/2006 mainly due to the increase in taxes collected.

The largest contributor to total cash payments for operating activities (economically classified) for the 2005/2006 fiscal year was grants (R283 959 million), followed by interest payments on state debt (R50 866 million), compensation of employees (R45 073 million), purchases of goods and services (R26 142 million), other payments (R12 955 million) and subsidies (R8 251 million) (see Table A, p. 4).

Cash payments for operating activities increased by 10,4% from R388 354 million in 2004/2005 to R428 911 million in 2005/2006 mainly due to the increase in grants to provincial government.

Other payments decreased by 19,0% from R15 989 million in 2004/2005 to R12 955 million in 2005/2006 mainly due to less losses on the Gold and Foreign Exchange Contingency Reserve Account.

Purchases of non-financial assets increased by 17,9% from R6 665 million in 2004/2005 to R7 856 million in 2005/2006 mainly due to machinery and equipment purchased by the Department of Correctional Services.

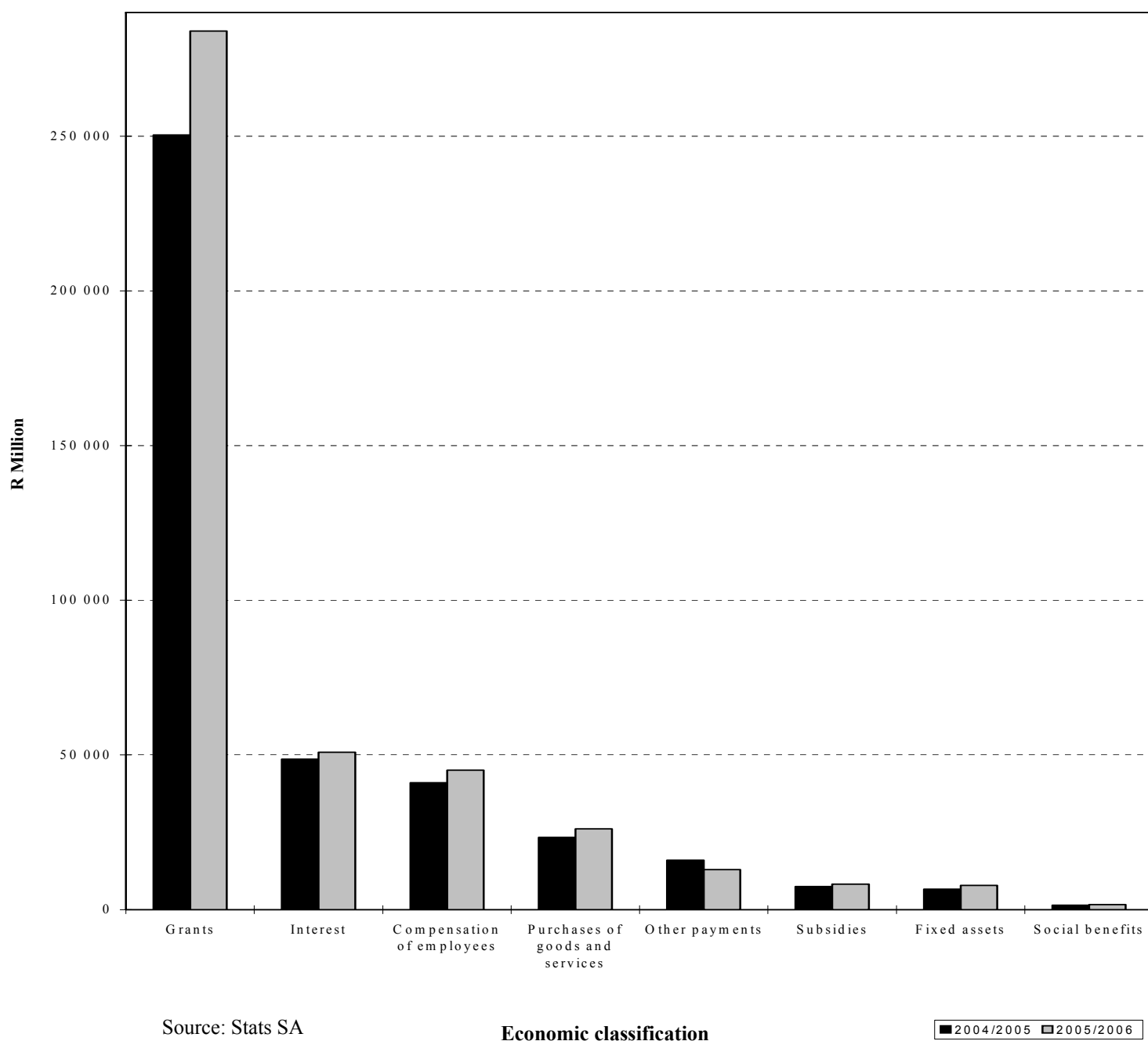
Table A – Economic classification of statement of sources and uses of cash of national government for the 2004/2005 and 2005/2006 fiscal years (Summary)¹

