

## STATISTICAL RELEASE

### P9119.4

# Financial statistics of consolidated general government 2014/2015

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Please note that the Government Finance Statistics Manual (GFSM) 2001 classification methodology has been revised to GFSM 2014.

With effect from the next P9119.4 statistical release (for 2015/2016):

- a. Cash receipts from operating activities, cash payments for operating activities and non-financial assets, and financing activities will be classified according to the GFSM 2014 with effect from the 2015/2016 fiscal year.
- b. Tables A, B and C will remain the same. However, the disaggregated tables will have more detailed information in terms of the GFSM 2014.

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## Key findings

**The consolidated net change in the stock of cash from the general government sector amounted to a cash surplus of R58 475 million for the 2014/2015 fiscal year.**

Cash receipts from operating activities amounted to R1 224 186 million and cash payments for operating activities amounted to R1 274 121 million, resulting in a net cash outflow from operating activities of R49 935 million for the 2014/2015 fiscal year ended 31 March 2015. Purchases of non-financial assets amounted to R126 491 million for 2014/2015. Sales of non-financial assets amounted to R1 267 million for the 2014/2015 fiscal year, resulting in a net cash outflow from investments in non-financial assets of R125 224 million. The net acquisition of financial assets other than cash amounted to R31 609 million for 2014/2015. The net incurrence of liabilities amounted to R265 243 million for the 2014/2015 fiscal year, resulting in a net cash inflow from financing activities of R233 634 million. The consolidated net change in the stock of cash for the general government sector amounted to a cash surplus of R58 475 million for the 2014/2015 fiscal year (see Table A, p.6).

The largest contributor to the total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R1 400 612 million by the general government sector for the 2014/2015 fiscal year was general public services (R365 419 million, contributing 26,1%), followed by education (R265 792 million or 19,0%), social protection (R182 821 million or 13,1%), health (R157 438 million or 11,2%), public order and safety (R142 914 million or 10,2%), economic affairs (R132 312 million or 9,4%), housing and community amenities (R64 421 million or 4,6%), defence (R41 879 million or 3,0%), recreation, culture and religion (R37 516 million or 2,7%) and environmental protection (R10 100 million or 0,7%) (see Table B, p.13, and Figure 5, p.14).

**Cash receipts from operating activities, the contribution of cash payments for operating activities and purchases of non-financial assets by economic classification**

Cash receipts from operating activities increased by R107 046 million from R1 117 140 million in 2013/2014 to R1 224 186 million in 2014/2015 mainly due to an increase in taxes collected.

The largest contributor to total cash receipts from operating activities for the 2014/2015 fiscal year was taxes (R1 060 957 million), followed by other receipts (R138 523 million), social contributions (R22 467 million) and grants (R2 239 million).

The increase of R94 085 million in cash receipts of taxes from R966 872 million in 2013/2014 to R1 060 957 million in 2014/2015 was mainly due to increases in taxes paid by individuals, value-added tax on goods and services and taxes paid by businesses.

The increase of R12 143 million in other receipts from R126 380 million in 2013/2014 to R138 523 million in 2014/2015 was mainly due to increases in sales of goods and services by the municipalities (rates and general services) (R3 836 million), by the universities (R3 037 million) and an increase in interest received by the national government (R1 913 million).

Cash payments for operating activities increased by R98 405 million from R1 175 716 million in 2013/2014 to R1 274 121 million in 2014/2015. The increase was mainly due to increases in compensation of employees, purchases of goods and services, interest paid, other payments and social benefits.

The largest contributor to total cash payments for operating activities for the 2014/2015 fiscal year was compensation of employees (R514 580 million), followed by purchases of goods and services (R311 792 million), social benefits (R159 588 million), interest (R122 013 million), other payments (R87 869 million), grants paid (R53 405 million) and subsidies (R24 873 million) (see Table A, p.6 and Figure 1, p.7).

The increase of R40 648 million in compensation of employees from R473 932 million in 2013/2014 to R514 580 million in 2014/2015 was due to an increase in compensation of employees by the provincial governments (R18 092 million), followed by the national government (R8 414 million), the municipalities (R7 719 million), the extra-budgetary accounts and funds (R3 986 million) and the higher education institutions (R2 437 million).

The increase of R15 398 million in purchases of goods and services from R296 394 million in 2013/2014 to R311 792 million in 2014/2015 was due to increased purchases of goods and services by the municipalities (R7 330 million), followed by the provincial governments (R5 858 million), the extra-budgetary accounts and funds (R1 313 million), the higher education institutions (R858 million) and the national government (R39 million).

The net increase of R15 007 million in interest from R107 006 million in 2013/2014 to R122 013 million in 2014/2015 was due to an increase in interest paid on public debt by the national government (R13 660 million), the municipalities (R1 218 million), the higher education institutions (R76 million), the extra-budgetary accounts and funds (R54 million) and a decrease by the provincial governments (-R1 million).

The increase of R10 244 million in other payments from R77 625 million in 2013/2014 to R87 869 million in 2014/2015 was due to increased capital transfers to public corporations by the national government (R7 192 million) and the provincial governments (R1 794 million), as well as increased transfers to households by the municipalities (R530 million), the extra-budgetary accounts and funds (R379 million) and the higher education institutions (R349 million).

The net increase of R9 939 million in social benefits paid from R149 649 million in 2013/2014 to R159 588 million in 2014/2015 was due to increases in payments of social grants to households by the national government (R10 721 million) and the provincial governments (R602 million) and a decrease (-R1 384 million) by extra-budgetary accounts and funds.

The net increase of R7 809 million in grants from R45 596 million in 2013/2014 to R53 405 million in 2014/2015 was due to an increase in grants paid by the national government to foreign governments (R8 392 million) and decreases in grants to international organisations by the national government (-R471 million) and the extra-budgetary accounts and funds (-R112 million).

The net decrease of R642 million in subsidies paid from R25 515 million in 2013/2014 to R24 873 million in 2014/2015 was due to a decrease in subsidies paid by the municipalities (-R1 679 million) and increases by the national government (R547 million), the provincial governments (R414 million) and the extra-budgetary accounts and funds (R76 million).

The largest contributor to purchases of non-financial assets for the 2014/2015 fiscal year was fixed assets (R124 377 million), followed by non-produced assets (R1 987 million), inventories (R88 million) and valuables (R39 million).

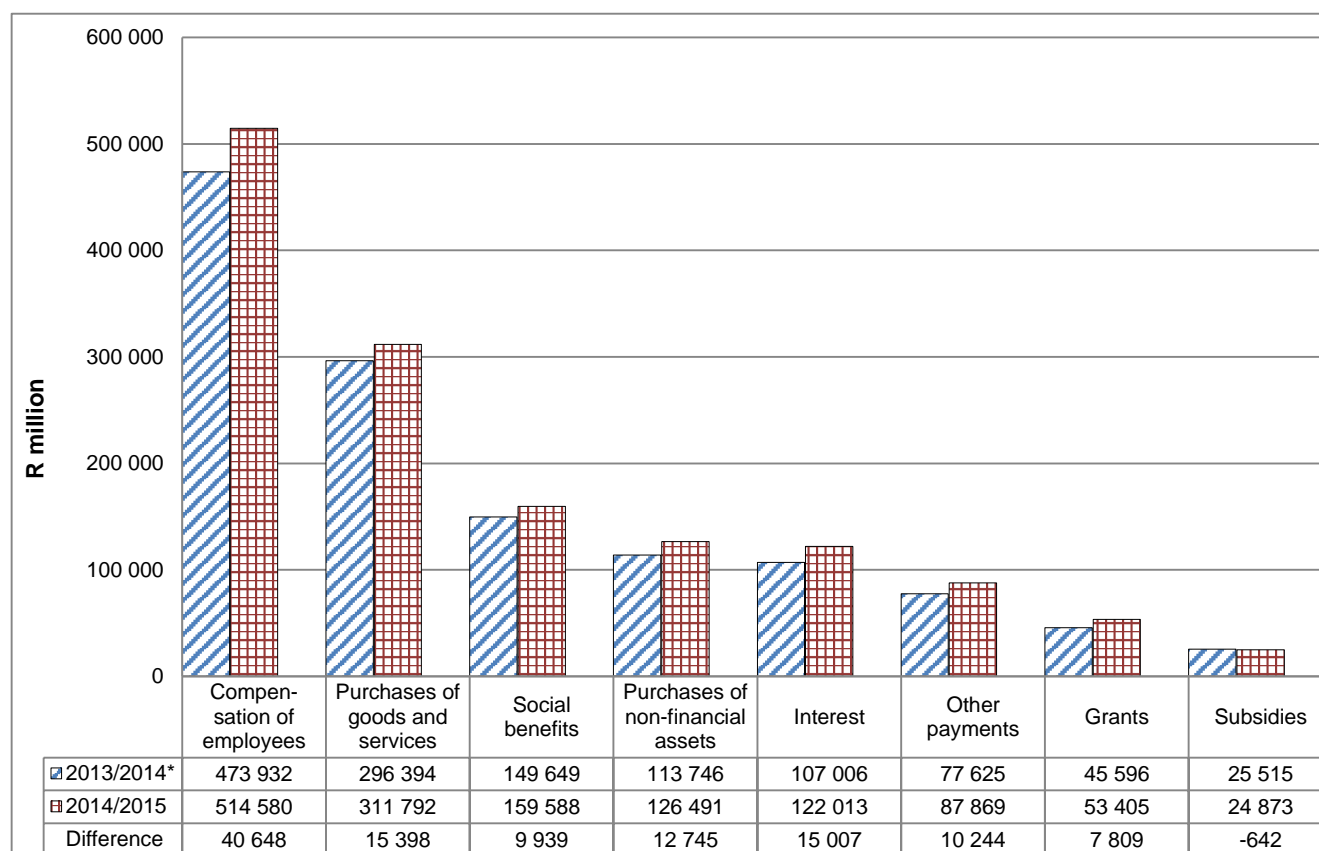
The increase of R12 745 million in purchases of non-financial assets from R113 746 million in 2013/2014 to R126 491 million in 2014/2015 was mainly due to an increase in payments for other structures by the municipalities (R7 588 million), followed by the national government (R1 996 million), the provincial governments (R1 737 million), the higher education institutions (R766 million) and the extra-budgetary accounts and funds (R658 million).

