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Key findings

Net change in the stock of cash from the national revenue fund and donor funds amounted to R18 015 million for the 2007/2008 fiscal year

Cash receipts from operating activities amounted to R586 113 million and cash payments for operating activities amounted to R558 445 million, resulting in net cash inflow from operating activities of R27 668 million for the 2007/2008 fiscal year ending 31 March 2008. Purchases of non-financial assets amounted to R9 351 million for 2007/2008. Sales of non-financial assets amounted to R230 million for the 2007/2008 fiscal year, resulting in net cash outflow from investments in non-financial assets of R9 121 million. Net acquisition of financial assets other than cash amounted to R77 million for the 2007/2008 fiscal year. Net incurrence of liabilities amounted to –R455 million, resulting in net cash outflow of R532 million for the 2007/2008 fiscal year. Total net change in the stock of cash for national government amounted to R18 015 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 activity categories exist and these are 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 15,5% from R507 627 million in 2006/2007 to R586 113 million in 2007/2008 mainly due to the increase in taxes collected.

Cash payments for operating activities increased by 12,9% from R494 833 million in 2006/2007 to R558 445 million in 2007/2008 mainly due to an increase in transfers from national government to provincial governments.

The largest contributor to total cash payments for operating activities (economically classified) for the 2007/2008 fiscal year was grants (R324 088 million), followed by social benefits (R65 746 million), compensation of employees (R56 275 million), interest (R52 835 million), purchases of goods and services (R32 959 million), other payments (R16 271 million) and subsidies (R10 270 million) (see Table A, p. 4).

Purchases of non-financial assets increased by 42,2% from R6 575 million in 2006/2007 to R9 351 million in 2007/2008 due to increase in capital expenditure on non-residential buildings by the department of Safety and Security and department of Public Works.

Grants increased by 15,7% from R280 086 million in 2006/2007 to R324 088 million in 2007/2008 mainly due to an increase in transfers from national government to provincial governments.

Compensation of employees increased by 13,5% from R49 602 million in 2006/2007 to R56 275 million in 2007/2008 due to the increase of compensation of employees by the majority of national government departments.

Purchases of goods and services increase by 12,9% from R29 182 million in 2006/2007 to R32 959 million in 2007/2008 mainly due to increase in purchases of goods and services by various national departments.

Other payments increased by 11,4% from R14 600 million in 2006/2007 to R16 271 million in 2007/2008 mainly due to increase in transfers by the department of Public Enterprises to Pebble Bed Modular Reactor.

Subsidies increased by 10,5% from R9 290 in 2006/2007 to R10 270 million in 2007/2008 due to an increase in subsidies paid by the department of Agriculture to the Land and Agricultural Bank of South Africa.

Table A – Economic classification of statement of sources and uses of cash of national government for the 2006/2007 and 2007/2008 fiscal years (Summary)¹

GFS'01 codes	Economic classification of sources and uses of cash	2006/2007	2007/2008	Annual percentage change
		R million	R million	%
	Cash flows from operating activities:			
11	Cash receipts from operating activities a	507 627	586 113	15,5
12	Taxes	494 880	572 559	15,7
13	Social contributions	0	0	0,0
14	Grants	964	707	-26,7
	Other receipts	11 782	12 847	9,0
	Cash payments for operating activities b	494 833 *	558 445	12,9
21	Compensation of employees	49 602 *	56 275	13,5
22	Purchases of goods and services	29 182 *	32 959	12,9
24	Interest	52 164	52 835	1,3
25	Subsidies	9 290 *	10 270	10,5
26	Grants	280 086	324 088	15,7
27	Social benefits	59 910*	65 746	9,7
28	Other payments	14 600 *	16 271	11,4
	<i>Net cash flow from operating activities:(outflow)/ inflow (a-b)=c</i>	<i>12 794 *</i>	<i>27 668</i>	<i>116,3</i>
	Cash flows from investments in non-financial assets:			
	Purchases of non-financial assets d	6 575 *	9 351	42,2
611	Fixed assets	6 234 *	8 501	36,4
612	Inventories	0	0	0,0
613	Valuables	1	1	0,0
614	Non-produced assets	340	849	149,7
	Sales of non-financial assets e	39	230	489,7
311	Fixed assets	8	161	153 ²
312	Inventories	0	0	0,0
313	Valuables	0	0	0,0
314	Non-produced assets	31	69	122,6
	<i>Net cash flow from investments in non-financial assets: (outflow)/ inflow (e-d)=f</i>	<i>-6 536 *</i>	<i>-9 121</i>	
	CASH SURPLUS/ (DEFICIT) (c+f)=g	6 258 *	18 547	
	Cash flows from financing activities:			
	Net acquisition of financial assets other than cash:			
	cash outflow/ (inflow) h	160	77	
321	Domestic	0	0	
322	Foreign	160	77	
	Net incurrence of liabilities: cash (outflow)/ inflow i	6 166	-455	
331	Domestic	4 223	3 048	
332	Foreign	1 943	-3 504	
	<i>Net cash flow from financing activities: (outflow)/ inflow (i-h)=j</i>	<i>6 006</i>	<i>-532</i>	
99999	NET CHANGE IN THE STOCK OF CASH (g+j)=k	12 264 *	18 015	

¹ The sum of the data may not necessarily add up to totals due to rounding-off of figures.² Nominal value as the percentage change cannot be calculated meaningfully

* Revised since the previous publication.

