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Financial statistics of consolidated general government 2015/2016

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Key findings

The consolidated net change in the stock of cash from the general government sector amounted to a decrease of R25 797 million for the 2015/2016 fiscal year.

The revenue cash flows from operating activities amounted to R1 350 865 million and the expense cash flows amounted to R1 373 280 million, resulting in a net cash outflow from operating activities of R22 415 million for the 2015/2016 fiscal year ended 31 March 2016. The net cash outflow from transactions in non-financial assets amounted to R140 984 million for the 2015/2016 fiscal year. The net acquisition of financial assets other than cash amounted to a cash outflow of R23 556 million for the 2015/2016 fiscal year. The net incurrence of liabilities amounted to R161 158 million, resulting in a net cash inflow of R137 602 million from financing activities for the 2015/2016 fiscal year. The total net change in the stock of cash for the general government sector amounted to a decrease of R25 797 million (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 516 162 million by the general government sector for the 2015/2016 fiscal year was general public services (R373 374 million, contributing 24,6%), followed by education (R285 735 million or 18,8%), social protection (R202 833 million or 13,4%), health (R172 803 million or 11,4%), economic affairs (R169 926 million or 11,2%), public order and safety (R150 085 million or 9,9%), housing and community amenities (R69 861 million or 4,6%), defence (R43 486 million or 2,9%), recreation, culture and religion (R36 385 million or 2,4%) and environmental protection (R11 674 million or 0,8%) (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

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

Cash receipts from operating activities increased by R132 545 million from R1 218 319 million in 2014/2015 to R1 350 865 million in 2015/2016. The increase was mainly due to an increase in taxes collected and other receipts.

The increase of R94 508 million in cash receipts of taxes from R1 061 421 million in 2014/2015 to R1 155 929 million in 2015/2016 was mainly due to increases in taxes collected from individuals, goods and services and corporations and other enterprises.

The increase of R37 157 million in other receipts from R132 182 million in 2014/2015 to R169 339 million in 2015/2016 was mainly due to cash received from the sale of Vodacom shares.

Cash payments for operating activities increased by R124 097 million from R1 249 183 million in 2014/2015 to R1 373 280 million in 2015/2016. The increase was mainly due to increases in compensation of employees, other payments, social benefits, interest paid and purchases of goods and services.

The largest contributor to total cash payments for operating activities for the 2015/2016 fiscal year was compensation of employees (R557 109 million), followed by purchases of goods and services (R300 556 million), social benefits (R174 562 million), interest (R137 847 million), other payments (R125 328), grants paid (R55 595 million) and subsidies (R22 282 million) (see Table A, p.6 and Figure 1, p.7).

The increase of R43 875 million in compensation of employees from R513 234 million in 2014/2015 to R557 109 million in 2015/2016 was due to increases in compensation of employees by the provincial governments, the national government, the municipalities, the extra-budgetary accounts and funds and the higher education institutions.

The increase of R30 562 million in other payments from R94 766 million in 2014/2015 to R125 328 million in 2015/2016 was mainly due to increased capital transfers to non-financial public corporations by the Department of Public Enterprises and the Department of Transport, and transfer payments to households by the National Student Financial Aid Scheme and the National Skills Fund to contribute towards the 'no fees increase' for university students for the 2016 academic year.

The increase of R17 380 million in social benefits paid from R157 182 million in 2014/2015 to R174 562 million in 2015/2016 was mainly due to an increase in payments of social grants to households by the Department of Social Development and higher claims paid to households by the Road Accident Fund and the Compensation Fund.

The increase of R15 760 million in interest from R122 087 million in 2014/2015 to R137 847 million in 2015/2016 was due to an increase in interest paid on public debt by the national government.

The increase of R14 400 million in purchases of goods and services from R286 156 million in 2014/2015 to R300 556 million in 2015/2016 was due to increased purchases of goods and services by the provincial governments, the extra-budgetary accounts and funds and the municipalities.

The net increase of R1 815 million in grants from R53 780 million in 2014/2015 to R55 595 million in 2015/2016 was due to an increase in capital transfers paid by the national government to international institutions as the first capital instalment for the New Development Bank.

The increase of R305 million in subsidies paid from R21 977 million in 2014/2015 to R22 282 million in 2015/2016 was due to increases in subsidies paid to non-financial public corporations by the National Department of Transport and the municipalities.

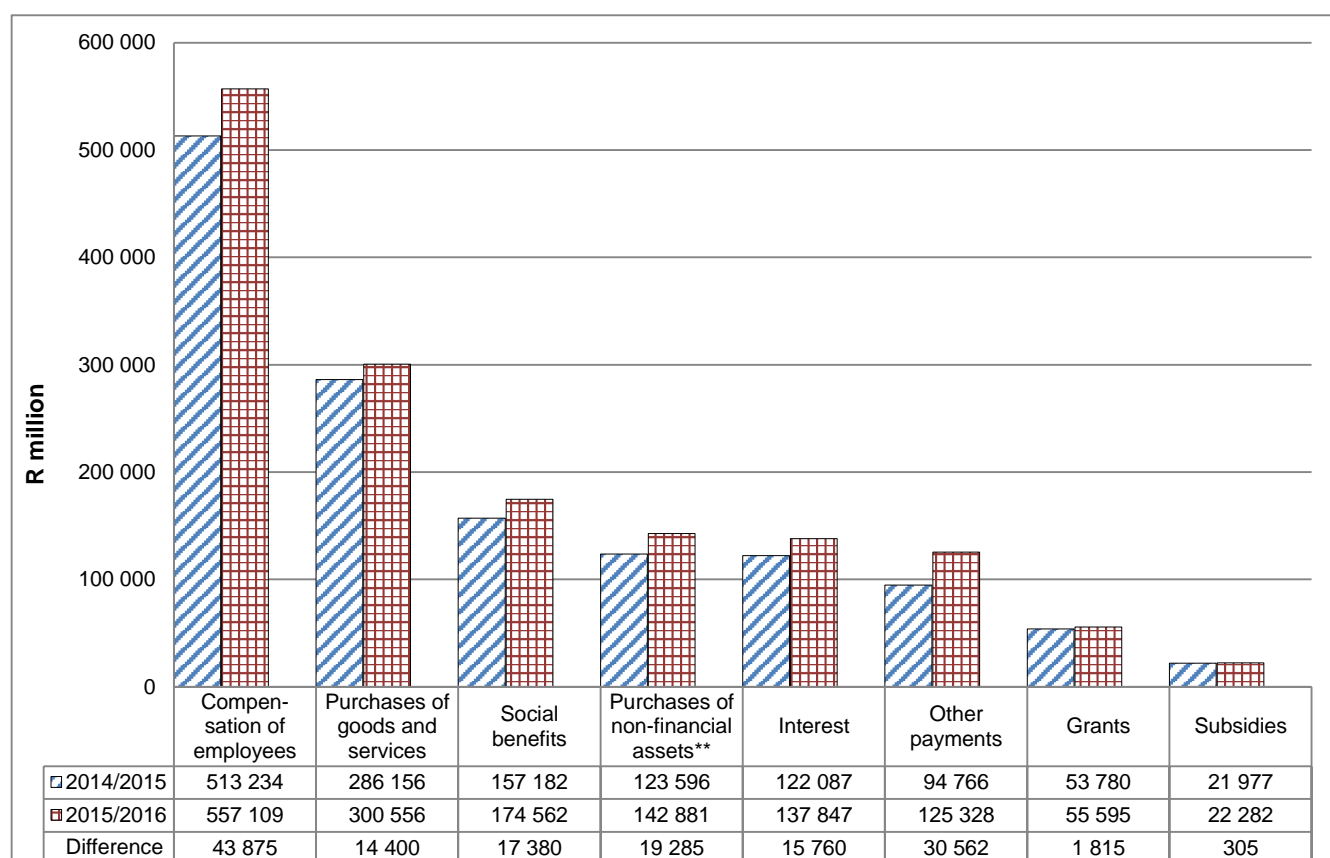
The net cash flows from non-financial assets increased by R18 962 million from R122 022 million in 2014/2015 to R140 984 million in 2015/2016 mainly due to an increase in capital expenditure on other structures by the municipalities, followed by the Department of Water Affairs and Sanitation and the Water Trading Entity.