**Table A – Economic classification of statement of sources and uses of cash of consolidated general government for the 2013/2014 and 2014/2015 fiscal years (summary)<sup>1</sup>**

GFS 2001 codes	Economic classification of sources and uses of cash	2013/2014 <sup>2</sup>	2014/2015	Change between 2013/2014 and 2014/2015
		R million	R million	R million
	<b>Cash flows from operating activities:</b>			
	Cash receipts from operating activities <b>a</b>	1 117 140	1 224 186	107 046
11	Taxes	966 872	1 060 957	94 085
12	Social contributions	21 939	22 467	528
13	Grants	1 949	2 239	290
14	Other receipts	126 380	138 523	12 143
	Cash payments for operating activities <b>b</b>	1 175 716	1 274 121	98 405
21	Compensation of employees	473 932	514 580	40 648
22	Purchases of goods and services	296 394	311 792	15 398
24	Interest	107 006	122 013	15 007
25	Subsidies	25 515	24 873	-642
26	Grants	45 596	53 405	7 809
27	Social benefits	149 649	159 588	9 939
28	Other payments	77 625	87 869	10 244
	<i>Net cash flow from operating activities: (outflow)/ inflow (a-b)=c</i>	-58 576	-49 935	8 641
	<b>Cash flows from investments in non-financial assets:</b>			
	Purchases of non-financial assets <sup>3</sup> <b>d</b>	113 746	126 491	12 745
611	Fixed assets	111 274	124 377	13 103
612	Inventories	270	88	-182
613	Valuables	36	39	3
614	Non-produced assets	2 166	1 987	-179
	Sales of non-financial assets <b>e</b>	1 747	1 267	-480
311	Fixed assets	1 611	1 244	-367
312	Inventories	0	0	0
313	Valuables	0	0	0
314	Non-produced assets	135	22	-113
	<i>Net cash flow from investments in non-financial assets: (outflow)/ inflow (e-d)=f</i>	-111 999	-125 224	
	<b>CASH SURPLUS/ (DEFICIT) (c+f)=g</b>	-170 576	-175 159	
	<b>Cash flows from financing activities:</b>			
	Net acquisition of financial assets other than cash:			
	cash outflow/ (inflow) <b>h</b>	19 419	31 609	
321	Domestic	18 639	31 202	
322	Foreign	780	407	
	Net incurrence of liabilities: cash (outflow)/ inflow <b>i</b>	272 080	265 243	
331	Domestic	266 349	251 407	
332	Foreign	5 732	13 836	
	<i>Net cash flow from financing activities: (outflow)/ inflow (i-h)=j</i>	252 661	233 634	
99999	<b>NET CHANGE IN THE STOCK OF CASH (g+j)=k</b>	82 085	58 475	

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.<sup>2</sup> Revised since the previous publication.<sup>3</sup> See Figure 4 for the split of purchases of non-financial assets.

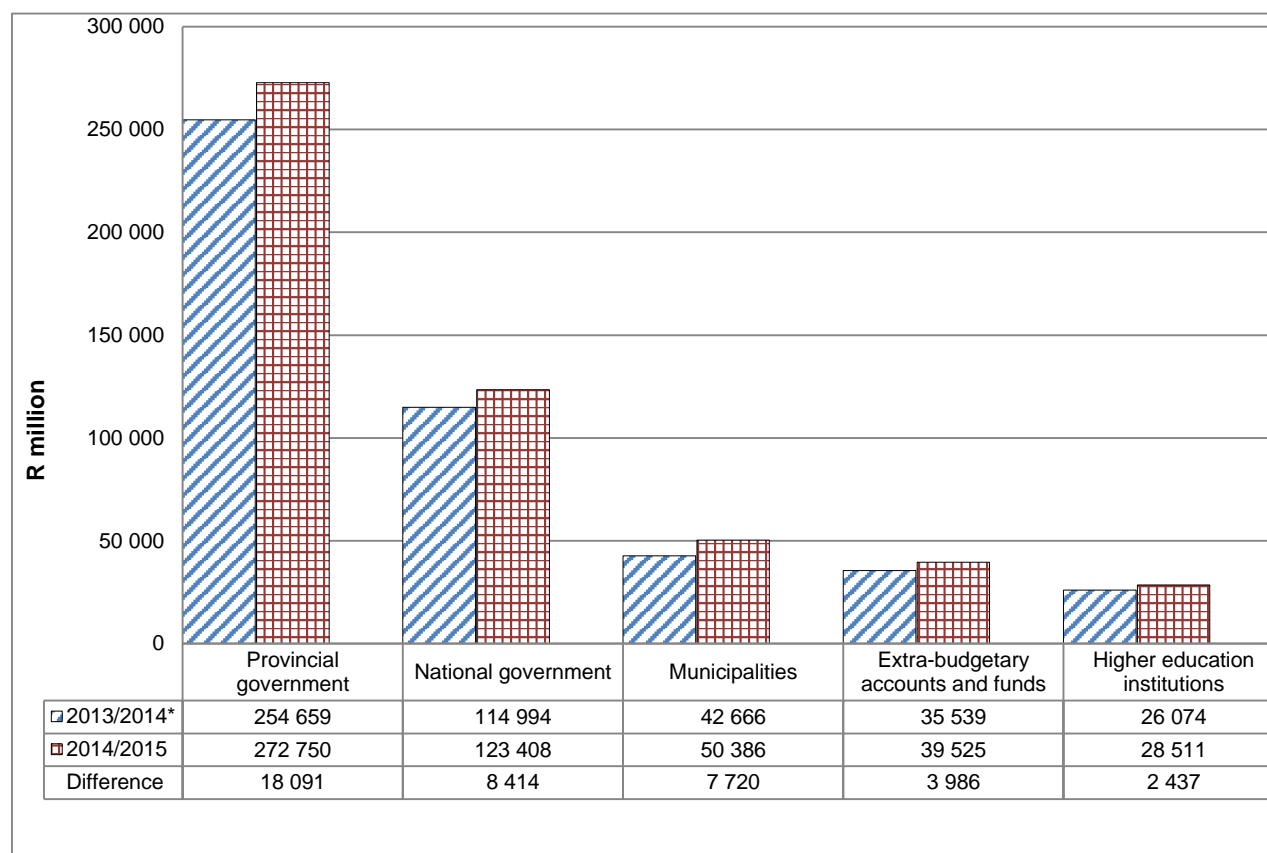
**Figure 1 – Economic classification of cash payments for operating activities and purchases of non-financial assets for the 2013/2014\* and 2014/2015 fiscal years**



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

Figure 1 shows the economic classification of cash payments for operating activities and purchases of non-financial assets for the 2013/2014 and 2014/2015 fiscal years. Compensation of employees accounted for the largest proportion of the expenditure (R514 580 million in 2014/2015), followed by purchases of goods and services (R311 792 million), social benefits (R159 588 million), purchases of non-financial assets (R126 491 million) and interest (R122 013 million).

**Figure 2 – Compensation of employees by type of general government institution for the 2013/2014\* and 2014/2015 fiscal years**

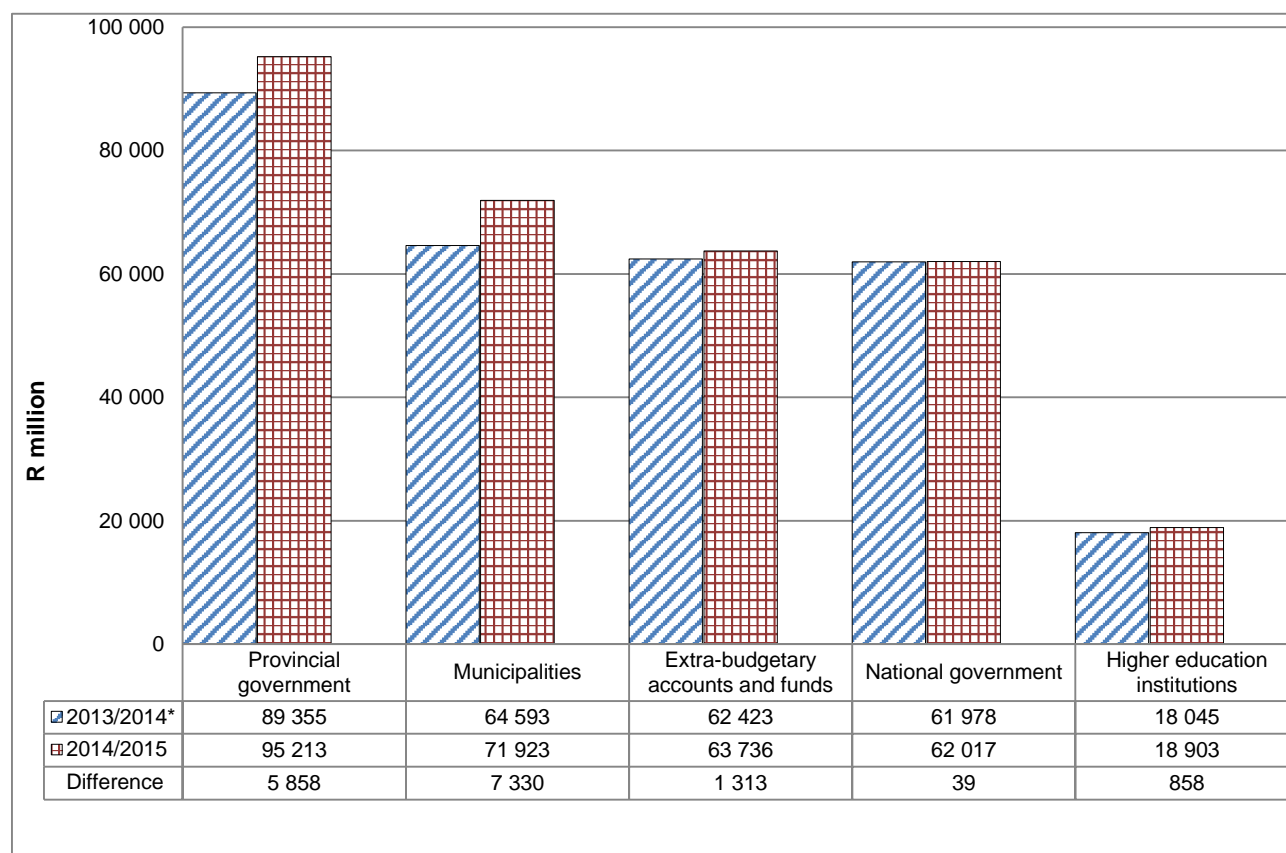


\* Some of the figures have been revised since the previous publication

Figure 2 shows general government expenditure on compensation of employees. The total for the 2014/2015 fiscal year was R514 580 million, with provincial governments accounting for the largest proportion of this expenditure (R272 750 million), followed by national government (R123 408 million), municipalities (R50 386 million), extra-budgetary accounts and funds (R39 525 million) and higher education institutions (R28 511 million).