Figure 1 – Economic classification of the cash payments for operating activities and purchases of non-financial assets for the 2006/2007 and 2007/2008 fiscal years

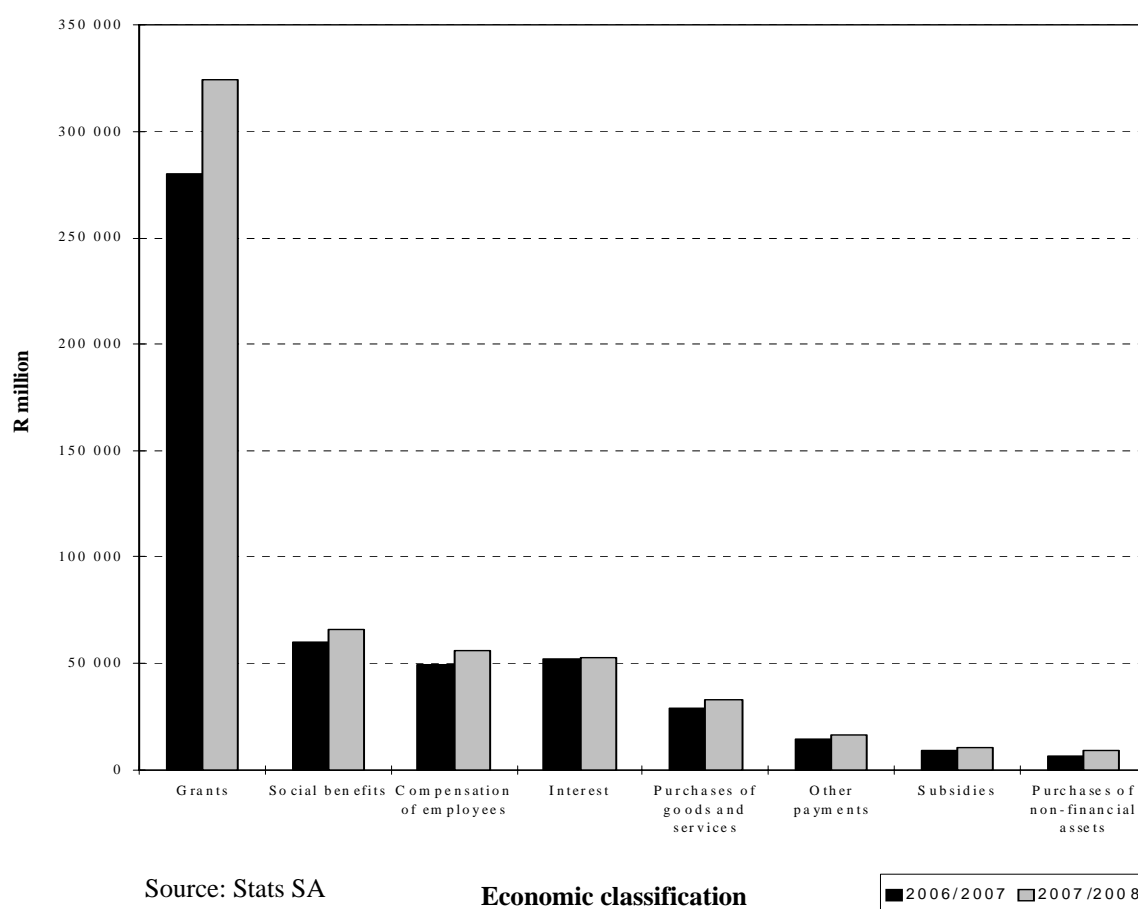
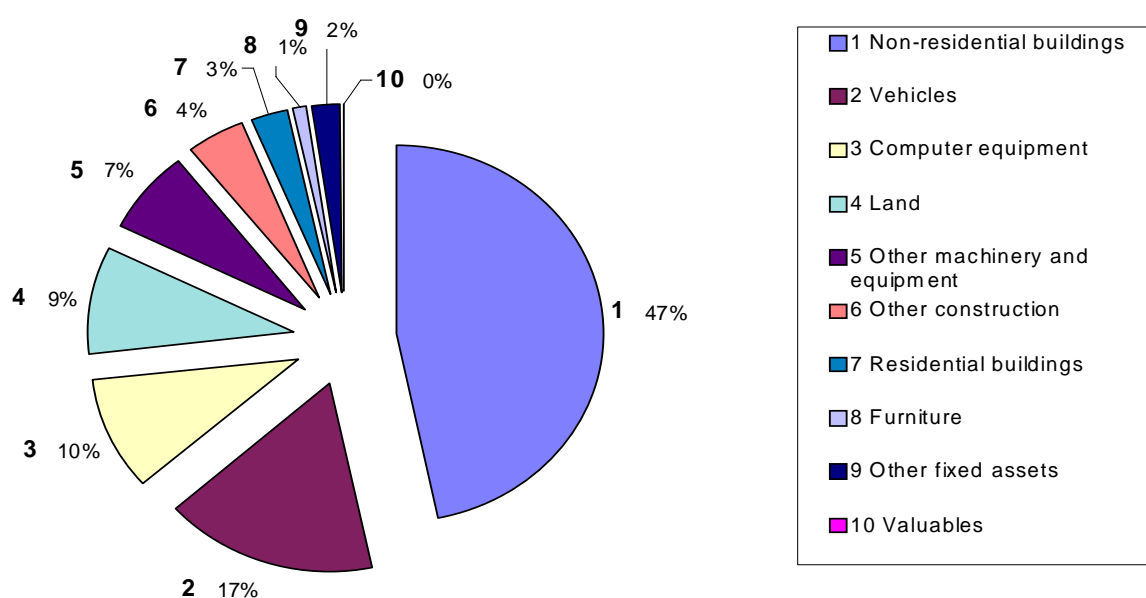