		2004/2005	2005/2006
		R million	R million
Cash flows from operating activities:			
Cash receipts from operating activities:	a	360 915 *	429 547
Taxes		354 378 *	416 607
Social contributions		0	0
Grants		912	748
Other receipts		5 625	12 192
Cash payments for operating activities:	b	388 354 *	428 911
Compensation of employees		41 022 *	45 073
Purchases of goods and services		23 348	26 142
Interest		48 659	50 866
Subsidies		7 530	8 251
Grants		250 398 *	283 959
Social benefits		1 407 *	1 666
Other payments		15 989	12 955
<i>Net cash flow from operating activities</i>	(a-b) = c	-27 439 *	636
Expenses not regarded as cash transactions (memo item)	d	925	253
Cash flows from investments in non-financial assets:			
Purchases of non-financial assets:	e	6 665	7 856
Fixed assets		6 663	7 856
Strategic stocks		0	0
Valuables		1	0
Non-produced assets		0	0
Sales of non-financial assets:	f	25	80
Fixed assets		14	29
Strategic stocks		0	0
Valuables		0	0
Non-produced assets		11	51
<i>Net cash outflow from investments in non-financial assets</i>	(f-e) = g	-6 640	-7 776
CASH SURPLUS/(DEFICIT)	(c+g) = h	-34 079 *	-7 140
Cash flows from financing activities:			
Net acquisition of financial assets other than cash:	i	98	143
Domestic		0	0
Foreign		98	143
Net incurrence of liabilities:	j	45 162	28 851
Domestic		39 328	27 881
Foreign		5 834	970
<i>Net cash inflow from financing activities</i>	(j-i) = k	45 063	28 708
NET CHANGE IN THE STOCK OF CASH	(h+k) = l	10 984 *	21 568

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

* The figures have been revised.

Figure 1 – Economic classification of the cash payments for operating activities and purchases of non-financial assets for the 2004/2005 and 2005/2006 fiscal years



Functional classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund, and donor funds received

Functional classification of expenditure 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 B, page 7. There are ten main categories of functional classification of cash payments 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.

The contribution of cash payments for operating activities and purchases of non-financial assets to total expenditure by functional classification

The largest contributor to the total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R437 020 million from the National Revenue Fund (and donor funds) for the 2005/2006 fiscal year was transfers of a general character between different levels of government institutions and funds (R147 828 million) contributing 33,8% (mainly to provincial governments to defray their expenditure on general government services) to total expenditure; followed by total social protection (R56 767 million) contributing 13,0% (previously most of this amount was included as part of the equitable share which was not functionally classifiable); then by interest on state debt (R51 541 million or 11,8%); total public order and safety (R45 465 million or 10,4%); total economic affairs (R28 541 million or 6,5%); defence (R27 701 million or 6,3%); executive and legislative services; financial and fiscal affairs, foreign affairs other than foreign aid (R27 431 million or 6,3%); total housing and community amenities (R14 264 million or 3,3%); total education (R12 776 million or 2,9%); total health (R9 921 million or 2,3%); general services (R6 725 million or 1,5%); total recreation, culture and religion (R3 046 million or 0,7%); basic research (R2 085 million or 0,5%); and total environmental protection (R1 417 million or 0,3%) (see Table B, p. 7, columns 2 and 3, and Figure 2, p. 8).

The increase of 38,5% in cash payments on recreation, culture and religion from R2 200 million in 2004/2005 to R3 046 million in 2005/2006 was mainly due to an increase in grants to the Independent Electoral Commission.

The increase of 24,4% in cash payments on total economic affairs from R22 936 million in 2004/2005 to R28 541 million in 2005/2006 was mainly due to a grant to the Road Accident Fund.

The increase of 20,5% in cash payments on defence from R22 994 million in 2004/2005 to R27 701 million in 2005/2006 was mainly due to higher transfers to Denel.

The decrease of 11,4% in cash payments on general public services from R267 532 million in 2004/2005 to R237 121 million in 2005/2006 was mainly due to the change in legislation from provincial equitable share to national Department of Social Development as a conditional grant. This means that it is now possible to classify this amount functionally. This amount is now reflected as social protection and is the main reason social protection increased from R5 626 million in 2004/2005 to R56 767 million in 2005/2006.