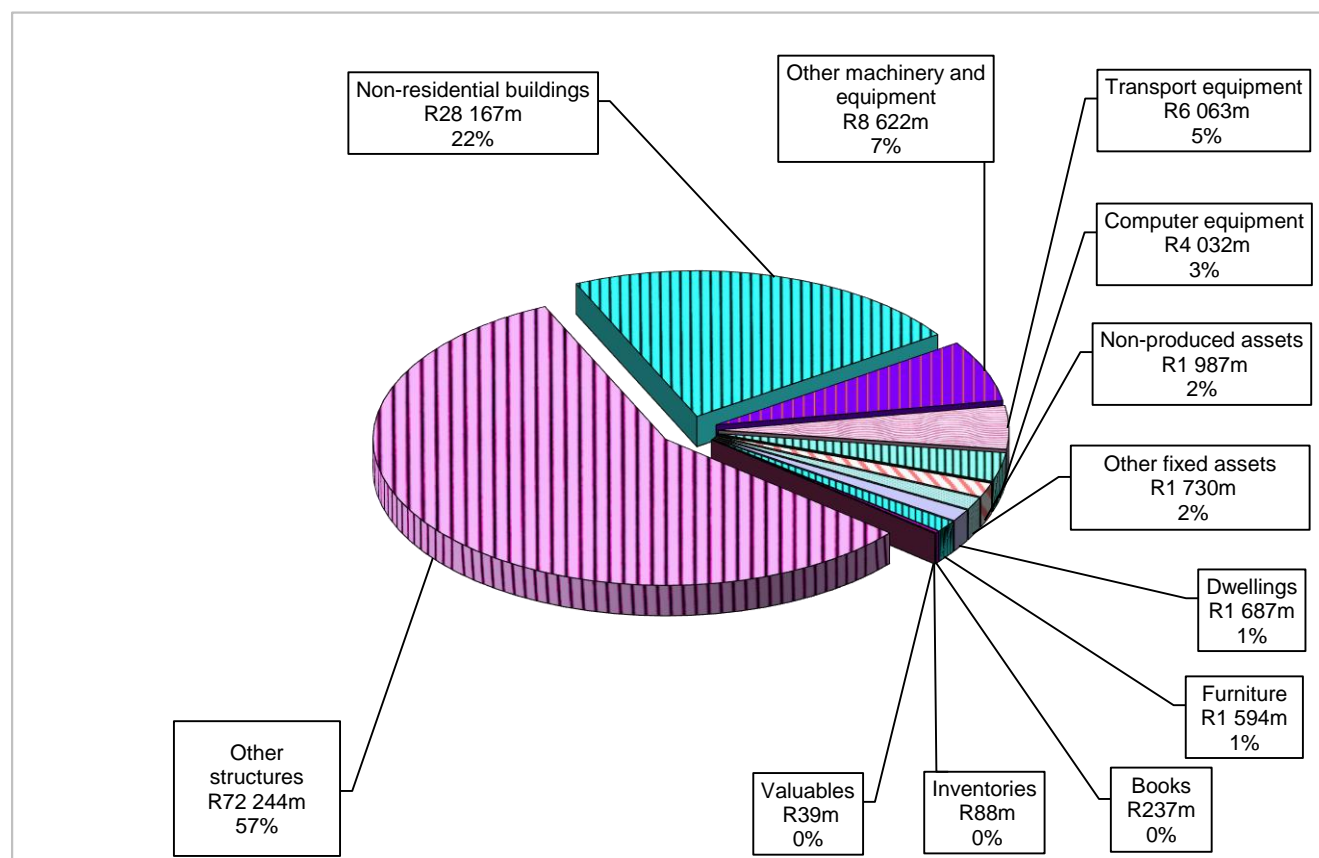
**Figure 3 – Purchases of goods and services by type of general government institution for the 2013/2014\* and 2014/2015 fiscal years**



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

Figure 3 shows purchases of goods and services by general government. The total for the 2014/2015 fiscal year was R311 792 million, with provincial governments spending the largest proportion (R95 213 million), followed by municipalities (R71 923 million), extra-budgetary accounts and funds (R63 736 million), national government (R62 017 million) and higher education institutions (R18 903 million).

**Figure 4 – Economic classification of cash payments for purchases of non-financial assets for the 2014/2015 fiscal year<sup>1</sup>**



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

Figure 4 shows the economic classification of payments for purchases of non-financial assets for the 2014/2015 fiscal year. The total was R126 491 million, with the largest contributors being other structures (R72 244 million or 57%), non-residential buildings (R28 167 million or 22%), other machinery and equipment (R8 622 million or 7%) and transport equipment (R6 063 million or 5%).

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

Functional classification of cash payments for operating activities and purchases of non-financial assets measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote government objectives and various services rendered to the community. The functionally classified expenditure categories are indicated in Table B, p.13. 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.

Total cash payments for operating activities and purchases of non-financial assets (functionally classified) by the government general sector increased by R111 150 million from R1 289 462 million in 2013/2014 to R1 400 612 million in the 2014/2015 fiscal year (Table B, p.13).

The increase of R32 908 million in cash payments for executive and legislative organs, financial and fiscal affairs, external affairs from R151 046 million in 2013/2014 to R183 954 in 2014/2015 was due to increased spending by the municipalities (R22 554 million), the national government (R8 890 million), the provincial governments (R742 million) and the municipalities (R722 million) on executive and legislative services.

The increase of R16 605 million in cash payments for education from R249 187 million in 2013/2014 to R265 792 million in 2014/2015 was due to increased spending on education services by the provincial governments (R10 190 million), the higher education institutions (R4 486 million), the national government (R1 177 million) and the extra-budgetary accounts and funds (R752 million).

The increase of R13 614 million in cash payments for public debt transactions from R101 090 million in 2013/2014 to R114 704 million in 2014/2015 was due to increased payments of interest on public debt by the national government.

The increase of R12 399 million in cash payments for social protection from R170 422 million in 2013/2014 to R182 821 million in 2014/2015 was due to increased social grants paid to households by the national government (R10 802 million) and the provincial governments (R1 577 million) and the extra-budgetary accounts and funds (R20 million).

The increase of R11 528 million in cash payments for health from R145 910 million in 2013/2014 to R157 438 million in 2014/2015 was due to increased spending on health services by the provincial governments (R10 021 million), the national government (R1 185 million), the extra-budgetary accounts and funds (R216 million) and the municipalities (R106 million).

The net increase of R7 467 million in cash payments for economic affairs from R124 845 million in 2013/2014 to R132 312 million in 2014/2015 was due to increased transfer payments by the national government (R5 174 million) to public corporations, increased spending on transport by the provincial governments (R2 737 million) and the extra-budgetary accounts and funds (R457 million) and decreased spending on transport by the municipalities (-R901 million).

The increase of R6 656 million in cash payments for general public services from R8 150 million in 2013/2014 to R14 806 million in 2014/2015 was due to increased spending on other general services by the municipalities (R6 077 million) and the extra-budgetary accounts and funds (R579 million).

The net increase of R6 272 million in cash payments for public order and safety from R136 642 million in 2013/2014 to R142 914 million in 2014/2015 was due to increased spending by the national government (R5 558 million), the provincial governments (R646 million), the extra-budgetary accounts and funds (R245 million) and decreased spending by the municipalities (-R177 million) on police services and law courts.

The increase of R3 766 million in cash payments for general services from R40 063 million in 2013/2014 to R43 829 million in 2014/2015 was due to increased spending on employee costs, purchases of goods and services and purchases of non-residential buildings by the extra-budgetary accounts and funds (R2 037 million), spending on other structures by national government (R949 million) and purchases of goods and services by the provincial governments (R780 million).

The net increase of R2 626 million in cash payments for housing and community amenities from R61 795 million in 2013/2014 to R64 421 million in 2014/2015 was due to increased spending by the national government (R2 267 million) on water supply, increased housing development by the provincial governments (R1 129 million) and the extra-budgetary accounts and funds (R489 million) and decreased housing development by the municipalities (-R1 259 million).

The net increase of R181 million in cash payments for environmental protection from R9 919 million in 2013/2014 to R10 100 million in 2014/2015 was due to increased spending by the extra-budgetary accounts and funds (R639 million) and the provincial governments (R147 million) and decreased spending by the national government (-R323 million) and the municipalities (-R282 million).

The net decrease of R2 638 million in cash payments for recreation, culture and religion from R40 154 million in 2013/2014 to R37 516 million in 2014/2015 was due to decreased cash payments for recreation and sporting services by the municipalities (-R3 412 million) and the extra-budgetary accounts and funds (-R128 million) and increased spending by the provincial governments (R528 million) and the national government (R374 million).

The decrease of R349 million in cash payments for foreign economic aid from R1 179 million in 2013/2014 to R830 million in 2014/2015 was due to decreased transfers to foreign institutions by the national government (-R237 million) and the extra-budgetary accounts and funds (-R112 million).