Figure 2 – Economic classification of the cash payments for purchases of non-financial assets for the 2007/2008 fiscal year



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 8. 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

Total cash payments for operating activities and purchases of non-financial assets (functionally classified) from the national revenue fund and donor funds increased by 13,2% from R501 409 million in 2006/2007 to R567 796 million in 2007/2008 fiscal year.

The largest contributor to the total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R567 796 million from the national revenue fund and donor funds to total expenditure for the 2007/2008 fiscal year was transfers of a general character between different levels of government institutions and funds (R200 530 million) contributing 35,3% (mainly to provincial governments to defray their expenditure on general government services); followed by total social protection (R69 454 million) contributing 12,2%; total public order and safety (R56 574 million or 10,0%); interest on state debt (R52 835 million or 9,3%); total economic affairs (R48 658 million or 8,6%); executive and legislative services; financial and fiscal affairs, foreign affairs other than foreign aid (R37 138 million or 6,5%); defence (R27 826 million or 4,9%); total housing and community amenities (R22 717 million or 4,0%); total education (R16 612 million or 2,9%); total health (R12 995 million or 2,3%); general services (R9 352 million or 1,6%); total recreation, culture and religion (R7 205 million or 1,3%); basic research (R3 128 million or 0,6%); and total environmental protection (R2 095 million or 0,4%) (see Table B, p. 8, Figure 3, p. 9).

The increase of 156,1% in cash payments on total recreation, culture and religion from R2 813 million in 2006/2007 to R7 205 million in 2007/2008 was mainly due to grant payments by the Department of Sports and Recreation to municipalities for the 2010 FIFA World Cup.

The increase of 146,2% in cash payments on research and development general public services from R13 million in 2006/2007 to R32 million in 2007/2008 was mainly due to an increase in purchases of goods and services for research and development.

The increase of 47,8% in cash payments on total environmental protection from R1 417 million in 2006/2007 to R2 095 million in 2007/2008 was mainly due to increase in transfers by the Department of Environment to South African National Parks and to households.

The increase of 32,7% in cash payments on total economic affairs from R36 658 million in 2006/2007 to R48 658 million in 2007/2008 was mainly due to transfers by the Department of Transport for public transport infrastructure for the 2010 Soccer World Cup, and Department of Land Affairs for land restitutions grants paid to households.

The increase of 30,6% in cash payments on total housing and community amenities from R17 394 million in 2006/2007 to R22 717 million in 2007/2008 was mainly due to increase in transfers by the Department of Provincial and Local Governments to municipalities to address the backlog in the municipal infrastructure required for the provision of basic services.

The increase of 17,2% in cash payments on basic research from R2 668 million in 2006/2007 to R3 128 million in 2007/2008 was mainly due to an increase in transfer payments by the Department of Science and Technology to the Council for Scientific and Industrial Research, and the National Research Foundation.

The increase of 15,1% in cash payments on total public order and safety from R49 149 million in 2006/2007 to R56 574 million in 2007/2008 was mainly due increase in capital expenditure by the department for Safety and Security.