Table B – Functional classification of the cash payments for operating activities and purchases of non-financial assets for the 2004/2005 and 2005/2006 fiscal year (Summary) ¹

Type of service		R million	R million	Percentage of total cash payments
		2004/2005	2005/2006	2005/2006
General government services				
General public services				
Executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid		31 511 *	27 431	6,3
Foreign economic aid		290	245	0,1
General services		5 698	6 725	1,5
Basic research		1 739 *	2 085	0,5
General public services n.e.c.		1 210	1 267	0,3
Public debt transactions (mainly interest)		51 449	51 541	11,8
Transfers of a general character between different levels of government		175 635	147 828	33,8
Total general public services	a	267 532 *	237 121	54,3
Defence	b	22 994	27 701	6,3
Public order and safety				
Police		25 653	29 642	6,8
Fire protection services		0	0	0,0
Prisons		8 684	9 510	2,2
Law courts		5 711	6 313	1,4
Total public order and safety	c	40 049	45 465	10,4
Economic affairs				
General economic, commercial and labour affairs		4 352	4 671	1,1
Agriculture, forestry, fishing and hunting		3 600	4 823	1,1
Fuel and energy		2 035 *	2 269	0,5
Mining, manufacturing and construction		2 840 *	3 595	0,8
Transport		6 885	10 628	2,4
Communications		1 701 *	792	0,2
Other industries		855	970	0,2
Economic affairs n.e.c.		669 *	792	0,2
Total economic affairs	d	22 936 *	28 541	6,5
Environmental protection	e	1 516	1 417	0,3
Housing and community amenities	f	12 805	14 264	3,3
Health	g	8 585	9 921	2,3
Recreation, culture and religion	h	2 200 *	3 046	0,7
Education	i	11 701	12 776	2,9
Social protection	j	5 626	56 767	13,0
Total general government cash payments for operating activities and purchases of non-financial assets (k=a+b+c+d+e+f+g+h+i+j)		395 944 *	437 020	100,0

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

* The figures have been revised.

Figure 2 – Functional classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund and donor funds received for the 2004/2005 and 2005/2006 fiscal years

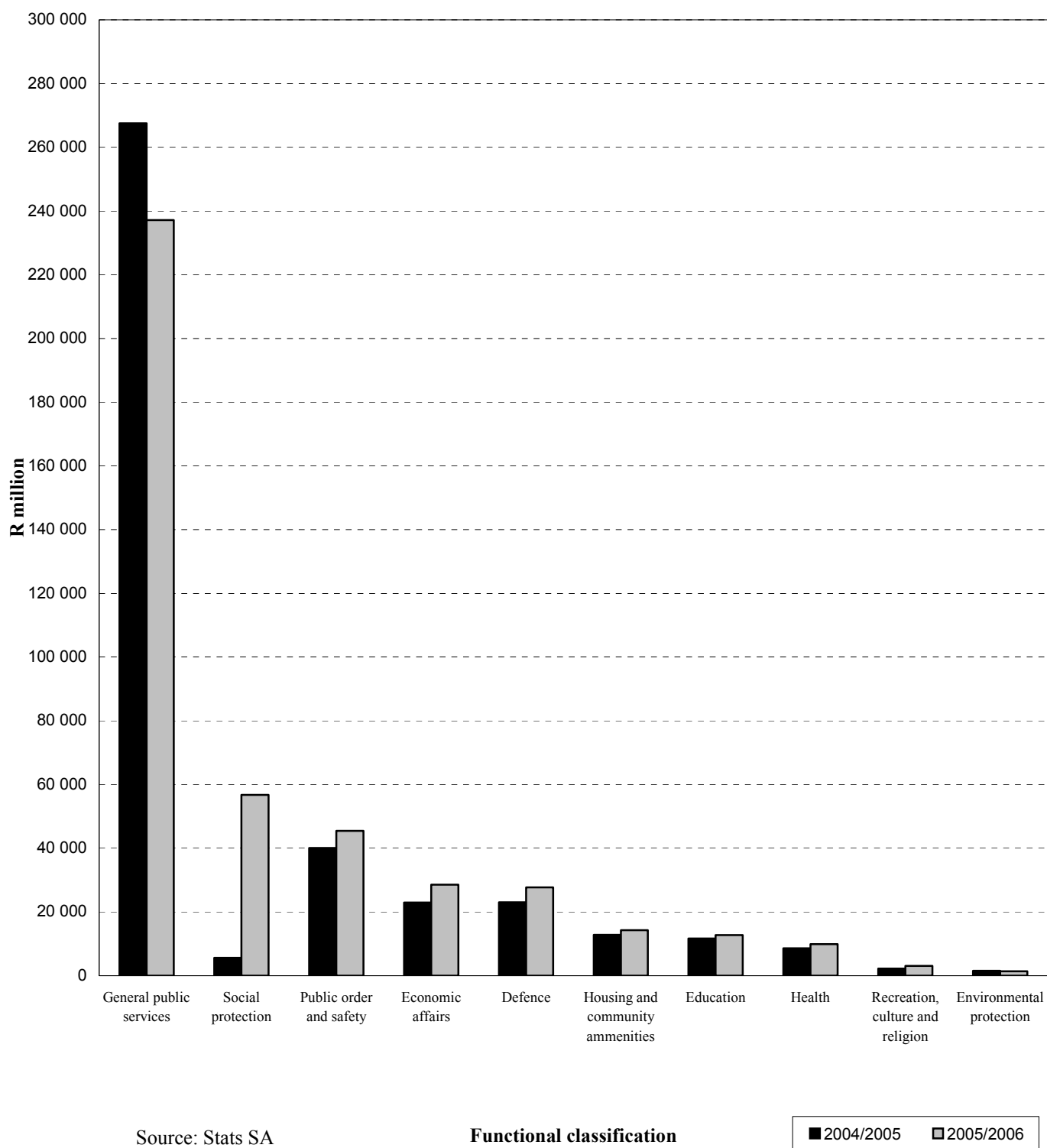


Table C – Transactions from the National Revenue Fund and Donor Funds for the 2004/2005 and 2005/2006 fiscal years*