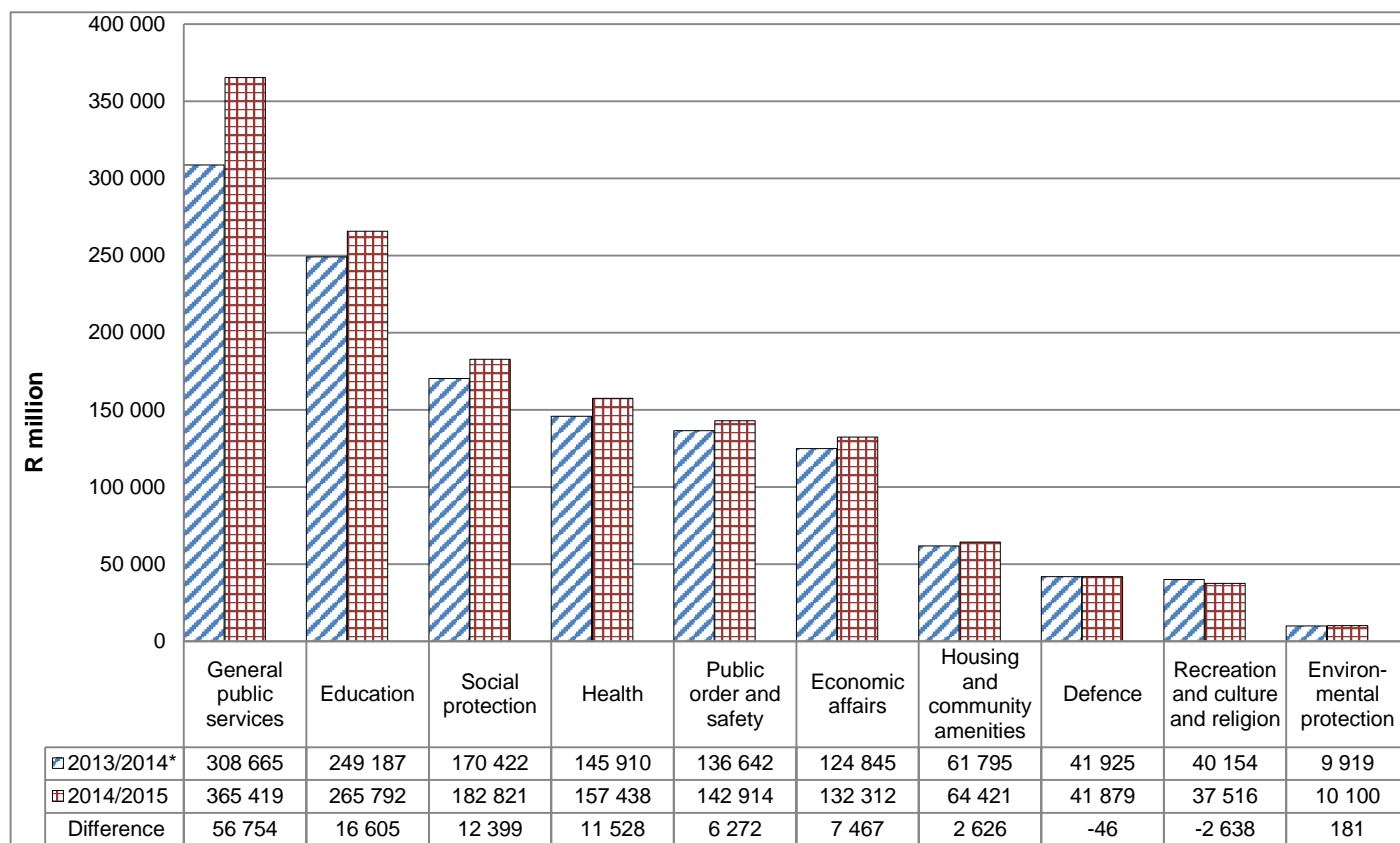
The net decrease of R46 million in cash payments for defence from R41 925 million in 2013/2014 to R41 879 million in 2014/2015 was due to decreased cash payments by the extra-budgetary accounts and funds (-R996 million) and increased spending by the national government (R950 million).

**Table B – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2013/2014 and 2014/2015 fiscal years (summary)<sup>1</sup>**

GFS 2001 codes	Type of service	2013/2014 <sup>2</sup>	2014/2015	Change between 2013/2014 and 2014/2015	Percentage of total cash payments 2014/2015
		R million	R million	R million	%
	<b>General government services</b>				
<b>701</b>	<b>General public services</b>				
<b>7011</b>	Executive and legislative organs, financial and fiscal affairs, external affairs	151 046	183 954	32 908	13,1
<b>7012</b>	Foreign economic aid	1 179	830	-349	0,1
<b>7013</b>	General services	40 063	43 829	3 766	3,1
<b>7014</b>	Basic research	6 726	6 693	-33	0,5
<b>7015</b>	Research and development general public services	411	604	193	0,0
<b>7016</b>	General public services n.e.c. <sup>3</sup>	8 150	14 806	6 656	1,1
<b>7017</b>	Public debt transactions (mainly interest)	101 090	114 704	13 614	8,2
<b>7018</b>	Transfers of a general character between different levels of government	0	0	0	0,0
	<b>Total general public services</b> <b>a</b>	<b>308 665</b>	<b>365 419</b>	<b>56 754</b>	<b>26,1</b>
<b>702</b>	<b>Defence</b> <b>b</b>	<b>41 925</b>	<b>41 879</b>	<b>-46</b>	<b>3,0</b>
<b>703</b>	<b>Public order and safety</b>				
<b>7031</b>	Police	92 174	92 898	724	6,6
<b>7032</b>	Fire protection services	6 191	5 904	-287	0,4
<b>7033</b>	Law courts	16 295	17 633	1 338	1,3
<b>7034</b>	Prisons	17 980	18 770	790	1,3
<b>7035</b>	R&D Public order and safety	35	48	13	0,0
<b>7036</b>	Public order and safety n.e.c.	3 966	7 662	3 696	0,5
	<b>Total public order and safety</b> <b>c</b>	<b>136 642</b>	<b>142 914</b>	<b>6 272</b>	<b>10,2</b>
<b>704</b>	<b>Economic affairs</b>				
<b>7041</b>	General economic, commercial and labour affairs	22 054	22 151	97	1,6
<b>7042</b>	Agriculture, forestry, fishing and hunting	20 219	19 846	-373	1,4
<b>7043</b>	Fuel and energy	6 622	6 341	-281	0,5
<b>7044</b>	Mining, manufacturing and construction	7 880	8 567	687	0,6
<b>7045</b>	Transport	57 984	66 010	8 026	4,7
<b>7046</b>	Communications	2 288	1 625	-663	0,1
<b>7047</b>	Other industries	4 492	4 482	-10	0,3
<b>7048</b>	Research and development economic affairs	3 306	3 289	-17	0,2
	<b>Total economic affairs</b> <b>d</b>	<b>124 845</b>	<b>132 312</b>	<b>7 467</b>	<b>9,4</b>
<b>705</b>	<b>Environmental protection</b>	<b>9 919</b>	<b>10 100</b>	<b>181</b>	<b>0,7</b>
<b>706</b>	<b>Housing and community amenities</b> <b>f</b>	<b>61 795</b>	<b>64 421</b>	<b>2 626</b>	<b>4,6</b>
<b>707</b>	<b>Health</b> <b>g</b>	<b>145 910</b>	<b>157 438</b>	<b>11 528</b>	<b>11,2</b>
<b>708</b>	<b>Recreation, culture and religion</b> <b>h</b>	<b>40 154</b>	<b>37 516</b>	<b>-2 638</b>	<b>2,7</b>
<b>709</b>	<b>Education</b> <b>i</b>	<b>249 187</b>	<b>265 792</b>	<b>16 605</b>	<b>19,0</b>
<b>710</b>	<b>Social protection</b> <b>j</b>	<b>170 422</b>	<b>182 821</b>	<b>12 399</b>	<b>13,1</b>
	<b>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)</b> <b>k</b>	<b>1 289 462</b>	<b>1 400 612</b>	<b>111 150</b>	<b>100,0</b>

<sup>1</sup> The sum of the data may not necessarily add up to totals due to rounding-off of figures.<sup>2</sup> Revised since the previous publication.<sup>3</sup> n.e.c. not elsewhere classified

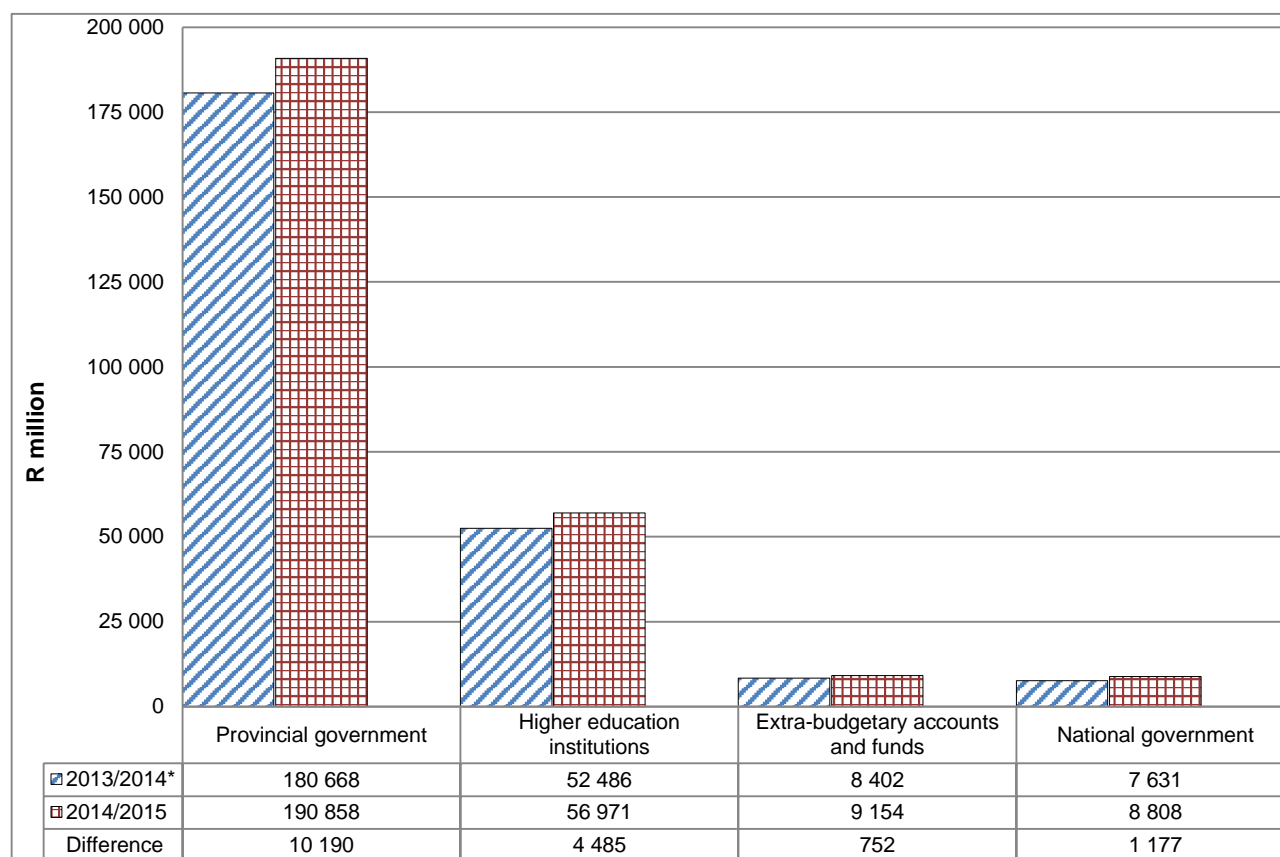
**Figure 5 – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2013/2014 and 2014/2015 fiscal years**