The increase of 15,0% in cash payments on transfers of a general character between different levels of government from R174 308 million in 2006/2007 to R200 530 million in 2007/2008 was mainly due to an increase in grants paid to provincial governments and municipalities.

The increase of 14,0% in cash payments on total education from R14 567 million in 2006/2007 to R16 612 million in 2007/2008 was mainly due to an increase in transfers by the Department of Education to the National Student Financial Aid Scheme.

The increase of 13,2% in cash payments on total health from R11 484 million in 2006/2007 to R12 995 million in 2007/2008 was mainly due to an increase in transfers to provincial governments for the provision of public health services.

The increase of 8,8% in cash payments on total social protection from R63 827 million in 2006/2007 to R69 454 million in 2007/2008 was mainly due to an increase in transfers to households by the Department of Social Development.

The decrease of 6,5% in cash payments on executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid from R39 919 million in 2006/2007 to R37 138 million in 2007/2008 was mainly due to a direct exchequer payment for Saambou Agreement in 2006/2007.

The decrease of 3,9% in cash payments on foreign economic aid from R670 million in 2006/2007 to R644 million in 2007/2008 was mainly due to less transfer payments to international institutions.

Table B – Functional classification of the cash payments for operating activities and purchases of non-financial assets for the 2006/2007 and 2007/2008 fiscal years (Summary) ¹

GFS'01 codes	Type of service	2006/2007	2007/2008	Annual percentage change	Percentage of total cash payments
		R million	R million	%	2007/2008
	General government services				
701	General public services				
7011	Executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid	39 919 *	37 138	-7,0	6,5
7012	Foreign economic aid	670	644	-3,9	0,1
7013	General services	8 306	9 352	12,6	1,6
7014	Basic research	2 668	3 128	17,2	0,6
7015	Research and development general public services	13	32	146,2	0,0
7016	General public services n.e.c.	0	0	0,0	0,0
7017	Public debt transactions (mainly interest)	52 164	52 835	1,3	9,3
7018	Transfers of a general character between different levels of government	174 308	200 530	15,0	35,3
	Total general public services a	278 048 *	303 659	9,2	53,5
702	Defence b	26 052 *	27 826	6,8	4,9
703	Public order and safety				
7031	Police	32 748	36 672	12,0	6,5
7032	Fire protection services	0	0	0,0	0
7033	Law courts	7 147	8 691	21,6	1,5
7034	Prisons	9 254	11 211	21,1	2,0
	Total public order and safety c	49 149	56 574	15,1	10,0
704	Economic affairs				
7041	General economic, commercial and labour affairs	4 761 *	6 258	31,4	1,1
7042	Agriculture, forestry, fishing and hunting	6 168 *	9 494	53,9	1,7
7043	Fuel and energy	3 238	4 806	48,4	0,8
7044	Mining, manufacturing and construction	5 092*	6 689	31,4	1,2
7045	Transport	13 534	17 330	28,0	3,1
7046	Communications	1 683 *	1 627	-3,3	0,3
7047	Other industries	1 173	1 353	15,3	0,2
7048	Research and development economic affairs	1 008 *	1 102	9,3	0,2
	Total economic affairs d	36 658*	48 658	32,7	8,6
705	Environmental protection e	1 417	2 095	47,8	0,4
706	Housing and community amenities f	17 394	22 717	30,6	4,0
707	Health g	11 484	12 995	13,2	2,3
708	Recreation, culture and religion h	2 813 *	7 205	156,1	1,3
709	Education i	14 567 *	16 612	14,0	2,9
710	Social protection j	63 827	69 454	8,8	12,2
	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) k	501 409 *	567 796	13,2	100,0

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

* Revised since the previous publication.

Figure 3 – 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 2006/2007 and 2007/2008 fiscal years