Table A – Economic classification of statement of sources and uses of cash of consolidated general government for the 2014/2015 and 2015/2016 fiscal years (summary)¹

GFS 2014 code	Economic classification of sources and uses of cash	2014/2015²	2015/2016	Difference between 2014/2015 and 2015/2016
	Cash flows from operating activities:			
	Revenue cash flows a	1 218 319	1 350 865	132 545
11	Taxes	1 061 421	1 155 929	94 508
12	Social contributions	22 467	22 754	287
13	Grants	2 250	2 843	593
14	Other receipts	132 182	169 339	37 157
	Expense cash flows b	1 249 183	1 373 280	124 097
21	Compensation of employees	513 234	557 109	43 875
22	Purchases of goods and services	286 156	300 556	14 400
24	Interest	122 087	137 847	15 760
25	Subsidies	21 977	22 282	305
26	Grants	53 780	55 595	1 815
27	Social benefits	157 182	174 562	17 380
28	Other payments	94 766	125 328	30 562
	<i>Net cash flow operating activities: (outflow)/inflow (a-b)=c</i>	-30 864	-22 415	8 448
	Cash flows from transactions in non-financial assets:			
	Net cash outflow from investments in non-financial assets ³ : d	122 022	140 984	18 962
611	Fixed assets	120 475	139 528	19 053
612	Inventories	0	0	0
613	Valuables	63	192	129
614	Non-produced assets	1 484	1 264	-220
	CASH SURPLUS/ (DEFICIT) (c-d)=e	-152 886	-163 399	
	Cash flows from financing activities:			
	Net acquisition of financial assets other than cash: outflow / (inflow) f	27 048	23 556	
321	Domestic	27 016	23 182	
322	Foreign	33	374	
	Net incurrence of liabilities: cash (outflow) / inflow g	194 295	161 158	
331	Domestic	180 459	165 037	
332	Foreign	13 836	-3 879	
	Net cash flow from financing activities: (outflow) / inflow (g-f)=h	167 247	137 602	
	NET CHANGE IN THE STOCK OF CASH (h+e)=i	14 361	-25 797	

¹ The sum of the data may not necessarily add up to totals due to rounding-off of figures.² Revised since the previous publication.³ The net cash outflow from investment in non-financial assets equals purchases minus sales. The total amounts for purchases and sales of non-financial assets are shown, respectively, in Tables 3 (p.24) and 4 (p.28).

Figure 1 – Economic classification of cash payments for operating activities and purchases of non-financial assets for the 2014/2015* and 2015/2016 fiscal years

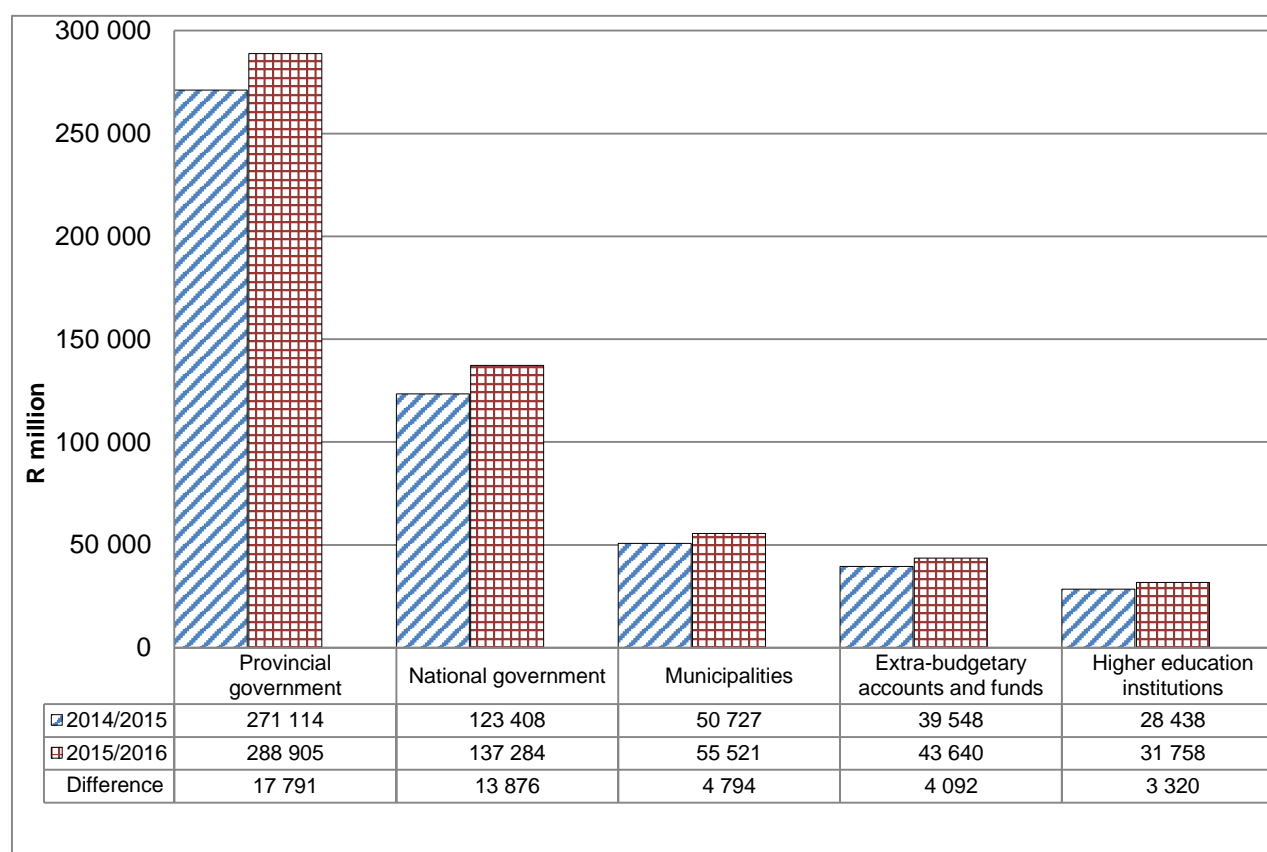


* Some of the figures have been revised since the previous publication.

** The total amounts for purchases of non-financial assets are shown in Table 3, p.24.

Figure 1 shows the economic classification of cash payments for operating activities and purchases of non-financial assets for the 2014/2015 and 2015/2016 fiscal years. Compensation of employees accounted for the largest proportion of the expenditure (R557 109 million in 2015/2016), followed by purchases of goods and services (R300 556 million), social benefits (R174 562 million), purchases of non-financial assets (R142 881 million) and interest (R137 847 million).