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

Figure 5 shows the functional classification of cash payments for operating activities and purchases of non-financial assets. The total for the 2014/2015 fiscal year was R1 400 612 million, with general public services spending the highest amount (R365 419 million), followed by education (R265 792 million), social protection (R182 821 million) and health (R157 438 million).

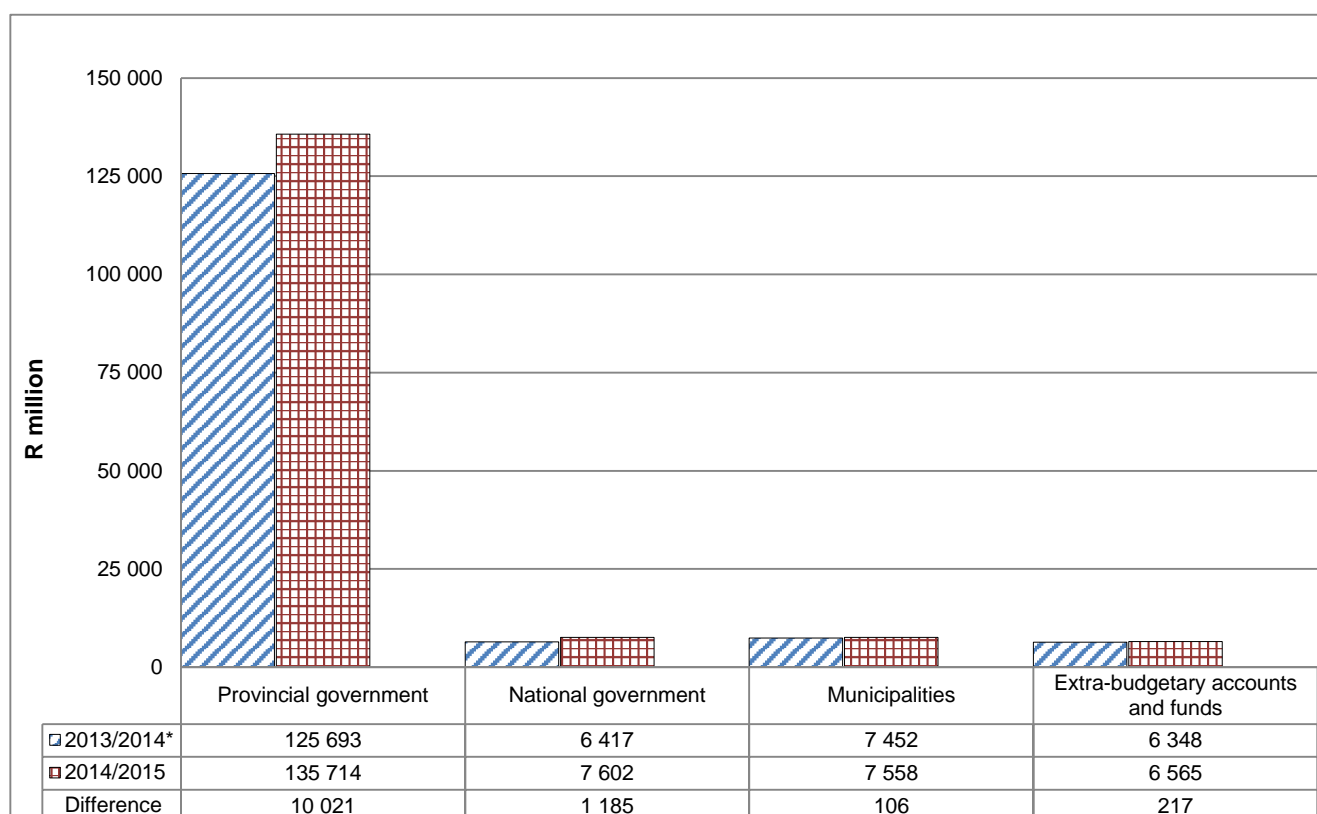
**Figure 6 – Spending on education by type of general government institution for the 2013/2014 and 2014/2015 fiscal years**



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

Figure 6 shows general government expenditure on education. The total for the 2014/2015 fiscal year was R265 792 million, with provincial governments spending the highest amount (R190 858 million), followed by higher education institutions (R56 971 million), extra-budgetary accounts and funds (R9 154 million) and national government (R8 808 million).

**Figure 7 – Spending on health by type of general government institution for the 2013/2014 and 2014/2015 fiscal years**

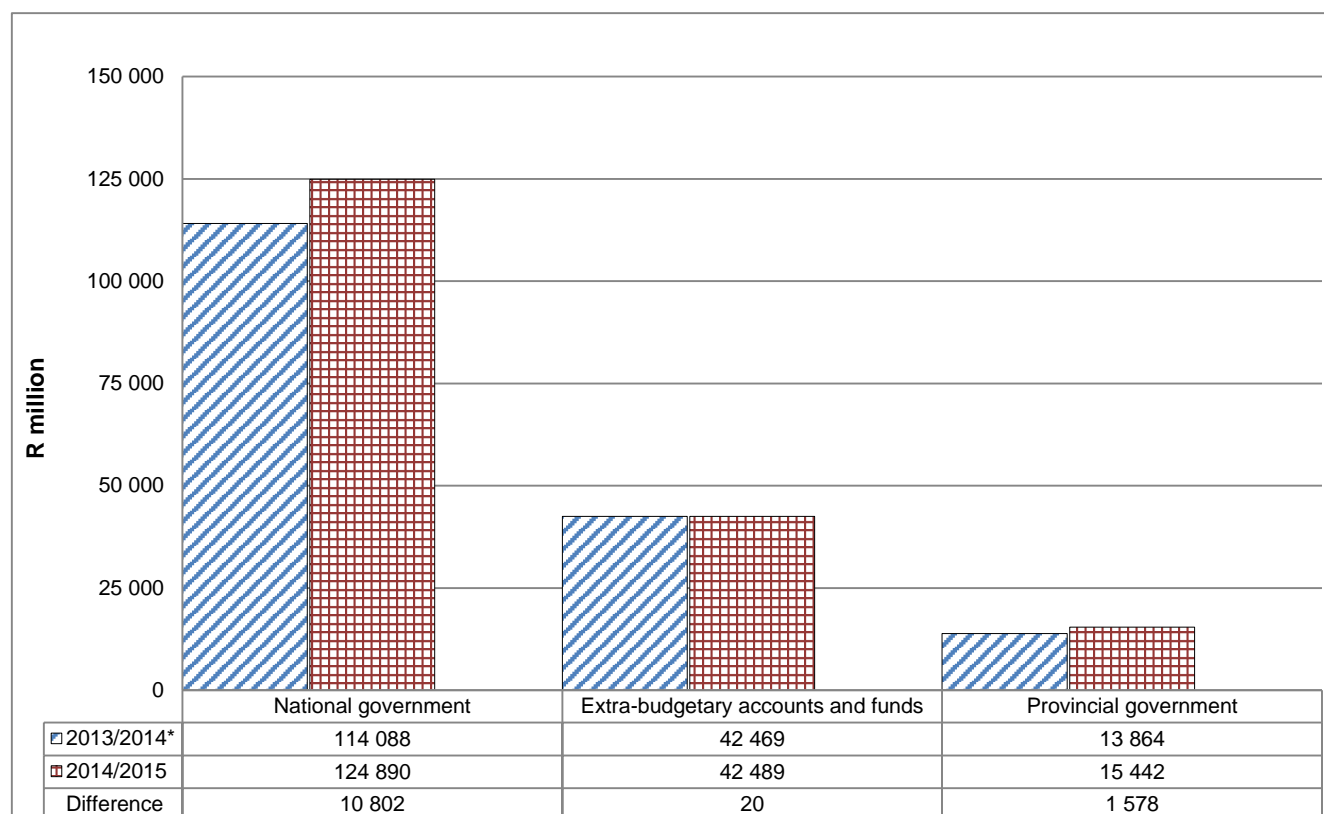


\*Some of the figures have been revised since the previous publication.

Figure 7 shows general government expenditure on health. The total for the 2014/2015 fiscal year was R157 438 million, with provincial governments spending the largest amount (R135 714 million), followed by national government (R7 602 million), municipalities (R7 558 million) and extra-budgetary accounts and funds (R6 565 million).



**Figure 8 – Spending on social protection by type of general government institution for the 2013/2014 and 2014/2015 fiscal years**



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

Figure 8 shows general government expenditure on social protection. The total for the 2014/2015 fiscal year was R182 821 million, with national government spending the highest amount (R124 890 million), followed by extra-budgetary accounts and funds (R42 489 million) and provincial governments (R15 442 million).