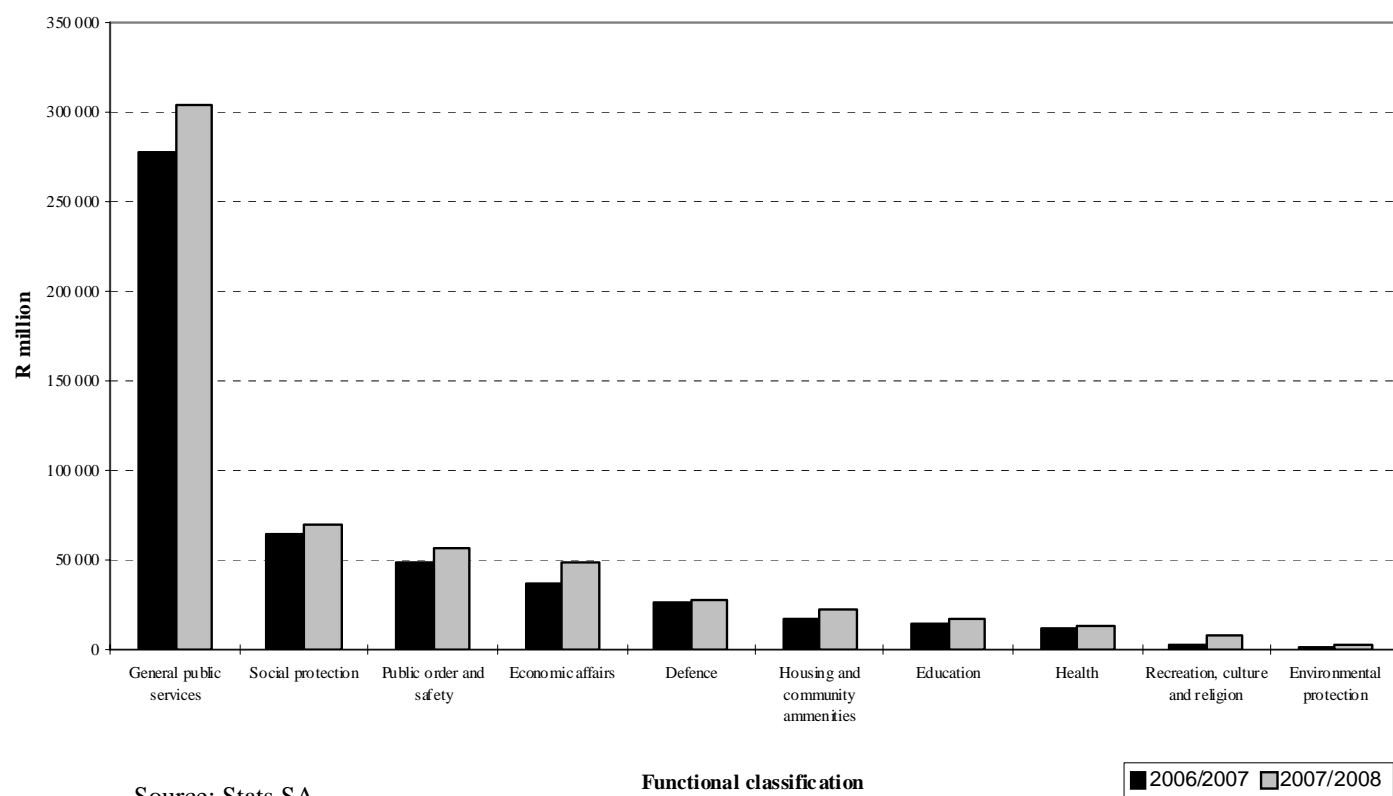


Table C – Transactions from the national revenue fund and donor funds for the 2006/2007 and 2007/2008 fiscal years^{}**

Transactions	2006/2007 R' 000	2007/2008 R' 000
Vote expenditure	260 490 389 *	308 031 315
Fixed statutory appropriations	209 653 610 *	233 450 417
Donor funds***	1 111 720	867 382
SACU payments	25 194 939	24 712 567
Extraordinary payments and non-operating expenditure		
Exchange rate loss	871 792	17 550
Premium paid on Government Debt Portfolio	2 622	0
Losses on the Gold and Foreign Exchange Contingency Reserve Account	0	80 376
Direct Exchequer payments Saambou Agreement	3 777 957	0
Restructuring on government debt portfolio	418 911	677 331
Direct Exchequer payments: DBSA Loans granted to TBVC	6 687	0
Recovery of criminal assets in terms of Section S68	40 100	35 693
Total expenditure	501 568 727 *	567 872 631 ¹

* The figures have been revised.

** Sources: Auditor-General and National Treasury.

*** Sources: Auditor-General and the RDP Fund 2007/2008. 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.

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 2008/2009	30 June 2010
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 2007/2008 fiscal year were classified economically and functionally.	
Expected changes in next issue	No changes are expected.	

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Statistician-General

Table D - Statement of sources and uses of cash from the fiscal year 2007/2008

	R '000
Table 1 Cash receipts from operating activities	586 112 666
11 Taxes	572 558 766
12 Social contributions	0
13 Grants	706 791
14 Other receipts	12 847 109