Transactions	2004/2005 R' 000	2005/2006 R' 000
Vote expenditure	150 325 591	224 889 008
Fixed statutory appropriations	220 556 408	192 424 580
Standing appropriations		
International Development Association	25 401	21 584
Donor Funds**	995 154	890 757
SACU payments	13 327 791 ²	14 144 921
Amounts appropriated in terms of standing appropriations		
Exchange rate loss	826 534	14 779
Premium paid on Government Debt Portfolio	320 433	0
Losses on the Gold and Foreign Exchange Contingency Reserve Account	9 460 793	4 539 207
Other expenditure	203 525	238 769
Total expenditure	396 041 626 ²	437 163 605 ¹

* Sources: Auditor-General and National Treasury.

** Sources: Auditor-General and the RDP Fund 2005/2006. This amount includes surrender of donor funds to foreign donors.

¹ The sum of the data may not necessarily add up to the totals due to rounding off of figures.

² The figures have been revised.

Remarks on certain items in Table C

Fixed statutory appropriations consist of amounts forming a direct charge on the National Revenue Fund, including transfers to provincial governments by the National Treasury, commitments in respect of state debt and loans by community councils, salaries of the President and the Deputy President, salaries and allowances of office bearers and other members of the National Assembly and the National Council of Provinces, and judges' salaries and allowances.

Notes

Forthcoming issues	Issue	Expected release date
	Financial statistics of national government for 2006/2007	26 June 2008
Purpose of this statistical release	This statistical release provides financial statistics of cash transactions of national government. Cash payments defrayed from the National Revenue Fund for operating activities and purchases of non-financial assets for the 2005/2006 fiscal year were classified economically and functionally.	
Expected changes in next issue	No changes are expected.	

P J Lehohla
Statistician-General

Table D - Statement of sources and uses of cash from the year 2005/2006

	R '000
Table 1 Cash receipts from operating activities	429 547 317
11 Taxes	416 607 387
12 Social contributions	0
13 Grants	748 087
14 Other receipts	12 191 843