Figure 2 – Compensation of employees by type of general government institution for the 2014/2015* and 2015/2016 fiscal years**

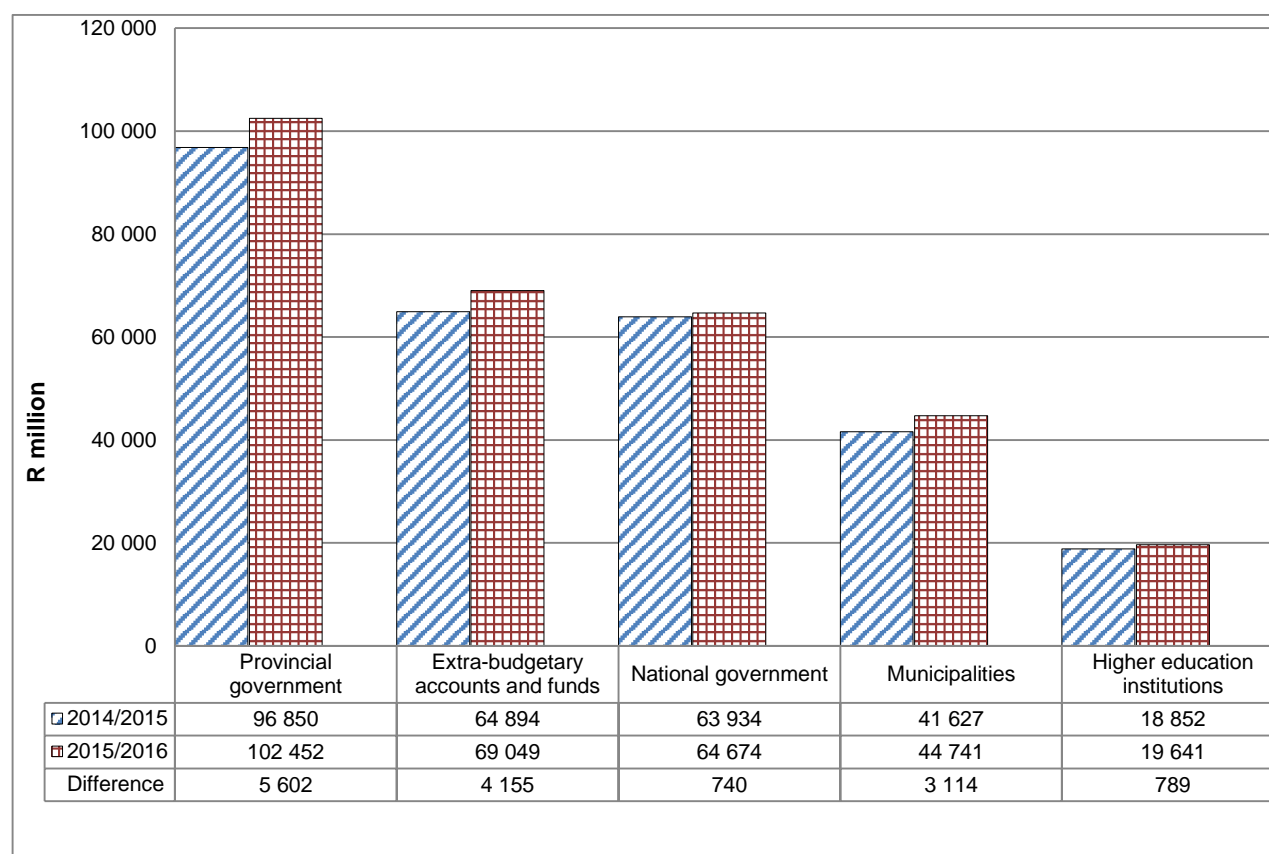


* Some of the figures have been revised since the previous publication.

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

Figure 2 shows general government expenditure on compensation of employees. The total for the 2015/2016 fiscal year was R557 109 million, with provincial governments accounting for the largest proportion of this expenditure (R288 905 million), followed by national government (R137 284 million), municipalities (R55 521 million), extra-budgetary accounts and funds (R43 640 million) and higher education institutions (R31 758 million).

Figure 3 – Purchases of goods and services by type of general government institution for the 2014/2015* and 2015/2016 fiscal years

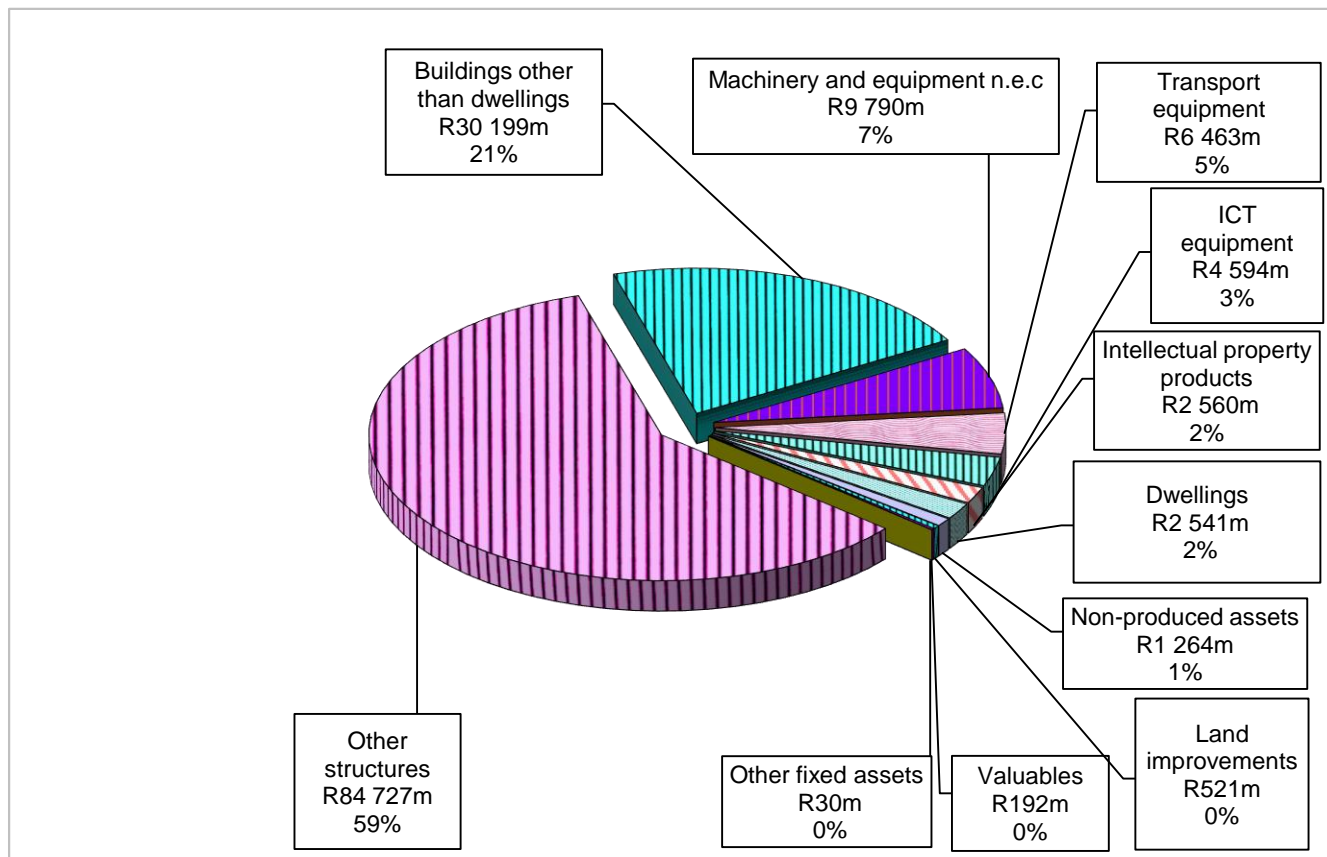


* Some of the figures have been revised since the previous publication.

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

Figure 3 shows purchases of goods and services by the general government. The total for the 2015/2016 fiscal year was R300 556 million, with provincial governments spending the largest proportion (R102 452 million), followed by extra-budgetary accounts and funds (R69 049 million), national government (R64 674 million), municipalities (R44 741 million) and higher education institutions (R19 641 million).