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	TOTAL (21 - 28)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
70	GENERAL GOVERNMENT SERVICES	56 275 163	32 959 373	52 835 283	10 270 048	324 088 142	65 745 847	16 270 926	558 444 782
701	GENERAL PUBLIC SERVICES	5 010 727	5 465 087	52 834 663	222 297	236 091 476	20 435	2 073 337	301 718 022
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	2 169 366	2 390 715	0	0	30 974 446	5 854	837 512	36 377 893
7012	Foreign economic aid	0	0	0	222 297	421 366	0	0	643 663
7013	General services	2 730 977	2 943 215	0	0	1 579 850	14 581	912 553	8 181 176
7014	Basic research	104 075	105 245	0	0	2 585 957	0	323 262	3 118 539
7015	R&D General public services	6 309	25 912	0	0	0	0	10	32 231
7016	General public services n.e.c.	0	0	0	0	0	0	0	0
7017	Public debt transactions (mainly interest)	0	0	52 834 663	0	0	0	0	52 834 663
7018	Transfers of a general character between different levels of government	0	0	0	0	200 529 857	0	0	200 529 857
702	DEFENCE	9 737 884	5 923 678	0	473 826	10 864 390	170 036	35 107	27 204 921
7021	Military defence	9 737 884	5 800 724	0	473 826	8 280 150	170 036	35 107	24 497 727
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	122 954	0	0	0	0	0	122 954
7025	Defence n.e.c.	0	0	0	0	2 584 240	0	0	2 584 240
703	PUBLIC ORDER AND SAFETY	36 707 121	13 523 852	0	0	1 103 394	196 189	220 415	51 750 971
7031	Police services	25 567 307	7 890 874	0	0	119 249	136 475	188 213	33 902 118
7032	Fire protection services	0	0	0	0	0	0	0	0
7033	Law courts	4 339 559	2 618 709	0	0	980 671	42 876	11 528	7 993 343
7034	Prisons	6 799 221	3 012 668	0	0	3 474	16 838	20 674	9 852 875
7035	R&D Public order and safety	1 034	1 601	0	0	0	0	0	2 635
7036	Public order and safety n.e.c.	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	TOTAL
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	(21 - 28) R '000
704	ECONOMIC AFFAIRS	2 692 712	3 915 159	0	9 297 136	18 423 180	215 947	13 038 211	47 582 345
7041	General economic, commercial and labour affairs	931 969	1 038 243	0	89 547	3 914 300	4 078	239 991	6 218 128
7042	Agriculture, forestry, fishing and hunting	1 213 134	1 317 007	0	1 002 316	1 006 886	8 554	3 930 950	8 478 847
7043	Fuel and energy	73 326	99 916	0	448 728	576 212	227	3 605 480	4 803 889
7044	Mining, manufacturing and construction	222 001	184 891	0	1 342 467	2 621 956	1 781	2 310 480	6 683 576
7045	Transport	121 629	1 001 005	0	5 937 290	8 083 821	388	2 183 102	17 327 235
7046	Communication	65 695	163 688	0	380 768	363 191	27	648 473	1 621 842
7047	Other industries	20 325	15 717	0	0	1 045 863	200 876	66 607	1 349 388
7048	R&D Economic affairs	44 633	94 692	0	96 020	810 951	16	53 128	1 099 440
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	336 668	338 059	0	0	856 445	451 486	22 411	2 005 069
7051	Waste management	97 001	79 524	0	0	215 112	249 135	21 021	661 793
7052	Waste water management	7 881	13 034	0	0	0	0	73	20 988
7053	Pollution abatement	20 085	35 992	0	0	0	0	705	56 782
7054	Protection of biodiversity and landscape	190 056	174 139	0	0	641 333	201 725	547	1 207 800
7055	R&D Environmental protection	0	0	0	0	0	0	0	0
7056	Environmental protection n.e.c.	21 645	35 370	0	0	0	626	65	57 706
706	HOUSING AND COMMUNITY AMENITIES	976 405	1 992 614	620	37 671	19 073 326	56 713	85 463	22 222 812
7061	Housing development	94 563	252 067	0	0	8 190 054	0	44 756	8 581 440
7062	Community development	40 429	47 225	0	0	8 769 587	245	309	8 857 795
7063	Water supply	838 735	1 690 495	620	37 671	2 113 685	56 468	40 383	4 778 057
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	2 678	2 827	0	0	0	0	15	5 520
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	TOTAL (21 - 28)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
707	HEALTH	274 259	503 886	0	0	11 985 488	686	207 369	12 971 688
7072	Outpatient services	0	0	0	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0	0	0	0
7073	Hospital services	14 558	14 262	0	0	8 994 687	10	90	9 023 607
7074	Public health services	173 216	354 140	0	0	2 561 075	404	200 285	3 289 120
7075	R&D Health	0	13 809	0	0	295 613	0	0	309 422
7076	Health n.e.c.	86 485	121 675	0	0	134 113	272	6 994	349 539
708	RECREATION, CULTURE AND RELIGION	146 838	279 251	0	239 118	5 792 145	551	482 284	6 940 187
7081	Recreational and sporting services	43 425	103 303	0	0	4 809 520	49	47 149	5 003 446
7082	Cultural services	74 886	128 964	0	0	707 330	394	184 372	1 095 946
7083	Broadcasting and publishing services	6 406	8 208	0	239 118	253 681	3	31	507 447
7084	Religious and other community services	0	0	0	0	21 614	0	247 555	269 169
7085	R&D Recreation, cultural and religion	0	0	0	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	22 121	38 776	0	0	0	105	3 177	64 179
709	EDUCATION	249 819	771 864	0	0	15 528 310	2 433	51 467	16 603 893
7091	Pre-primary and primary education	2 542	484	0	0	1 219 289	0	0	1 222 315
7092	Secondary education	0	0	0	0	0	0	0	0
7093	Post-secondary non-tertiary education (e.g. ABET)	0	0	0	0	0	0	0	0
7094	Tertiary education	0	0	0	0	11 941 536	0	0	11 941 536
7095	Education not definable by level	0	0	0	0	155 157	0	0	155 157
7096	Subsidiary services to education	0	0	0	0	0	0	0	0
7097	R&D Education	0	0	0	0	0	0	0	0
7098	Education n.e.c.	247 277	771 380	0	0	2 212 328	2 433	51 467	3 284 885