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 2 Cash payments for operating activities								TOTAL (21 - 29)
		21 Compensation of employees R '000	22 Purchases of goods and services R '000	24 Interest R '000	25 Subsidies R '000	26 Grants R '000	27 Social benefits R '000	28 Other payments R '000	29 Expenses not regarded as transactions R '000	
70	GENERAL GOVERNMENT SERVICES	45 073 041	26 142 205	50 865 815	8 250 781	283 958 829	1 665 832	12 954 879	252 794	429 164 176
701	GENERAL PUBLIC SERVICES	4 916 390	4 950 675	50 865 815	0	168 955 182	250 612	5 796 134	47 364	235 782 172
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	1 745 981	1 794 952	0	0	18 789 815	243 710	4 588 801	36 611	27 199 870
7012	Foreign economic aid	0	0	0	0	244 669	0	0	0	244 669
7013	General services	1 846 781	2 365 002	0	0	610 933	6 902	779 710	10 724	5 620 052
7014	Basic research	65 123	107 467	0	0	1 481 691	0	427 600	29	2 081 910
7015	R&D General public services	1 723	8 255	0	0	0	0	23	0	10 001
7016	General public services n.e.c.	1 256 782	0	0	0	0	0	0	0	1 256 782
7017	Public debt transactions (mainly interest)	0	674 999	50 865 815	0	0	0	0	0	51 540 814
7018	Transfers of a general character between different levels of government	0	0	0	0	147 828 074	0	0	0	147 828 074
702	DEFENCE	8 088 575	4 798 501	0	359 515	11 596 512	71 152	2 095 912	98 441	27 108 608
7021	Military defence	8 084 519	4 253 520	0	359 515	9 265 900	71 152	2 030 878	98 441	24 163 925
7022	Civil defence	0	0	0	0	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0	0	0	0	0
7024	R&D Defence	4 056	19 651	0	0	0	0	0	0	23 707
7025	Defence n.e.c.	0	525 330	0	0	2 330 612	0	65 034	0	2 920 976
703	PUBLIC ORDER AND SAFETY	28 675 026	11 399 234	0	0	123 046	177 919	338 569	64 156	40 777 950
7031	Police services	20 301 646	6 724 143	0	0	115 471	118 801	237 667	5 467	27 503 195
7032	Fire protection services	0	0	0	0	0	0	0	0	0
7033	Law courts	3 266 624	2 417 337	0	0	4 107	42 395	38 007	44 416	5 812 886
7034	Prisons	5 106 756	2 257 754	0	0	3 468	16 723	62 895	14 273	7 461 869
7035	R&D Public order and safety	0	0	0	0	0	0	0	0	0
7036	Public order and safety n.e.c.	0	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 2 Cash payments for operating activities								TOTAL (21 - 29)
		21 Compensation of employees R '000	22 Purchases of goods and services R '000	24 Interest R '000	25 Subsidies R '000	26 Grants R '000	27 Social benefits R '000	28 Other payments R '000	29 Expenses not regarded as transactions R '000	
704	ECONOMIC AFFAIRS	2 103 317	2 532 689	0	7 356 573	12 175 820	123 503	4 000 597	28 842	28 321 341
7041	General economic, commercial and labour affairs	776 558	889 534	0	275 241	2 338 323	1 441	328 527	20 822	4 630 446
7042	Agriculture, forestry, fishing and hunting	862 429	806 307	0	179 652	754 256	4 670	2 074 560	6 442	4 688 316
7043	Fuel and energy	34 290	107 541	0	893 994	381 694	1 136	849 462	7	2 268 124
7044	Mining, manufacturing and construction	219 139	148 818	0	1 165 382	2 009 685	21	46 482	37	3 589 564
7045	Transport	96 851	313 255	0	4 527 280	4 964 693	532	700 415	1 424	10 604 450
7046	Communication	62 091	130 057	0	309 200	282 611	561	653	105	785 278
7047	Other industries	13 098	48 805	0	5 824	787 014	114 933	70	0	969 744
7048	R&D Economic affairs	38 861	88 372	0	0	657 544	209	428	5	785 419
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	208 355	297 282	0	0	449 325	267 353	18 149	222	1 240 686
7051	Waste management	21 188	30 292	0	0	103 690	87 686	12 106	171	255 133
7052	Waste water management	6 747	11 969	0	0	0	75	50	30	18 871
7053	Pollution abatement	8 995	14 476	0	0	0	53	57	21	23 602
7054	Protection of biodiversity and landscape	102 403	98 774	0	0	339 635	179 539	359	0	720 710
7055	R&D Environmental protection	0	0	0	0	0	0	0	0	0
7056	Environmental protection n.e.c.	69 022	141 771	0	0	6 000	0	5 577	0	222 370
706	HOUSING AND COMMUNITY AMENITIES	452 584	848 454	0	71 867	12 219 488	5 191	102 545	2 121	13 702 250
7061	Housing development	61 538	154 247	0	64 976	4 898 755	36	85 425	100	5 265 077
7062	Community development	36 514	42 530	0	0	5 447 447	6	280	0	5 526 777
7063	Water supply	353 781	650 452	0	6 891	1 873 286	5 149	16 838	2 021	2 908 418
7064	Street lighting	0	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	751	1 225	0	0	0	0	2	0	1 978
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 2 Cash payments for operating activities								TOTAL (21 - 29) R '000
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	
707	HEALTH	211 605	397 602	0	0	9 088 483	1 372	191 934	778	9 891 774
7072	Outpatient services	0	0	0	0	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0	0	0	0	0
7073	Hospital services	4 906	3 501	0	0	2 775 949	37	16	0	2 784 409
7074	Public health services	82 024	248 279	0	0	1 160 108	1 041	129 886	0	1 621 338
7075	R&D (Health)	0	0	0	0	240 051	0	0	0	240 051
7076	Health n.e.c.	124 675	145 822	0	0	4 912 375	294	62 032	778	5 245 976
7077	Other	0	0	0	0	0	0	0	0	0
708	RECREATION, CULTURE AND RELIGION	111 537	207 412	0	462 826	1 712 273	65	343 899	179	2 838 191
7081	Recreational and sporting services	26 886	55 724	0	241 500	28 911	34	71 861	5	424 921
7082	Cultural services	67 988	87 605	0	0	1 513 868	0	176 035	174	1 845 670
7083	Broadcasting and publishing services	3 187	8 313	0	221 326	150 489	29	43	0	383 387
7084	Religious and other community services	0	30 937	0	0	18 983	0	692	0	50 612
7085	R&D (Recreation, cultural and religion)	0	0	0	0	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	13 476	24 833	0	0	22	2	95 268	0	133 601
709	EDUCATION	188 952	342 765	0	0	12 210 357	146	9 994	10 497	12 762 711
7091	Pre-primary and primary education	2 158	734	0	0	1 238 043	0	7	0	1 240 942
7092	Secondary education	0	0	0	0	0	0	0	0	0
7093	Postsecondary non tertiary education (e.g. ABET)	0	0	0	0	0	0	0	0	0
7094	Tertiary education	0	0	0	0	9 740 334	0	0	0	9 740 334
7095	Education not definable by level	0	0	0	0	133 612	0	0	0	133 612
7096	Subsidiary services to education	0	0	0	0	0	0	0	0	0
7097	R&D (Education)	0	0	0	0	0	0	0	0	0
7098	Education n.e.c.	186 794	342 031	0	0	1 098 368	146	9 987	10 497	1 647 823