Figure 4 – Economic classification of cash payments for purchases of non-financial assets for the 2015/2016 fiscal year*



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

** The total amounts for purchases of non-financial assets are shown in Table 3, p.24.

Figure 4 shows the economic classification of payments for purchases of non-financial assets for the 2015/2016 fiscal year. The total was R142 881 million, with the largest contributors being other structures (R84 727 million or 59%), buildings other than dwellings (R30 199 million or 21%), machinery and equipment n.e.c. (R9 790 million or 7%) and transport equipment (R6 463 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 general government sector increased by R143 383 million from R1 372 779 million in 2014/2015 to R1 516 162 million in the 2015/2016 fiscal year.

The increase of R23 563 million in cash payments for fuel and energy from R6 343 million in 2014/2015 to R29 906 million in 2015/2016 was mainly due to increased capital transfers by the Department of Public Enterprises to non-financial public corporations (equity investment payment to Eskom to address the challenges of electricity).

The increase of R20 313 million in cash payments for education from R265 422 million in 2014/2015 to R285 735 million in 2015/2016 was due to increased spending on education services by the provincial governments, the higher education institutions and the national government.

The increase of R20 012 million in cash payments for social protection from R182 821 million in 2014/2015 to R202 833 million in 2015/2016 was due to increased social grants paid to households by the Department of Social Development and higher claims paid by the Road Accident Fund.

The increase of R16 853 million in cash payments for executive and legislative organs, financial and fiscal affairs, external affairs from R164 440 million in 2014/2015 to R181 293 million in 2015/2016 was due to increased spending by the municipalities, the extra-budgetary accounts and funds and the provincial governments on executive and legislative services.

The increase of R16 082 million in cash payments for health from R156 721 million in 2014/2015 to R172 803 million in 2015/2016 was due to increased spending on health services by the provincial governments, the extra-budgetary accounts and funds and the national government.

The increase of R14 092 million in cash payments for public debt transactions from R114 704 million in 2014/2015 to R128 796 million in 2015/2016 was due to increased payments of interest on public debt by the national government.

The increase of R10 472 million in cash payments for public order and safety from R139 613 million in 2014/2015 to R150 085 million in 2015/2016 was due to increased spending by the national government and the municipalities on police services, fire protection services and prisons.

The increase of R8 199 million in cash payments for housing and community amenities from R61 662 million in 2014/2015 to R69 861 million in 2015/2016 was due to increased spending by the national government, the municipalities and the provincial governments on water supply, housing development and community development.

The increase of R6 391 million in cash payments for transport from R66 013 million in 2014/2015 to R72 404 million in 2015/2016 was mainly due to increased capital transfers paid to non-financial public corporations by the Department of Transport and increased spending on transport by the provincial governments and the extra-budgetary accounts and funds.

The increase of R5 373 million in cash payments for general economic, commercial and labour affairs from R22 472 million in 2014/2015 to R27 845 million in 2015/2016 was due to increased capital transfers paid by the national government to international institutions as the first capital instalment for the New Development Bank, and increased spending by the extra-budgetary accounts and funds.

The increase of R2 831 million in cash payments for recreation, culture and religion from R33 554 million in 2014/2015 to R36 385 million in 2015/2016 was mainly due to increased cash payments by the extra-budgetary accounts and funds, the provincial governments and the municipalities.

The increase of R1 607 million in cash payments for defence from R41 879 million in 2014/2015 to R43 486 million in 2015/2016 was mainly due to increased cash payments by the national government and the extra-budgetary accounts and funds.

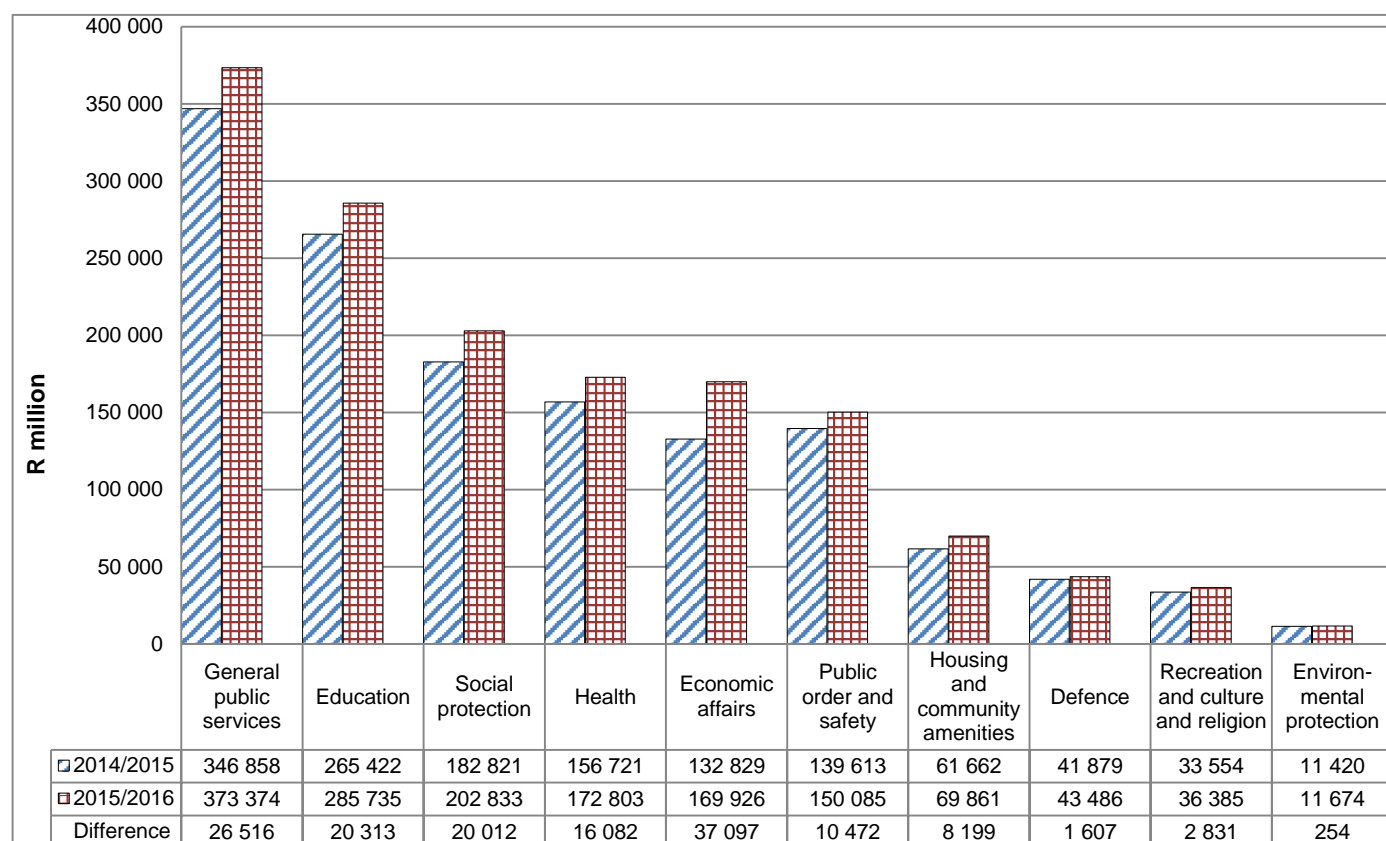
The decrease of R6 541 million in cash payments for general public services not elsewhere classified from R11 501 million in 2014/2015 to R4 960 million in 2015/2016 can mainly be ascribed to decreased cash payments by the municipalities.