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	TOTAL
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	(21 - 28) R '000
710	SOCIAL PROTECTION	142 730	245 923	0	0	4 369 988	64 631 371	54 862	69 444 874
7101	Sickness and disability	2 246	1 298	0	0	44 706	15 330 907	0	15 379 157
7102	Old age	1 794	28 559	0	0	2 075	23 452 071	379	23 484 878
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	8 200	7 506	0	0	0	23 243 877	0	23 259 583
7105	Unemployment	0	0	0	0	0	0	0	0
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	2 377	6 324	0	0	0	0	696	9 397
7108	R&D Social protection	10 492	23 252	0	0	375	0	1	34 120
7109	Social protection n.e.c.	117 621	178 984	0	0	4 322 832	2 604 516	53 786	7 277 739

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	8 501 198	0	602	849 104	9 350 904
701	GENERAL PUBLIC SERVICES	1 923 782	0	602	16 271	1 940 655
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	743 299	0	532	16 271	760 102
7012	Foreign economic aid	0	0	0	0	0
7013	General services	1 170 887	0	70	0	1 170 957
7014	Basic research	9 474	0	0	0	9 474
7015	R&D General public services	122	0	0	0	122
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	621 338	0	0	0	621 338
7021	Military defence	620 858	0	0	0	620 858
7022	Civil defence	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0
7024	R&D Defence	480	0	0	0	480
7025	Defence n.e.c.	0	0	0	0	0
703	PUBLIC ORDER AND SAFETY	4 823 458	0	0	0	4 823 458
7031	Police services	2 767 639	0	0	0	2 767 639
7032	Fire protection services	0	0	0	0	0
7033	Law courts	697 276	0	0	0	697 276
7034	Prisons	1 358 466	0	0	0	1 358 466
7035	R&D Public order and safety	77	0	0	0	77
7036	Public order and safety n.e.c.	0	0	0	0	0

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

Functional classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Economic classification		R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	242 350	0	0	832 833	1 075 183
7041	General economic, commercial and labour affairs	39 632	0	0	0	39 632
7042	Agriculture, forestry, fishing and hunting	181 877	0	0	832 833	1 014 710
7043	Fuel and energy	1 824	0	0	0	1 824
7044	Mining, manufacturing and construction	5 646	0	0	0	5 646
7045	Transport	2 950	0	0	0	2 950
7046	Communication	4 885	0	0	0	4 885
7047	Other industries	3 170	0	0	0	3 170
7048	R&D Economic affairs	2 366	0	0	0	2 366
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	90 152	0	0	0	90 152
7051	Waste management	56 018	0	0	0	56 018
7052	Waste water management	361	0	0	0	361
7053	Pollution abatement	2 599	0	0	0	2 599
7054	Protection of biodiversity and landscape	27 411	0	0	0	27 411
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	3 763	0	0	0	3 763
706	HOUSING AND COMMUNITY AMENITIES	494 147	0	0	0	494 147
7061	Housing development	5 383	0	0	0	5 383
7062	Community development	2 102	0	0	0	2 102
7063	Water supply	486 601	0	0	0	486 601
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	61	0	0	0	61
7066	Housing and community amenities n.e.c.	0	0	0	0	0

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

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	23 610	0	0	0	23 610
7072	Outpatient services	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0
7073	Hospital services	1 255	0	0	0	1 255
7074	Public health services	18 088	0	0	0	18 088
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	4 267	0	0	0	4 267
708	RECREATION, CULTURE AND RELIGION	264 510	0	0	0	264 510
7081	Recreational and sporting services	2 942	0	0	0	2 942
7082	Cultural services	258 973	0	0	0	258 973
7083	Broadcasting and publishing services	1 861	0	0	0	1 861
7084	Religious and other community services	0	0	0	0	0
7085	R&D Recreation, cultural and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	734	0	0	0	734
709	EDUCATION	8 564	0	0	0	8 564
7091	Pre-primary and primary education	12	0	0	0	12
7092	Secondary education	0	0	0	0	0
7093	Post-secondary 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	R&D Education	0	0	0	0	0
7098	Education n.e.c.	8 552	0	0	0	8 552