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 2 Cash payments for operating activities								
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	TOTAL (21 - 29)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
710	SOCIAL PROTECTION	116 700	367 591	0	0	55 428 343	768 519	57 146	194	56 738 493
7101	Sickness and disability	3 848	4 089	0	0	44 689	5	18	0	52 649
7102	Old age	1 472	20 131	0	0	2 688	725 518	4	2	749 815
7103	Survivors	0	0	0	0	0	0	0	0	0
7104	Family and children	9 352	9 726	0	0	0	0	29	2	19 109
7105	Unemployment	0	0	0	0	0	0	0	0	0
7106	Housing	0	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	2 913	2 486	0	0	0	0	9	0	5 408
7108	R&D (Social protection)	3 602	1 358	0	0	0	0	11	0	4 971
7109	Social protection n.e.c.	95 513	329 801	0	0	55 380 966	42 996	57 075	190	55 906 541

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
70	GENERAL GOVERNMENT SERVICES	7 856 235	0	0	41	7 856 276
701	GENERAL PUBLIC SERVICES	1 338 609	0	0	0	1 338 609
7011	Executive and legislative services, financial and fiscal affairs, other than	230 894	0	0	0	230 894
7012	Foreign economic aid	0	0	0	0	0
7013	General services	1 105 026	0	0	0	1 105 026
7014	Basic research	2 689	0	0	0	2 689
7015	Research and Development General public services	0	0	0	0	0
7016	General public services n.e.c.	0	0	0	0	0
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
702	DEFENCE	592 472	0	0	0	592 472
7021	Military defence	519 503	0	0	0	519 503
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.	72 969	0	0	0	72 969
703	PUBLIC ORDER AND SAFETY	4 686 642	0	0	0	4 686 642
7031	Police services	2 138 965	0	0	0	2 138 965
7032	Fire protection services	0	0	0	0	0
7033	Law courts	499 701	0	0	0	499 701
7034	Prisons	2 047 976	0	0	0	2 047 976
7035	R&D Public order and safety	0	0	0	0	0
7036	Public order and safety n.e.c.	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	219 920	0	0	41	219 961
7041	General economic, commercial and labour affairs	40 546	0	0	0	40 546
7042	Agriculture, forestry, fishing and hunting	135 027	0	0	41	135 068
7043	Fuel and energy	808	0	0	0	808
7044	Mining, manufacturing and construction	5 390	0	0	0	5 390
7045	Transport	23 688	0	0	0	23 688
7046	Communication	7 091	0	0	0	7 091
7047	Other industries	242	0	0	0	242
7048	R&D Economic affairs	7 128	0	0	0	7 128
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	176 017	0	0	0	176 017
7051	Waste management	1 033	0	0	0	1 033
7052	Waste water management	1 078	0	0	0	1 078
7053	Pollution abatement	91 159	0	0	0	91 159
7054	Protection of biodiversity and landscape	48 092	0	0	0	48 092
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	34 655	0	0	0	34 655
706	HOUSING AND COMMUNITY AMENITIES	562 208	0	0	0	562 208
7061	Housing development	6 971	0	0	0	6 971
7062	Community development	2 394	0	0	0	2 394
7063	Water supply	552 843	0	0	0	552 843
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	0	0	0	0	0
7066	Housing and community amenities n.e.c.	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification Functional classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
707	HEALTH	29 321	0	0	0	29 321
7072	Outpatient services	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0
7073	Hospital services	173	0	0	0	173
7074	Public health services	9 530	0	0	0	9 530
7075	Research and Development (Health)	0	0	0	0	0
7076	Health n.e.c.	19 618	0	0	0	19 618
7077	Other	0	0	0	0	0
708	RECREATION, CULTURE AND RELIGION	208 054	0	0	0	208 054
7081	Recreational and sporting services	10 797	0	0	0	10 797
7082	Cultural services	189 309	0	0	0	189 309
7083	Broadcasting and publishing services	301	0	0	0	301
7084	Religious and other community services	6 879	0	0	0	6 879
7085	Research and Development (Recreation, cultural and religion)	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	768	0	0	0	768
709	EDUCATION	14 110	0	0	0	14 110
7091	Pre-primary and primary education	0	0	0	0	0
7092	Secondary education	0	0	0	0	0
7093	Postsecondary non tertiary education (e.g. ABET)	0	0	0	0	0
7094	Tertiary education	0	0	0	0	0
7095	Education not definable by level	0	0	0	0	0
7096	Subsidiary services to education	0	0	0	0	0
7097	Research and Development (Education)	0	0	0	0	0
7098	Education n.e.c.	14 110	0	0	0	14 110