**Table C – Contribution of the different types of general government institution to the total consolidated cash payments for operating activities and purchases of non-financial assets by general government for the 2013/2014 and 2014/2015 fiscal years<sup>1</sup>**

Type of general government institution	R million		R million Change between 2013/2014 and 2014/2015	% of total cash payments	
	2013/2014*	2014/2015		2013/2014*	2014/2015
National government	498 402	548 890	50 488	38,7	39,2
Provincial governments	412 907	441 407	28 500	32,0	31,5
Municipalities	167 717	190 423	22 706	13,0	13,6
Extra-budgetary accounts and funds	157 950	162 920	4 970	12,2	11,6
Higher education institutions	52 486	56 971	4 485	4,1	4,1
<b>Total expenditure</b>	<b>1 289 462</b>	<b>1 400 612</b>	<b>111 150</b>	<b>100,0</b>	<b>100,0</b>

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

\* Revised since the previous publication.

**Sources:**

- (i) P9101 *Capital expenditure by the public sector for 2015*
- (ii) P9102 *Financial statistics of extra-budgetary accounts and funds 2014/2015*
- (iii) P9103.1 *Financial statistics of higher education institutions 2014 and 2015*
- (iv) P9114 *Financial census of municipalities June 2014 and June 2015*
- (v) P9119.3 *Financial statistics of national government 2014/2015*
- (vi) P9121 *Financial statistics of provincial government 2014/2015*

**Remarks on the figures in Table C**

The increase of R50 488 million in the expenditure of national government was mainly due to increases in cash payments for interest on public debt (R13 660 million), social grants to households (R10 721 million) and compensation of employees (R8 414 million).

The increase of R28 500 million in the expenditure of provincial governments was mainly due to increases in cash payments for compensation of employees, purchases of goods and services and other payments.

The increase of R22 706 million in the expenditure of municipalities was mainly due to increases in cash payments for purchases of non-financial assets, compensation of employees and purchases of goods and services.

The increase of R4 970 million in the expenditure of extra-budgetary accounts and funds was mainly due to increases in cash payments for compensation of employees, purchases of goods and services and other payments.

The increase of R4 485 million in the expenditure of higher education institutions was mainly due to increases in cash payments for compensation of employees and purchases of goods and services.

**PJ Lehohla**  
**Statistician-General**

**Table 1 – Economic classification of cash receipts from operating activities for the 2014/2015\* fiscal year (summary)**

<b>GFS 2001 codes</b>	<b>Economic classification</b>	<b>R million</b>
1	<b>Cash receipts from operating activities</b>	<b>1 224 186</b>
11	Taxes	1 060 957
12	Social contributions	22 467
13	Grants	2 239
14	Other receipts	138 523

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

**Table 2 – Economic and functional classification of cash payments for operating activities for the 2014/2015\* fiscal year (summary)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21 - 28)  TOTAL
		R million							
<b>70</b>	<b>GENERAL GOVERNMENT SERVICES</b>	<b>514 580</b>	<b>311 792</b>	<b>122 013</b>	<b>24 873</b>	<b>53 405</b>	<b>159 588</b>	<b>87 869</b>	<b>1 274 121</b>
<b>701</b>	<b>GENERAL PUBLIC SERVICES</b>	<b>59 369</b>	<b>89 878</b>	<b>118 859</b>	<b>827</b>	<b>53 397</b>	<b>159</b>	<b>6 010</b>	<b>328 499</b>
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	40 104	55 490	4 051	0	52 567	63	4 790	157 065
7012	Foreign economic aid	0	0	0	0	830	0	0	830
7013	General services	14 488	22 384	39	1	0	95	167	37 175
7014	Basic research	1 242	3 314	2	826	0	1	872	6 256
7015	R&D General public services	68	531	0	0	0	0	4	603
7016	General public services n.e.c.	3 467	8 158	64	0	0	0	177	11 867
7017	Public debt transactions (mainly interest)	0	0	114 704	0	0	0	0	114 704
7018	Transfers of a general character between different levels of government	0	0	0	0	0	0	0	0
<b>702</b>	<b>DEFENCE</b>	<b>24 102</b>	<b>15 960</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79</b>	<b>74</b>	<b>40 215</b>
7021	Military defence	20 237	15 057	0	0	0	79	74	35 446
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	14	0	0	0	0	0	14
7025	Defence n.e.c.	3 866	889	0	0	0	0	0	4 755
<b>703</b>	<b>PUBLIC ORDER AND SAFETY</b>	<b>91 921</b>	<b>32 462</b>	<b>68</b>	<b>0</b>	<b>0</b>	<b>643</b>	<b>599</b>	<b>125 693</b>
7031	Police services	63 112	19 758	12	0	0	406	471	83 760
7032	Fire protection services	2 467	614	17	0	0	0	14	3 113
7033	Law courts	11 435	4 762	2	0	0	148	72	16 418
7034	Prisons	12 174	5 465	0	0	0	88	34	17 761
7035	R&D Public order and safety	20	27	0	0	0	0	0	47
7036	Public order and safety n.e.c.	2 713	1 836	36	0	0	0	9	4 594

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

**Table 2 – Economic and functional classification of cash payments for operating activities for the 2014/2015\* fiscal year (summary) (continued)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21 - 28)
		R million							
									TOTAL
<b>704</b>	<b>ECONOMIC AFFAIRS</b>	<b>24 377</b>	<b>34 227</b>	<b>67</b>	<b>21 172</b>	<b>0</b>	<b>639</b>	<b>33 914</b>	<b>114 395</b>
7041	General economic, commercial and labour affairs	6 397	7 570	22	2 281	0	316	4 682	21 268
7042	Agriculture, forestry, fishing and hunting	7 554	4 703	6	343	0	92	4 156	16 855
7043	Fuel and energy	555	514	7	926	0	3	4 298	6 303
7044	Mining, manufacturing and construction	1 016	3 476	1	3 423	0	3	430	8 349
7045	Transport	5 809	13 022	12	14 109	0	59	19 704	52 714
7046	Communication	472	1 042	2	64	0	0	4	1 584
7047	Other industries	1 054	2 740	12	23	0	159	202	4 190
7048	R&D Economic affairs	1 520	1 160	5	4	0	6	438	3 132
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
<b>705</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>4 137</b>	<b>3 693</b>	<b>11</b>	<b>546</b>	<b>0</b>	<b>602</b>	<b>338</b>	<b>9 327</b>
7051	Waste management	131	58	0	255	0	403	0	848
7052	Waste water management	0	0	0	277	0	0	0	277
7053	Pollution abatement	101	63	0	0	0	0	2	166
7054	Protection of biodiversity and landscape	3 562	3 303	11	14	0	199	83	7 172
7055	R&D Environmental protection	122	145	0	0	0	0	1	269
7056	Environmental protection n.e.c.	220	123	0	0	0	0	251	594
<b>706</b>	<b>HOUSING AND COMMUNITY AMENITIES</b>	<b>10 581</b>	<b>15 964</b>	<b>2 377</b>	<b>731</b>	<b>0</b>	<b>1 536</b>	<b>19 754</b>	<b>50 943</b>
7061	Housing development	3 628	4 070	183	4	0	7	17 708	25 601
7062	Community development	4 672	6 009	29	0	0	3	1 238	11 951
7063	Water supply	2 193	5 656	2 165	727	0	1 525	801	13 068
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	87	229	0	0	0	0	7	323
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0

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

**Table 2 – Economic and functional classification of cash payments for operating activities for the 2014/2015\* fiscal year (summary) (continued)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21 - 28)
		R million							
									TOTAL
<b>707</b>	<b>HEALTH</b>	<b>95 326</b>	<b>47 432</b>	<b>52</b>	<b>0</b>	<b>3</b>	<b>577</b>	<b>3 331</b>	<b>146 720</b>
7072	Outpatient services	56	56	0	0	0	1	1	113
70724	Ambulance services	3 569	1 350	1	0	0	9	53	4 983
7073	Hospital services	61 051	23 315	8	0	0	368	829	85 572
7074	Public health services	27 233	17 071	40	0	3	192	2 418	46 955
7075	R&D Health	2 259	3 921	3	0	0	0	13	6 197
7076	Health n.e.c.	1 158	1 718	0	0	0	7	17	2 900
<b>708</b>	<b>RECREATION, CULTURE AND RELIGION</b>	<b>11 967</b>	<b>11 066</b>	<b>106</b>	<b>612</b>	<b>0</b>	<b>32</b>	<b>4 452</b>	<b>28 236</b>
7081	Recreational and sporting services	3 889	3 880	72	46	0	3	1 962	9 852
7082	Cultural services	7 822	6 643	34	153	0	27	1 099	15 776
7083	Broadcasting and publishing services	67	54	0	413	0	0	393	928
7084	Religious and other community services	122	425	0	0	0	2	998	1 547
7085	R&D Recreation, culture and religion	6	27	0	0	0	0	0	33
7086	Recreation, culture and religion n.e.c.	62	38	0	0	0	0	0	100
<b>709</b>	<b>EDUCATION</b>	<b>180 590</b>	<b>52 793</b>	<b>404</b>	<b>985</b>	<b>3</b>	<b>1 249</b>	<b>12 366</b>	<b>248 391</b>
7091	Pre-primary and primary education	70 570	8 277	0	549	3	638	27	80 065
7092	Secondary education	57 530	6 511	0	436	0	415	20	64 913
7093	Post-secondary non-tertiary education (e.g. ABET)	5 553	3 877	0	0	0	51	193	9 673
7094	Tertiary education	28 657	19 005	348	0	0	0	10 993	59 003
7095	Education not definable by level	1 614	499	0	0	0	2	17	2 132
7096	Subsidiary services to education	1	375	0	0	0	0	0	375
7097	R&D Education	1	68	0	0	0	0	0	69
7098	Education n.e.c.	16 664	14 183	55	0	1	143	1 117	32 162