Table B – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2014/2015 and 2015/2016 fiscal years (summary)¹

GFS 2014 code	Functional classification	2014/2015 ²	2015/2016	Difference between 2014/2015 and 2015/2016	Percentage of total cash payments 2015/2016
		R million			%
	General government services				
701	General public services				
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	164 440	181 293	16 853	12,0
7012	Foreign economic aid	3 705	3 635	-69	0,2
7013	General services	45 214	45 693	480	3,0
7014	Basic research	6 691	7 996	1 305	0,5
7015	R&D General public services	604	1 001	397	0,1
7016	General public services n.e.c. ³	11 501	4 960	-6 541	0,3
7017	Public debt transactions (mainly interest)	114 704	128 796	14 092	8,5
7018	Transfers of a general character between different levels of government	0	0	0	0,0
	Total general public services a	346 858	373 374	26 516	24,6
702	Defence b	41 879	43 486	1 607	2,9
703	Public order and safety				
7031	Police	91 145	98 990	7 845	6,5
7032	Fire protection services	5 347	6 986	1 639	0,5
7033	Law courts	17 608	18 576	968	1,2
7034	Prisons	18 770	19 796	1 026	1,3
7035	R&D Public order and safety	48	61	13	0,0
7036	Public order and safety n.e.c.	6 695	5 675	-1 020	0,4
	Total public order and safety c	139 613	150 085	10 472	9,9
704	Economic affairs				
7041	General economic, commercial and labour affairs	22 472	27 845	5 373	1,8
7042	Agriculture, forestry, fishing and hunting	20 159	20 335	176	1,3
7043	Fuel and energy	6 343	29 906	23 563	2,0
7044	Mining, manufacturing and construction	8 565	9 149	584	0,6
7045	Transport	66 013	72 404	6 391	4,8
7046	Communications	1 625	2 027	402	0,1
7047	Other industries	4 482	4 785	303	0,3
7048	R&D Economic affairs	3 169	3 474	305	0,2
7049	Economic affairs n.e.c.	0	0	0	0,0
	Total economic affairs d	132 829	169 926	37 097	11,2
705	Environmental protection e	11 420	11 674	254	0,8
706	Housing and community amenities f	61 662	69 861	8 199	4,6
707	Health g	156 721	172 803	16 082	11,4
708	Recreation, culture and religion h	33 554	36 385	2 831	2,4
709	Education i	265 422	285 735	20 313	18,8
710	Social protection j	182 821	202 833	20 012	13,4
	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	1 372 779	1 516 162	143 383	100,0

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

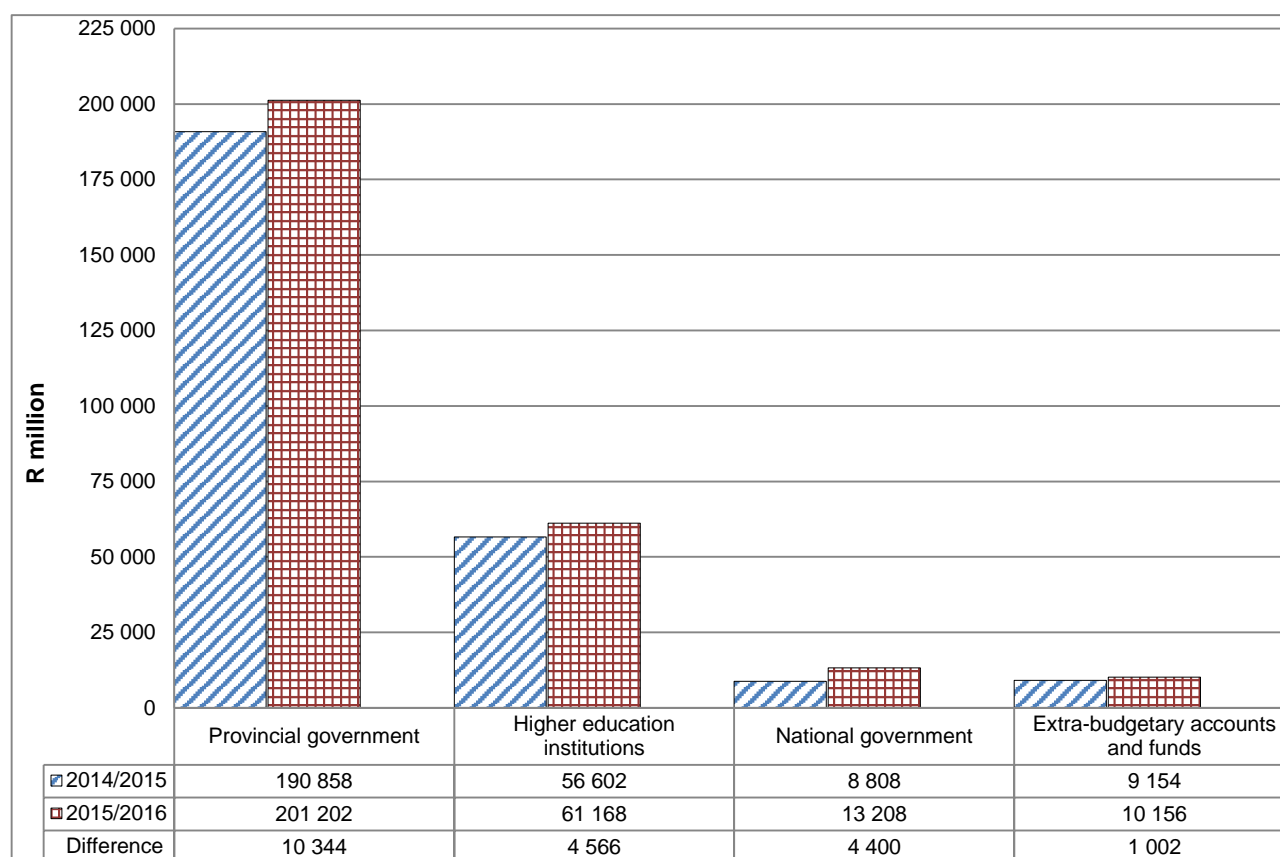
Figure 5 – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2014/2015* and 2015/2016 fiscal years



* 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 2015/2016 fiscal year was R1 516 162 million, with general public services spending the highest amount (R373 374 million), followed by education (R285 735 million), social protection (R202 833 million) and health (R172 803 million).

Figure 6 – Spending on education by type of general government institution for the 2014/2015* and 2015/2016 fiscal years**