Table D - Statement of sources and uses of cash for the year 2005/2006

Economic classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
Functional classification						
710	SOCIAL PROTECTION	28 882	0	0	0	28 882
7101	Sickness and disability	102	0	0	0	102
7102	Old age	91	0	0	0	91
7103	Survivors	0	0	0	0	0
7104	Family and children	307	0	0	0	307
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	121	0	0	0	121
7108	Research and Development (Social protection)	26	0	0	0	26
7109	Social protection n.e.c.	28 235	0	0	0	28 235

Table D - Statement of sources and uses of cash for the year 2005/2006

	R '000
Table 4 Sale of non-financial assets	79 959
311 Fixed assets	28 725
312 Strategic stocks	0
313 Valuables	0
314 Non produced assets	51 234

Table D - Statement of sources and uses of cash for the year 2005/2006

	R '000
Table 5 Net acquisition of financial assets other than cash	143 153
321 Domestic	0
322 Foreign	143 153

Table D - Statement of sources and uses of cash for the year 2005/2006

	R '000
Table 6 Net incurrence of liabilities	28 851 123
331 Domestic	27 880 657
332 Foreign	970 466

Annexure A: Information on disaggregated tables available on the Stats SA website**Tables**

Table 1	Economic classification of cash receipts from operating activities for the 2005/2006 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2005/2006 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2005/2006 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2005/2006 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for 2005/2006 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2005/2006 fiscal year
Table 7	Economic and functional classification of cash payments from operating activities for the 2005/2006 fiscal year: Government consumption cash payments divided between individual and collective services
Table 8	Economic and functional classification of cash payments from operating activities for the 2005/2006 fiscal year: Subsidies paid divided between subsidies on products and subsidies on production

Explanatory notes

Introduction

This statistical release includes economic and functional classifications of the cash payments from the National Revenue Fund and donor funds for the 2005/2006 fiscal year.

The National Revenue Fund refers to the votes of the national departments as well as fixed statutory appropriations and standing appropriations.

Donor funds mainly consist of donations from other countries and foreign institutions.

Disaggregated data (Tables 1 to 8) of Table D will be available on the Stats SA website.

Methodology

National departments keep their accounts on a cash basis, i.e. all transactions are recorded at the time when warrant vouchers are issued for payment regardless of when obligations for payments originated. The statistics thus measure transactions as they are completed between the national departments and the rest of the economy.

The information is processed from the bookkeeping systems of national departments. The total expenditure of each department corresponds with the totals published by the Auditor-General.

The transactions between the national departments have not been eliminated but are shown as transfers to national departments. These kinds of transactions consist mainly of state attorney services rendered by the Department of Justice.

Donor funding not used and surrendered back to the donor was shown as surrender of donor funds to foreign countries (transfer to foreign countries).

Scope of the financial statistics of national departments

The cash payment transactions of the following votes (including fixed statutory appropriations and standing appropriations) have been classified economically and functionally.

The cash payments of the following votes have been included in the tables:

- Agriculture
- Arts and Culture
- Communication
- Correctional Services
- Defence
- Education
- Environmental Affairs and Tourism
- Foreign Affairs
- Government Communication and Information System
- Health
- Home Affairs
- Housing
- Independent Complaints Directorate

- Justice and Constitutional Development
- Labour
- Land Affairs
- Minerals and Energy
- National Treasury
- Parliament
- Presidency
- Provincial and Local Government
- Public Enterprises
- Public Service and Administration
- Public Service Commission
- Public Works
- Safety and Security
- Science and Technology
- Social Development
- SA Management Development Institute
- Sport and Recreation
- Statistics South Africa
- Trade and Industry
- Transport
- Water Affairs and Forestry

Classification

Cash payments for operating activities and non-financial assets in this statistical release are classified economically and functionally according to the standard classification of the 2001 GFS manual of the International Monetary Fund.

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

Cash receipts and cash payments for operating activities and purchases of non-financial assets, sale of non-financial assets, net acquisition of financial assets other than cash and net incurrence of liabilities were classified economically as follows:

- **Cash receipts from operating activities**

Taxes
Social contributions
Grants
Other receipts

- **Cash payments for operating activities**

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

- **Purchases of non-financial assets (including capitalised remuneration)**

Fixed assets
Strategic stocks
Valuables
Non-produced assets

- **Sales of non-financial assets**

Fixed assets
Strategic stocks
Valuables
Non-produced assets

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

Domestic
Foreign

- **Net incurrence of liabilities**

Domestic
Foreign

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 2001 GFS manual (IMF).

Cash payments for operating activities and purchases of non-financial assets are classified functionally as follows:

A. General Government

- **General public services**

Executive and legislative services, 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 debts transactions
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
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
Other economic affairs

- **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**

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
 Postsecondary and non-tertiary education
 Tertiary education
 Education not defined by level
 R&D Education
 Education n.e.c.