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

**Table 2 – Economic and functional classification of cash payments for operating activities for the 2014/2015\* fiscal year (summary) (concluded)**

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21 - 28)
		R million							
<b>710</b>	<b>SOCIAL PROTECTION</b>	<b>12 209</b>	<b>8 318</b>	<b>69</b>	<b>0</b>	<b>2</b>	<b>154 073</b>	<b>7 031</b>	<b>181 702</b>
7101	Sickness and disability	535	406	1	0	0	21 335	356	22 634
7102	Old age	234	215	0	0	2	51 849	1 644	53 944
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	1 951	302	0	0	0	51 363	3 196	56 811
7105	Unemployment	872	619	0	0	0	7 178	0	8 670
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	737	410	0	0	0	2	654	1 803
7108	R&D Social protection	698	200	0	0	0	1	431	1 330
7109	Social protection n.e.c.	7 183	6 165	68	0	0	22 346	750	36 511

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

**Table 3 – Economic and functional classification of cash payments for purchases of non-financial assets for the 2014/2015\* fiscal year (summary)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)
		R million				
70	GENERAL GOVERNMENT SERVICES	124 377	88	39	1 987	126 491
701	GENERAL PUBLIC SERVICES	36 556	4	15	345	36 920
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	26 638	0	13	238	26 889
7012	Foreign economic aid	0	0	0	0	0
7013	General services	6 574	0	0	80	6 654
7014	Basic research	433	4	0	0	437
7015	R&D General public services	1	0	0	0	1
7016	General public services n.e.c.	2 910	0	1	27	2 939
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	1 663	0	0	0	1 663
7021	Military defence	965	0	0	0	965
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.	699	0	0	0	699
703	PUBLIC ORDER AND SAFETY	17 106	0	6	108	17 221
7031	Police services	9 082	0	3	53	9 138
7032	Fire protection services	2 763	0	1	26	2 791
7033	Law courts	1 214	0	0	0	1 214
7034	Prisons	1 009	0	0	0	1 009
7035	R&D Public order and safety	0	0	0	0	0
7036	Public order and safety n.e.c.	3 038	0	2	29	3 068

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



**Table 3 – Economic and functional classification of cash payments for purchases of non-financial assets for the 2014/2015\* fiscal year (summary)  
(continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)
		R million				
						TOTAL
<b>704</b>	<b>ECONOMIC AFFAIRS</b>	<b>16 591</b>	<b>48</b>	<b>0</b>	<b>1 279</b>	<b>17 918</b>
7041	General economic, commercial and labour affairs	856	2	0	25	883
7042	Agriculture, forestry, fishing and hunting	1 724	14	0	1 254	2 992
7043	Fuel and energy	39	0	0	0	39
7044	Mining, manufacturing and construction	218	0	0	0	218
7045	Transport	13 266	30	0	0	13 296
7046	Communication	41	0	0	0	41
7047	Other industries	290	1	0	0	292
7048	R&D Economic affairs	157	0	0	0	157
7049	Economic affairs n.e.c.	0	0	0	0	0
<b>705</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>730</b>	<b>5</b>	<b>0</b>	<b>38</b>	<b>773</b>
7051	Waste management	15	0	0	0	15
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	17	0	0	0	17
7054	Protection of biodiversity and landscape	645	5	0	38	688
7055	R&D Environmental protection	17	0	0	0	18
7056	Environmental protection n.e.c.	35	0	0	0	35
<b>706</b>	<b>HOUSING AND COMMUNITY AMENITIES</b>	<b>13 417</b>	<b>1</b>	<b>3</b>	<b>57</b>	<b>13 477</b>
7061	Housing development	1 987	1	1	20	2 008
7062	Community development	4 076	0	2	37	4 115
7063	Water supply	7 351	0	0	0	7 351
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	4	0	0	0	4
7066	Housing and community amenities n.e.c.	0	0	0	0	0

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

**Table 3 – Economic and functional classification of cash payments for purchases of non-financial assets for the 2014/2015\* fiscal year (summary)  
(continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)  TOTAL
		R million				
<b>707</b>	<b>HEALTH</b>	<b>10 678</b>	<b>7</b>	<b>2</b>	<b>31</b>	<b>10 719</b>
7072	Outpatient services	1	0	0	0	1
70724	Ambulance services	348	0	0	0	348
7073	Hospital services	4 771	0	0	0	4 771
7074	Public health services	4 993	0	2	31	5 026
7075	R&D Health	64	7	0	0	71
7076	Health n.e.c.	501	0	0	0	501
<b>708</b>	<b>RECREATION, CULTURE AND RELIGION</b>	<b>9 183</b>	<b>1</b>	<b>14</b>	<b>83</b>	<b>9 281</b>
7081	Recreational and sporting services	3 542	0	2	31	3 575
7082	Cultural services	5 614	1	12	52	5 679
7083	Broadcasting and publishing services	3	0	0	0	3
7084	Religious and other community services	22	0	0	0	22
7085	R&D Recreation, culture and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	1	0	0	0	1
<b>709</b>	<b>EDUCATION</b>	<b>17 342</b>	<b>13</b>	<b>0</b>	<b>46</b>	<b>17 401</b>
7091	Pre-primary and primary education	417	0	0	0	417
7092	Secondary education	88	0	0	0	88
7093	Post-secondary non-tertiary education (e.g. ABET)	46	0	0	0	46
7094	Tertiary education	6 181	13	0	5	6 199
7095	Education not definable by level	1	0	0	0	1
7096	Subsidiary services to education	0	0	0	0	0
7097	R&D Education	0	0	0	0	0
7098	Education n.e.c.	10 609	0	0	42	10 651

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

**Table 3 – Economic and functional classification of cash payments for purchases of non-financial assets for the 2014/2015\* fiscal year (summary)  
(concluded)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non- produced assets	(611 - 614)  TOTAL
		R million				
<b>710</b>	<b>SOCIAL PROTECTION</b>	<b>1 110</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>1 119</b>
7101	Sickness and disability	26	0	0	0	26
7102	Old age	34	0	0	0	34
7103	Survivors	0	0	0	0	0
7104	Family and children	99	0	0	0	99
7105	Unemployment	27	0	0	0	27
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	78	0	0	0	78
7108	R&D Social protection	86	0	0	0	86
7109	Social protection n.e.c.	760	8	0	0	769

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

**Table 4 – Economic classification of the sale of non-financial assets for the 2014/2015\* fiscal year (summary)**

<b>GFS 2001 codes</b>	<b>Economic classification</b>	<b>R million</b>
<b>31</b>		<b>1 267</b>
311	Fixed assets	1 244
312	Inventories	0
313	Valuables	0
314	Non-produced assets	22

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

**Table 5 – Economic classification of the net acquisition of financial assets other than cash for the 2014/2015\* fiscal year (summary)**

<b>GFS 2001 codes</b>	<b>Economic classification</b>	<b>R million</b>
<b>32</b>		<b>31 609</b>
321	Domestic	31 202
322	Foreign	407

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

**Table 6 – Economic classification of the net incurrence of liabilities for the 2014/2015\* fiscal year (summary)**

<b>GFS 2001 codes</b>	<b>Economic classification</b>	<b>R million</b>
<b>33</b>		<b>265 243</b>
331	Domestic	251 407
332	Foreign	13 836

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

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

**Tables**

Table 1	Economic classification of cash receipts from operating activities for the 2014/2015 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2014/2015 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2014/2015 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2014/2015 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for the 2014/2015 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2014/2015 fiscal year
Table 7	Economic and functional classification of cash payments for operating activities for the 2014/2015 fiscal year: Government consumption cash payments divided between individual and collective services
Table 8	Economic and functional classification of cash payments for operating activities for the 2014/2015 fiscal year: Subsidies paid divided between subsidies on products and subsidies on production
Table 9	Economic classification of statement of sources and uses of cash according to the different levels of general government for the 2014/2015 fiscal year (Summary)
Table 10	Functional classification of the cash payments for operating activities and purchases of non-financial assets according to the different levels of general government for the 2014/2015 fiscal year (Summary)

## Explanatory notes

### Introduction

This statistical release includes economic and functional classifications of the transactions of consolidated general government for the 2014/2015 fiscal year, ended 31 March 2015. The financial year of higher education institutions ends on 31 December and the municipalities' financial year ends on 30 June. For the purpose of consolidation estimates used in this publication have been adjusted from financial years-end to the fiscal year ending on 31 March.

General government refers to those government units whose primary activity is to assume responsibility for the provision of goods and services to the community or to individual households free of charge or at prices that are not economically significant and to redistribute income and wealth by means of transfers. A defining characteristic of general government is the ability to impose, directly or indirectly, taxes and other compulsory levies, for which there is no direct quid pro quo, on other sectors of the economy.

The internal transactions between the different types of general government institution are eliminated in the tables.

### Methodology

The published statistics of Stats SA were used. The tables in this statistical release contain details of the financial statistics of the different levels of general government and include:

- national revenue fund;
- extra-budgetary accounts and funds of the national and provincial governments;
- provincial revenue funds;
- higher education institutions; and
- municipalities (non-trading services).

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

The following statistical releases were used:

- *Financial statistics of national government 2014/2015* (P9119.3) published on 01 June 2016;
- *Financial statistics of provincial government 2014/2015* (P9121) published on 20 September 2016;
- *Financial statistics of extra-budgetary accounts and funds 2014/2015* (P9102) published on 27 July 2016;
- *Financial statistics of higher education institutions 2014 and 2015* (P9103.1), 2014 published on 15 October 2015 and 2015 published on 25 October 2016;
- *Financial census of municipalities* for the year ended 30 June 2015 (P9114), published on 29 June 2016 and *Financial census of municipalities* for the year ended 30 June 2014 (P9114), published on 15 June 2015; and
- *Capital expenditure by the public sector* for 2015 (P9101), published on 26 July 2016.

**Classification****Economic and functional classifications**

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 GFS manual 2001 of the International Monetary Fund (IMF).