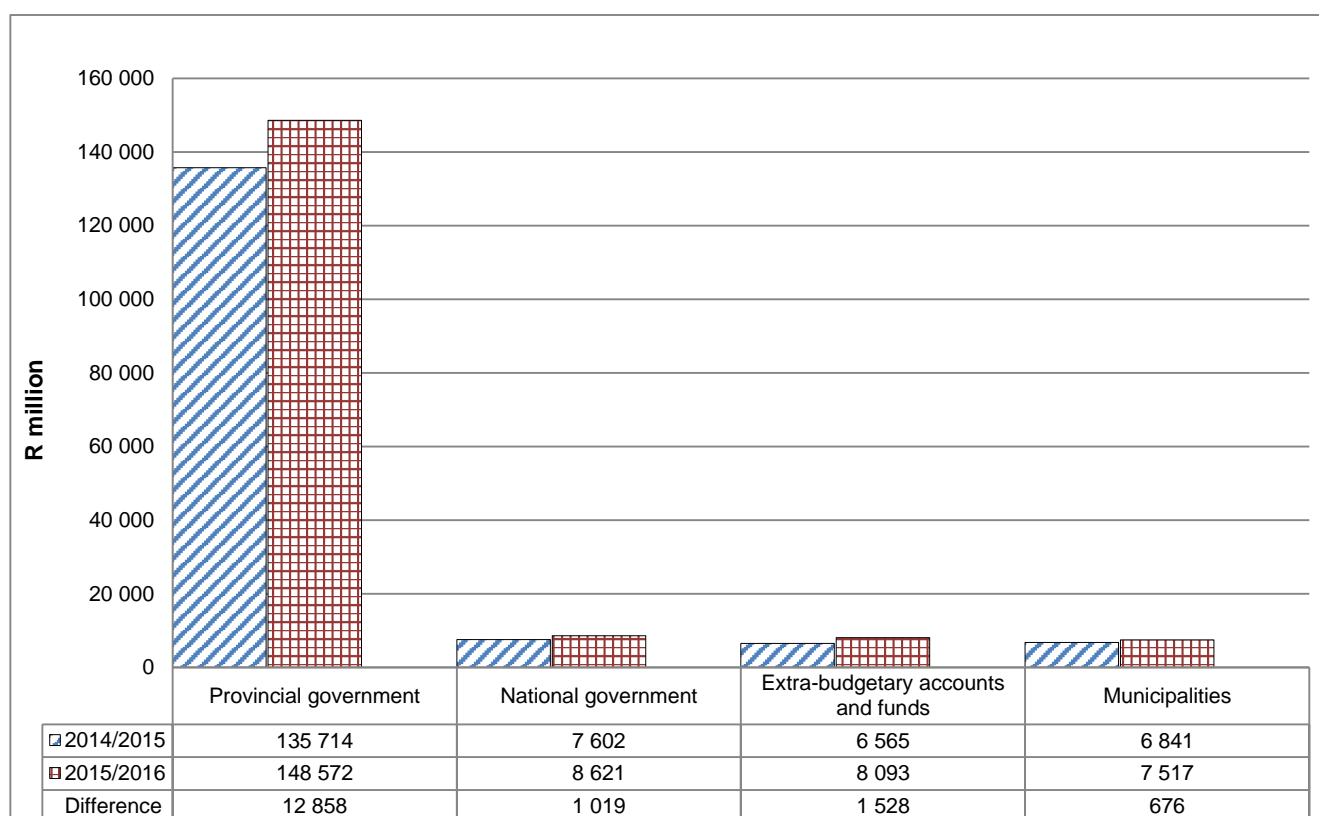


* Some of the figures have been revised since the previous publication.

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

Figure 6 shows general government expenditure on education. The total for the 2015/2016 fiscal year was R285 735 million, with provincial governments spending the highest amount (R201 202 million), followed by higher education institutions (R61 168 million), national government (R13 208 million) and extra-budgetary accounts and funds (R10 156 million).

Figure 7 – Spending on health by type of general government institution for the 2014/2015* and 2015/2016 fiscal years**

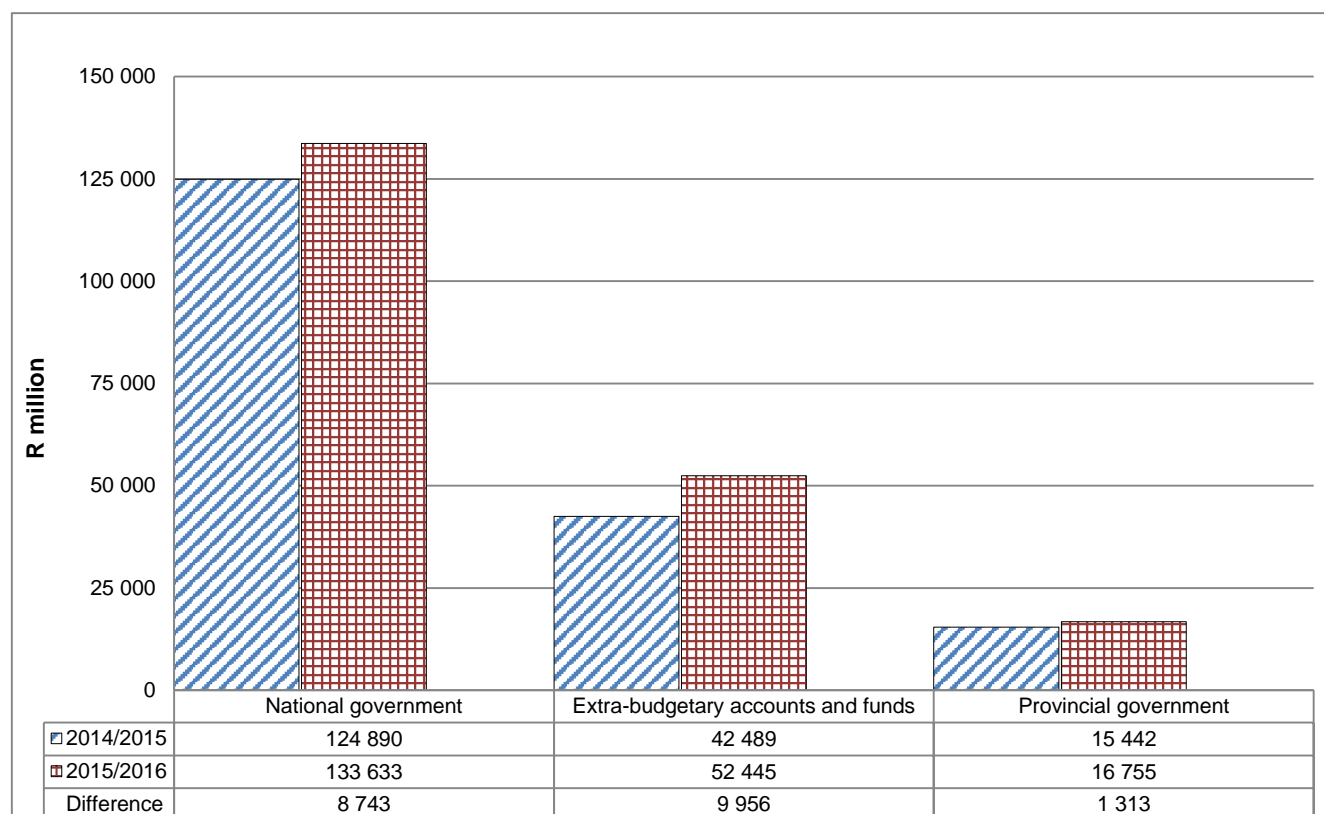


* Some of the figures have been revised since the previous publication.

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

Figure 7 shows general government expenditure on health. The total for the 2015/2016 fiscal year was R172 803 million, with provincial governments spending the largest amount (R148 572 million), followed by national government (R8 621 million), extra-budgetary accounts and funds (R8 093 million) and municipalities (R7 517 million).

Figure 8 – Spending on social protection by type of general government institution for the 2014/2015* and 2015/2016 fiscal years



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

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

Figure 8 shows general government expenditure on social protection. The total for the 2015/2016 fiscal year was R202 833 million, with national government spending the highest amount (R133 633 million), followed by extra-budgetary accounts and funds (R52 445 million) and provincial governments (R16 755 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 2014/2015 and 2015/2016 fiscal years¹

Type of general government institution	R million		R million	% of total cash payments	
	2014/2015*	2015/2016	Difference between 2014/2015 and 2015/2016	2014/2015*	2015/2016
National government	551 971	620 182	68 211	40,2	40,9
Provincial governments	440 000	469 755	29 755	32,1	31,0
Extra-budgetary accounts and funds	165 202	189 166	23 963	12,0	12,5
Municipalities	159 004	175 892	16 888	11,6	11,6
Higher education institutions	56 602	61 168	4 567	4,1	4,0
Total expenditure	1 372 779	1 516 162	143 383	100	100

¹ 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 2016*
- (ii) P9102 *Financial statistics of extra-budgetary accounts and funds 2015/2016*
- (iii) P9103.1 *Financial statistics of higher education institutions 2015 and 2016*
- (iv) P9114 *Financial census of municipalities June 2015 and June 2016*
- (v) P9119.3 *Financial statistics of national government 2015/2016*
- (vi) P9121 *Financial statistics of provincial government 2015/2016*

Remarks on the figures in Table C

The increase of R68 211 million in the expenditure of national government was mainly due to an increase in capital transfers to non-financial public corporations (R26 604 million), cash payments for interest on public debt (R14 103 million), compensation of employees (R13 876 million) and social grants to households (R8 758 million).