- **Social protection**

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

Individual and collective services

The **Disaggregated data** (Tables 1 to 8) also include tables in which government consumption expenditure is broken down into individual and collective services (see Table 7 as listed in Annexure A, p. 23). The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure A, p. 23). These categories are recommended by the 1993 System of National Accounts (SNA) of the United Nations.

Comparability with previous year

For the first time this statistical release includes comparative figures of the previous year (2004/2005) for cash receipts from operating activities, cash payments for operating activities, purchases of non-financial assets, cash flows from sales of non-financial assets, net acquisition of financial assets other than cash, and net incurrence of liabilities. Comparative figures for the functional classifications are also provided.

Related publications

Statistics South Africa also publishes information on the expenditure of the following levels of the general government in statistical releases:

- P9101 *Capital expenditure by the public sector;*
- P9102 *Financial statistics of extra-budgetary accounts and funds;*
- P9103 *Financial statistics of universities, universities of technology and a technikon;*
- P9114 *Financial census of municipalities;*
- P9121 *Financial statistics of provincial government;*
- P9119.4 *Financial statistics of consolidated general government.*

Symbols and abbreviations

GFS	Government Finance Statistics, 2001
IMF	International Monetary Fund
NPISH	Non-profit institutions serving households
RDP	Reconstruction and Development Programme
SA	South Africa
SARS	South African Revenue Service
SDR	Special Drawing Rights
SITA	State Information Technology Agency
SNA	System of National Accounts, 1993
Stats SA	Statistics South Africa

Glossary

Accrual basis of recording	Accrual basis of recording means that flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Annual percentage change	The annual percentage change is the difference between the amount of a specific item for the current year and the previous year expressed as a percentage of the amount of the same item for the previous year.
Cash basis of recording	Cash basis of recording means that transactions are captured when cash is received or when cash payments are made.
Collective services	Collective services refer to the services provided collectively to the community and are particularly applicable on services such as general administration, public order and safety and economic services.
Compensation of employees	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 for work connected with own account capital formation. It includes both wages and salaries and social contributions
Economic classification	Economic classification is a measure of the nature and economic effect of government operations on the economy of the country.
Expenses not regarded as transactions	Adjustments for statistical purposes are mainly concerned with thefts and losses, and irrecoverable debts written off.
Extra-budgetary accounts and funds	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.
Financial assets	Financial assets consist of financial claims, monetary gold, and Special Drawing Rights (SDRs) allocated by the International Monetary Fund (IMF).
Financial institutions	Financial institutions are units primarily engaged in both incurring liabilities and acquiring financial assets in the market. Financial institutions may be entirely or mainly owned and/or controlled by government in which case they are regarded as public financial institutions. It is the prime function of financial institutions to act as intermediaries.
Functional classification	Functional classification of expenditure measures 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.
GFS Manual (2001)	The manual describes a specialized macroeconomic statistical system (Government Finance Statistics system) designed to support fiscal analysis.
Grants	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation.
Household	Household may be defined as individuals or a small group of persons who share the same living accommodation.

Individual services	Individual services refer to services rendered to individuals or a small group of persons. This category applies particularly to community and social services for example education, health and welfare.
Liabilities	Liabilities are obligations to provide economic benefits to the units holding the corresponding financial claims
Machinery and equipment	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture.
Non-financial public corporations	Non-financial public corporations are government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
Non-produced assets	Non-produced assets consist of tangible, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.
Non-profit institutions serving households (NPISH)	NPISH are non-profit institutions which are mainly engaged in non-market production and serves households.
Non-residential buildings	Non-residential buildings are buildings other than residential buildings and include hospitals, offices and office blocks, warehouses, laboratories, workshops, etc.
Residential buildings	Residential buildings are buildings that are used entirely or primarily as residences and include flats, hostels and nursing homes.
Social benefits	Social benefits are defined as transfers to protect the entire population or specific segments of the population against certain social risks.
Standing appropriations	Standing appropriations are government's expenditure obligations that do not require a vote or statutory provisions, including contractual guarantee commitments and international agreements.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Subsidies are current unrequited payments that government units pay to enterprises on the basis of the quantities or values of the goods and services, which they produce, sell or import.
Subsidies on products	Subsidies on products are payments made per unit of good or service.
Subsidies on production	Subsidies on production are payments which resident enterprises may receive as a consequence of engaging in production.
Tax revenue (taxes)	Tax revenue is composed of compulsory transfers to the general government sector. Certain compulsory transfers, such as fines and penalties, are excluded from tax revenue.

Valuables	Valuables are produced goods of considerable value acquired and held primarily as store of value and not used primarily for purposes of production or consumption.
Vote	Vote is an appropriation voted by parliament.
Wages and salaries	Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments, and housing subsidies.

General information

Stats SA publishes approximately 300 different releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

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