**Economic classification**

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

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

- **Purchases of non-financial assets (including capitalised goods and services)**

Fixed assets  
Inventories  
Valuables  
Non-produced assets

- **Sales of non-financial assets**

Fixed assets  
Inventories  
Valuables  
Non-produced assets

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

Domestic  
Foreign

- **Net incurrence of liabilities**

Domestic

Foreign

**Functional classification**

Functional classification measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources of government in order to promote various services and objectives rendered to the community. The functional codes used in the tables are based on the functional codes used in the GFS manual 2001 of the IMF.

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

- **General public services**

Executive and legislative organs, financial and fiscal affairs, external affairs

Foreign economic aid

General services

Basic research

R&D General public services

General public services n.e.c.

Public debt transactions (mainly interest)

Transfers of a general character between different levels of government

- **Defence**

Military defence

Civil defence

Foreign military aid

R&D Defence

Defence n.e.c.

- **Public order and safety**

Police services

Fire protection services

Law courts

Prisons

R&D Public order and safety

Public order and safety n.e.c.

- **Economic affairs**

General economic, commercial and labour affairs

Agriculture, forestry, fishing and hunting

Fuel and energy

Mining, manufacturing and construction

Transport

Communication

Other industries

R&D Economic affairs

Economic affairs n.e.c.



- **Environmental protection**

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

- **Housing and community amenities**

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

- **Health**

Outpatient services  
Paramedical 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  
Subsidiary services to education  
R&D Education  
Education n.e.c.

- **Social protection**

Sickness and disability  
Old age  
Survivors  
Family and children  
Unemployment  
Housing

Social exclusions n.e.c.  
R&D Social protection  
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 split into individual and collective services (see Table 7 as listed in Annexure A, p.29). These categories are recommended by the 1993 System of National Accounts (SNA).

### **Subsidies on products and subsidies on production**

The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure A, p.29). These categories are recommended by the 1993 System of National Accounts (SNA).

### **Comparability with the previous year**

The 2013/2014 classified information is generally comparable with the 2014/2015 information.

### **The Public Sector Classification Committee (PSCC)**

The Public Sector Classification Committee (PSCC) consists of the South African Reserve Bank (SARB), National Treasury (NT) and Statistics South Africa (Stats SA). The purpose of the PSCC is to coordinate the economic institutional classification of the public-sector units and subsectors for purposes of reporting to national and international stakeholders. The classification lists are made public by the SARB to inform stakeholders of the scope of the public sector and sub-sectors. The three primary stakeholders signed a Memorandum of Understanding. Classification of public-sector institutions that have taken place for the year ended 31 March 2014. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2015.

### **Related publications**

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

P0441	<i>Gross Domestic Product;</i>
P9101	<i>Capital expenditure by the public sector;</i>
P9102	<i>Financial statistics of extra-budgetary accounts and funds;</i>
P9103.1	<i>Financial statistics of higher education institutions;</i>
P9114	<i>Financial census of municipalities; and</i>
P9119.3	<i>Financial statistics of national government</i>
P9121	<i>Financial statistics of provincial government</i>

### **Symbols and abbreviations**

GFSM	Government Finance Statistics Manual, 2001
IMF	International Monetary Fund
n.e.c.	Not elsewhere classified
NPISH	Non-Profit Institutions Serving Households
NT	National Treasury
PSCC	Public Sector Classification Committee
R&D	Research and Development
SA	South Africa
SARB	South African Reserve Bank
SNA	System of National Accounts, 1993
Stats SA	Statistics South Africa

### **Revisions**

Figures for 2014/2015 should be regarded as preliminary, and may be revised. Revisions to 2013/2014 data are indicated by footnotes in Tables A and B. Revisions are due to improved classification of data.

## Glossary of selected variables

<b>Accrual basis of recording</b>	Transactions are recorded when economic ownership changes hands for goods, nonproduced nonfinancial assets and financial assets and liabilities, when services are provided, and for distributive transactions when the related claims arise.
<b>Capital expenditure</b>	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 outside contractors or concerns, or the work was done by the enterprise itself. Capital expenditure includes vehicles, office furniture and equipment, but excludes minor items that are generally regarded as being expendable even though in some instances their useful lives may extend beyond one year.
<b>Buildings and structures</b>	Consist of dwellings, non-residential buildings and other structures.
<b>Capital expenditure</b>	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 outside contractors or concerns, or the work was done by the enterprise itself. Capital expenditure includes vehicles, office furniture and equipment, but excludes minor items that are generally regarded as being expendable even though in some instances their useful lives may extend beyond one year.
<b>Capital transfers</b>	Capital transfers 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.
<b>Cash basis of recording</b>	Cash basis of recording means that transactions are captured when cash is received or when cash payments are made.
<b>Collective services</b>	Services provided collectively to the community, particularly applicable to services such as general administration, public order or safety and economic services.
<b>Compensation of employees</b>	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except work connected with own account capital formation. It includes both wages and salaries and social contributions. Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments and housing subsidies.
<b>Cultivated assets</b>	Consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services.

<b>Dwellings</b>	Buildings that are used entirely or primarily as residences, including garages and other associated structures. Houseboats, barges, mobile homes, flats, hostels, nursing homes and caravans that are used as principal residences are also included. Dwellings acquired for military personnel are included because they are used in the same way as dwellings acquired by civilians.
<b>Economic classification</b>	A measure of the nature and economic effect of government operations on the economy of the country.
<b>Extra-budgetary accounts and funds</b>	Extra-budgetary accounts and funds refer to accounts and funds of national and provincial governments not included in normal budget totals and which do not operate through normal budgetary procedures e.g. trading accounts and general government accounts.
<b>Financial assets</b>	Financial assets consist of financial claims which entitles one unit (the owner of the asset i.e., the creditor) to receive one or more payments from a second unit (the debtor) according to the terms and conditions specified in a contract between the two units.
<b>Financial public corporations</b>	Units primarily engaged in both incurring liabilities and acquiring financial assets in the market. Note: Financial institutions may be entirely or mainly owned and/or controlled by the government in which case they are regarded as public financial institutions. It is the prime function of public financial institutions to act as intermediaries.
<b>Fixed assets</b>	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.
<b>Functional classification</b>	Classification of expenditure according to the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote various services and objectives rendered to the community.
<b>GFS Manual (2001)</b>	The manual describes a an integrated statistical system that is harmonized, to the extent possible, with the 1993 edition of the System of National Accounts (1993 SNA). The GFSM 2001 is intended to be a reference volume describing the GFS system.
<b>Government consumption expenditure</b>	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.
<b>Grants</b>	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation. Current grants are those made for purposes of current expense and are not linked to or conditional on the acquisition of an asset by the recipient. Capital grants involve the acquisition of assets by the recipient.
<b>Higher education</b>	All learning programmes leading to qualifications higher than grade 12 or its equivalent in terms of the National Qualifications Framework as contemplated in the South African Qualification Authority Act, 1995 (Act No. 58 of 1995).

<b>Higher education institutions</b>	(Section 1 of Act No.63, 2002).Any institution that provides higher education on a full-time, part-time or distance basis and which is (a) merged, established or deemed to be established as a public higher education institution under this Act; (b) declared as a public higher education institution under this Act; or (c) registered or [conditionally] provisionally registered as a private higher education institution.
<b>Households</b>	Household may be defined as individuals or a small group of persons who share the same living accommodation, pool some or all of their income and wealth, and consume certain types of goods and services collectively.
<b>Individual services</b>	Community and social services, such as education, health and welfare, rendered to individuals or a small group of persons.
<b>Intangible fixed assets</b>	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.
<b>Inventories</b>	Consist of goods and services held by producers for sale, use in production, or other use at a later date.
<b>Liability</b>	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.
<b>Machinery and equipment</b>	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture. Military expenditure on machinery and equipment which could be used for civilian purposes is included.
<b>Miscellaneous and unidentified revenue</b>	Consist of all revenues that do not fit into any other category or any revenues for which adequate information is not available to permit their classification elsewhere.
<b>Municipality</b>	A generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipalities as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
<b>National government</b>	It is the first level of government which controls a nation and has power to set and maintain foreign policy and the ability to collect taxes.
<b>Non-financial public corporations</b>	Government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
<b>Non-produced assets</b>	Non-produced assets consist of tangible assets, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.
<b>Non-profit institutions serving households (NPISH)</b>	Non-profit institutions which are mainly engaged in non-market production and serve households.

<b>Non-residential buildings</b>	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.
<b>Other economic flows</b>	Changes in the volume or value of assets or liabilities that do not result from transactions.
<b>Other structures</b>	All structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbours, dams, other waterworks, shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, outdoor sport and recreation facilities.
<b>Provincial government</b>	It is the second level of government, between the national government and the municipalities. The powers of the provincial governments are circumscribed by the national constitution.
<b>Social benefits</b>	Social benefits are transfers in cash or in kind to protect the entire population or specific segment of it against certain social risks.
<b>Social contributions</b>	Social contributions are actual receipt from either employer on behalf of their employee or from employee, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependents or their survivors.
<b>Statutory appropriations</b>	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
<b>Subsidies</b>	Subsidies are current unrequited payments that government units pay to enterprises on the basis of levels of their production activities or the quantities or values of the goods and services that they produce, sell, export or import. Subsidies may be designed to influence levels of production, prices at which outputs are sold, or the remuneration of the enterprises.
<b>Subsidies on production</b>	Payments made to resident enterprises as a consequence of engaging in production which are not related to specific product. Included are subsidies on payroll or workforce, which are payable on the total wage and salary bill, the size of the total workforce or the employment of particular types of persons; subsidies to reduce pollution; and payments of interest on behalf of corporations.
<b>Subsidies on products</b>	Current unrequited payments that government units make to enterprises on the basis of quantities or values of the goods and services that they produce, sell, export or import.
<b>Tax revenue</b>	Tax revenue forms the dominant share of revenue for many government units and is composed of compulsory transfers to the general government sector.
<b>Transport equipment</b>	Transport equipment consists of equipment for moving people and objects, including motor vehicles, trailers and semitrailers, ships, railway locomotives and rolling stock, aircraft, motorcycles, and bicycles.

**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.

**Value added tax** A tax on goods or services collected in stages by enterprises but which is ultimately charged in full to the final purchasers.

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