The increase of R29 755 million in the expenditure of provincial governments was mainly due to increases in cash payments for compensation of employees (R17 791 million), purchases of goods and services (R5 603 million) and fixed assets (R4 939 million).

The increase of R23 963 million in the expenditure of extra-budgetary accounts and funds was mainly due to higher claims paid to households (R8 771 million) by extra budgetary accounts and funds, purchases of goods and services (R4 155 million) and compensation of employees (R4 092 million).

The increase of R16 888 million in the expenditure of municipalities was mainly due to increases in cash payments for purchases of non-financial assets (R7 996 million), compensation of employees (R4 795 million) and purchases of goods and services (R3 114 million).

The increase of R4 567 million in the expenditure of higher education institutions was mainly due to increases in cash payments for compensation of employees (R3 321 million) and purchases of goods and services (R789 million).

Risenga Maluleke
Statistician-General

Table 1 – Economic classification of cash receipts from operating activities for the 2015/2016* fiscal year (summary)

GFS 2014 code	Economic classification	R million
1	Cash receipts from operating activities	1 350 865
11	Taxes	1 155 929
12	Social contributions	22 754
13	Grants	2 843
14	Other receipts	169 339

* 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 2015/2016* 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)
		R million							
70	GENERAL GOVERNMENT SERVICES	557 109	300 556	137 847	22 282	55 595	174 562	125 328	1 373 280
701	GENERAL PUBLIC SERVICES	64 198	71 208	134 332	820	53 255	125	8 261	332 200
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	46 283	40 992	5 311	0	52 620	38	3 846	149 090
7012	Foreign economic aid	0	0	0	0	635	0	3 000	3 635
7013	General services	14 723	23 174	153	0	0	86	193	38 330
7014	Basic research	1 309	4 112	1	820	0	1	1 155	7 397
7015	R&D General public services	75	915	0	0	0	1	5	996
7016	General public services n.e.c.	1 807	2 016	71	0	0	0	62	3 956
7017	Public debt transactions (mainly interest)	0	0	128 796	0	0	0	0	128 796
7018	Transfers of a general character between different levels of government	0	0	0	0	0	0	0	0
702	DEFENCE	25 739	16 082	0	0	0	102	23	41 946
7021	Military defence	21 758	15 185	0	0	0	102	23	37 067
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	52	0	0	0	0	0	52
7025	Defence n.e.c.	3 981	845	0	0	0	0	0	4 827
703	PUBLIC ORDER AND SAFETY	98 174	31 580	34	1	0	621	655	131 065
7031	Police services	67 817	19 531	14	1	0	442	509	88 313
7032	Fire protection services	3 016	513	12	0	0	0	29	3 571
7033	Law courts	12 426	4 731	1	0	0	106	77	17 341
7034	Prisons	12 719	5 730	2	0	0	73	32	18 555
7035	R&D Public order and safety	31	29	0	0	0	0	0	60
7036	Public order and safety n.e.c.	2 165	1 046	5	0	0	0	8	3 224

* 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 2015/2016* 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							
704	ECONOMIC AFFAIRS	26 518	37 957	61	18 302	2 298	176	66 274	151 587
7041	General economic, commercial and labour affairs	7 120	9 228	20	1 710	2 298	13	6 032	26 420
7042	Agriculture, forestry, fishing and hunting	8 084	5 475	3	72	0	87	4 565	18 285
7043	Fuel and energy	616	933	6	949	0	3	27 367	29 874
7044	Mining, manufacturing and construction	1 098	3 909	1	3 607	0	2	390	9 008
7045	Transport	6 416	13 099	8	11 810	0	64	27 132	58 529
7046	Communication	523	1 303	6	128	0	1	4	1 965
7047	Other industries	1 147	2 725	12	27	0	3	307	4 220
7048	R&D Economic affairs	1 513	1 287	6	0	0	4	477	3 286
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	4 343	5 256	13	622	37	14	367	10 651
7051	Waste management	150	280	0	322	0	0	1	753
7052	Waste water management	0	0	0	297	0	0	0	297
7053	Pollution abatement	120	282	0	0	37	0	2	440
7054	Protection of biodiversity and landscape	3 741	3 835	13	3	0	13	62	7 666
7055	R&D Environmental protection	135	330	0	0	0	0	1	466
7056	Environmental protection n.e.c.	197	530	0	0	0	0	301	1 028
706	HOUSING AND COMMUNITY AMENITIES	11 247	14 931	2 518	713	0	25	20 485	49 918
7061	Housing development	3 793	4 272	304	3	0	11	18 057	26 441
7062	Community development	4 868	4 890	49	0	0	4	1 237	11 049
7063	Water supply	2 464	5 441	2 165	709	0	9	1 033	11 821
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	121	327	0	0	0	0	158	607
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 2015/2016* 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							
707	HEALTH	104 386	52 133	88	0	0	513	3 558	160 678
7072	Outpatient services	60	46	0	0	0	0	0	107
70724	Ambulance services	3 990	1 372	1	0	0	9	65	5 436
7073	Hospital services	66 239	25 024	11	0	0	339	933	92 547
7074	Public health services	30 035	18 553	69	0	0	162	2 502	51 321
7075	R&D Health	2 770	4 628	6	0	0	0	11	7 414
7076	Health n.e.c.	1 292	2 510	0	0	0	3	48	3 853
708	RECREATION, CULTURE AND RELIGION	12 745	8 049	95	710	0	38	4 814	26 451
7081	Recreational and sporting services	4 673	3 082	71	113	0	3	2 267	10 210
7082	Cultural services	7 772	4 334	24	129	0	35	1 059	13 352
7083	Broadcasting and publishing services	87	108	0	468	0	0	413	1 076
7084	Religious and other community services	138	462	0	0	0	0	1 074	1 673
7085	R&D Recreation, culture and religion	7	22	0	0	0	0	0	29
7086	Recreation, culture and religion n.e.c.	68	41	0	0	0	0	1	110
709	EDUCATION	195 975	54 665	548	1 114	3	1 202	13 762	267 269
7091	Pre-primary and primary education	76 244	9 535	83	638	0	641	50	87 191
7092	Secondary education	59 676	7 291	55	476	0	380	76	67 954
7093	Post-secondary non-tertiary education (e.g. CET)	9 743	2 040	0	0	0	17	282	12 082
7094	Tertiary education	31 924	19 725	358	0	0	0	12 106	64 114
7095	Education not definable by level	13	454	0	0	0	0	14	481
7096	Subsidiary services to education	28	447	0	0	0	0	0	475
7097	R&D Education	1	44	0	0	0	0	0	46
7098	Education n.e.c.	18 346	15 129	51	0	3	164	1 233	34 926

* 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 2015/2016* 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)
		TOTAL							
		R million							
710	SOCIAL PROTECTION	13 786	8 695	158	0	2	171 746	7 129	201 516
7101	Sickness and disability	663	488	6	0	0	23 005	411	24 574
7102	Old age	353	236	0	0	2	55 887	1 416	57 894
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	2 243	357	0	0	0	55 485	3 523	61 609
7105	Unemployment	941	788	0	0	0	7 764	0	9 494
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 163	530	0	0	0	2	663	2 359
7108	R&D Social protection	28	52	0	0	0	0	0	81
7109	Social protection n.e.c.	8 394	6 243	151	0	0	29 601	1 116	45 505

* 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 2015/2016* fiscal year (summary)