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

Functional classification		Table 3 Purchases of non-financial assets				
		Economic classification	611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets
			R '000	R '000	R '000	R '000
710	SOCIAL PROTECTION		9 287	0	0	0
7101	Sickness and disability		50	0	0	0
7102	Old age		11	0	0	0
7103	Survivors		0	0	0	0
7104	Family and children		76	0	0	0
7105	Unemployment		0	0	0	0
7106	Housing		0	0	0	0
7107	Social exclusion n.e.c.		128	0	0	0
7108	R&D Social protection		148	0	0	0
7109	Social protection n.e.c.		8 874	0	0	0

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

	R '000
Table 4 Sale of non-financial assets	230 145
311 Fixed assets	160 662
312 Strategic stocks	0
313 Valuables	0
314 Non-produced assets	69 483

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

	R '000
Table 5 Net acquisition of financial assets other than cash	76 945
321 Domestic	0
322 Foreign	76 945

Table D - Statement of sources and uses of cash for the fiscal year 2007/2008

	R '000
Table 6 Net incurrence of liabilities	-455 447
331 Domestic	3 048 482
332 Foreign	-3 503 929

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 2007/2008 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2007/2008 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2007/2008 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2007/2008 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for 2007/2008 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2007/2008 fiscal year
Table 7	Economic and functional classification of cash payments from operating activities for the 2007/2008 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 2007/2008 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 2007/2008 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
Grants
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:

- **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 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**

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 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.24).

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 Annexure A, p.24). These categories are recommended by the 1993 System of National Accounts.

Comparability with previous year

For the second time this statistical release includes annual percentage changes from the previous year (2006/2007) for the categories of cash flows from operating activities, cash flows from investments in non-financial assets and cash flows from financing activities. Annual percentage changes 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	<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>
P9121	<i>Financial statistics of provincial government;</i>
P9119.4	<i>Financial statistics of consolidated general government.</i>

Symbols and abbreviations

GFS	Government Finance Statistics, 2001
IMF	International Monetary Fund
n.e.c.	Not elsewhere classified
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 the transactions are captured when cash is received or when cash payment is made.
Capital expenditure	Any expenditure incurred 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 to 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.
Capital transfers	Capital transfers involve the acquisition of assets by the recipient and may consist of a transfer of cash that the recipient is expected or required to use to acquire an asset or assets (other than inventories), the transfer of an asset (other than inventories and cash), the cancellation of a liability by mutual agreement between the creditor and debtor, or the assumption of another unit's debt. If doubt exists regarding the character of a grant, it should be classified as current.
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.
Cultivated assets	Consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services.
Dwellings	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.
Economic classification	A measure of the nature and economic effect of government operations on the economy of the country.
Extra-budgetary accounts and funds	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 public corporations	Units primarily engaged in both incurring liabilities and acquiring financial <i>assets</i> 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 <i>public</i> financial institutions to act as intermediaries.
Fixed assets	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.
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.
Government consumption expenditure	Expenditure on all goods and services, which are used (without further transformation in the production) by the government units for the direct satisfaction of individual needs or wants or the collective needs of members of the community.
Heritage assets	Assets that a government intends to preserve indefinitely because they have unique historic, cultural, educational, artistic or architectural significance.
Households	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.
Intangible fixed assets	Consist of mineral exploration; computer software; entertainment, literary and artistic originals; and miscellaneous other intangible fixed assets. To qualify as a fixed asset, the item must be intended for use in production for more than one year and its use must be restricted to the units that have established ownership rights over it or to units licensed by the owner.
Liabilities	A present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
Machinery and equipment	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.
Non-financial public enterprise	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 assets, 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)	Non-profit institutions which are mainly engaged in non-market production and serve households.
Non-residential Buildings	All buildings other than dwellings. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouse and industrial buildings, commercial buildings, hotels and restaurants.
Other fixed assets	Consist of cultivated assets and intangible fixed assets.
Other structures	All structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbors, dams, other waterworks, Shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, Outdoor sport and recreation facilities.
Social contributions	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.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Current unrequited payments that government units make 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.
Subsidies on production	Subsidies on production are payments which resident enterprises may receive as a consequence of engaging in production.
Subsidies on products	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.
Tax revenue	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.
Transport equipment	This consists of equipment for moving people and objects, including motor vehicles, trailers and semi trailers, ships, railway locomotives and rolling stock, aircraft, motorcycles and bicycles.
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

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