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614) TOTAL
		R million				
70	GENERAL GOVERNMENT SERVICES	141 425	0	192	1 264	142 881
701	GENERAL PUBLIC SERVICES	40 949	0	75	151	41 175
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	32 108	0	73	22	32 203
7012	Foreign economic aid	0	0	0	0	0
7013	General services	7 236	0	0	128	7 363
7014	Basic research	599	0	0	0	599
7015	R&D General public services	4	0	0	0	4
7016	General public services n.e.c.	1 002	0	2	1	1 005
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	1 540	0	0	0	1 540
7021	Military defence	735	0	0	0	735
7022	Civil defence	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0
7024	R&D Defence	58	0	0	0	58
7025	Defence n.e.c.	747	0	0	0	747
703	PUBLIC ORDER AND SAFETY	18 981	0	30	9	19 021
7031	Police services	10 656	0	17	5	10 677
7032	Fire protection services	3 405	0	8	2	3 415
7033	Law courts	1 235	0	0	0	1 235
7034	Prisons	1 241	0	0	0	1 241
7035	R&D Public order and safety	0	0	0	0	0
7036	Public order and safety n.e.c.	2 444	0	6	2	2 452

* 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 2015/2016* fiscal year (summary)
(continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)
		TOTAL				
		R million				
704	ECONOMIC AFFAIRS	17 335	0	0	1 004	18 339
7041	General economic, commercial and labour affairs	1 423	0	0	2	1 425
7042	Agriculture, forestry, fishing and hunting	1 151	0	0	899	2 050
7043	Fuel and energy	32	0	0	0	32
7044	Mining, manufacturing and construction	83	0	0	59	142
7045	Transport	13 832	0	0	44	13 875
7046	Communication	63	0	0	0	63
7047	Other industries	564	0	0	0	565
7048	R&D Economic affairs	188	0	0	0	188
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	958	0	35	30	1 023
7051	Waste management	35	0	0	0	35
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	39	0	0	0	39
7054	Protection of biodiversity and landscape	770	0	35	30	835
7055	R&D Environmental protection	40	0	0	0	40
7056	Environmental protection n.e.c.	74	0	0	0	74
706	HOUSING AND COMMUNITY AMENITIES	19 926	0	13	4	19 943
7061	Housing development	2 353	0	3	1	2 357
7062	Community development	4 809	0	10	3	4 822
7063	Water supply	12 763	0	0	0	12 763
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	2	0	0	0	2
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 2015/2016* fiscal year (summary)
(continued)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)
		R million				
		TOTAL				
707	HEALTH	12 113	0	8	4	12 125
7072	Outpatient services	1	0	0	0	1
70724	Ambulance services	449	0	0	0	449
7073	Hospital services	5 951	0	0	0	5 951
7074	Public health services	5 129	0	8	3	5 140
7075	R&D Health	198	0	0	1	200
7076	Health n.e.c.	385	0	0	0	385
708	RECREATION, CULTURE AND RELIGION	9 897	0	30	7	9 934
7081	Recreational and sporting services	4 317	0	10	3	4 329
7082	Cultural services	5 552	0	20	4	5 577
7083	Broadcasting and publishing services	9	0	0	0	9
7084	Religious and other community services	15	0	0	0	15
7085	R&D Recreation, culture and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	5	0	0	0	5
709	EDUCATION	18 437	0	0	29	18 466
7091	Pre-primary and primary education	1 166	0	0	0	1 166
7092	Secondary education	325	0	0	0	325
7093	Post-secondary non-tertiary education (e.g. CET)	41	0	0	0	41
7094	Tertiary education	6 248	0	0	20	6 268
7095	Education not definable by level	0	0	0	0	0
7096	Subsidiary services to education	2	0	0	0	2
7097	R&D Education	0	0	0	0	0
7098	Education n.e.c.	10 655	0	0	9	10 664

* 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 2015/2016* fiscal year (summary)
(concluded)**

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614)
		R million				
710	SOCIAL PROTECTION	1 290	0	0	26	1 315
7101	Sickness and disability	2	0	0	0	2
7102	Old age	47	0	0	0	47
7103	Survivors	0	0	0	0	0
7104	Family and children	158	0	0	0	158
7105	Unemployment	126	0	0	26	151
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	115	0	0	0	115
7108	R&D Social protection	4	0	0	0	4
7109	Social protection n.e.c.	838	0	0	0	838

* 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 2015/2016* fiscal year (summary)

GFS 2014 code	Economic classification	R million
31		1 899
311	Fixed assets	1 872
312	Inventories	0
313	Valuables	0
314	Non-produced assets	28

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

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

Table 5 – Economic classification of the net acquisition of financial assets other than cash for the 2015/2016* fiscal year (summary)

GFS 2014 code	Economic classification	R million
32		23 556
321	Domestic	23 182
322	Foreign	374

* 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 2015/2016* fiscal year (summary)

GFS 2014 code	Economic classification	R million
33		161 158
331	Domestic	165 037
332	Foreign	-3 879

* 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 2015/2016 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2015/2016 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2015/2016 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2015/2016 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for the 2015/2016 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2015/2016 fiscal year
Table 7	Economic and functional classification of cash payments for operating activities for the 2015/2016 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 2015/2016 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 2015/2016 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 2015/2016 fiscal year (Summary)

Explanatory notes

Introduction

This statistical release includes economic and functional classifications of the transactions of consolidated general government for the 2015/2016 fiscal year, based on the GFS 2014 methodology. 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 institutions whose primary activity is to assume responsibility for the provision of goods and services to the community or to individual households free of charge or at prices that are not economically significant and to redistribute income and wealth by means of transfers. A defining characteristic of general government is the ability to impose, directly or indirectly, taxes and other compulsory levies, for which there is no direct quid pro quo, on other sectors of the economy.

The internal transactions between the different levels of general government institutions are eliminated in the tables.

Disaggregated data

Disaggregated data (Tables 1 to 10) are on the Stats SA website.

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 2015/2016* (P9119.3) published on 22 June 2017;
- *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 2016 (P9114), published on 28 June 2017;
- *Capital expenditure by the public sector* for 2016 (P9101) published on 26 July 2017;
- *Financial statistics of extra-budgetary accounts and funds 2015/2016* (P9102) published on 24 August 2017;
- *Financial statistics of provincial government 2015/2016* (P9121) published on 28 September 2017; and
- *Financial statistics of higher education institutions 2015 and 2016* (P9103.1), 2015 published on 25 October 2016 and 2016 published on 24 October 2017.

Classification**Economic and functional classifications**

This statistical release is classified economically and functionally according to the standard classification of the GFS manual 2014 of the International Monetary Fund (IMF).

Economic classification

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

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

- **Revenue cash flows**

Taxes
Social contributions
Grants
Other receipts

- **Expense cash flows**

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

- **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 2014 of the IMF.

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

- **General public services**

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

Foreign economic aid

General services

Basic research

R&D General public services

General public services n.e.c.

Public debt transactions (mainly interest)

Transfers of a general character between different levels of government

- **Defence**

Military defence

Civil defence

Foreign military aid

R&D Defence

Defence n.e.c.

- **Public order and safety**

Police services

Fire protection services

Law courts

Prisons

R&D Public order and safety

Public order and safety n.e.c.

- **Economic affairs**

General economic, commercial and labour affairs

Agriculture, forestry, fishing and hunting

Fuel and energy

Mining, manufacturing and construction

Transport

Communication

Other industries

R&D Economic affairs

Economic affairs n.e.c.

- **Environmental protection**

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

- **Housing and community amenities**

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

- **Health**

Outpatient services
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 10) also include tables in which government consumption expenditure is split into individual and collective services (see Table 7 as listed in Annexure A, p.29). These categories are recommended by the 2008 System of National Accounts (SNA).	
Subsidies on products and subsidies on production	The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure A, p.29). These categories are recommended by the 2008 System of National Accounts (SNA).	
Comparability with the previous year	The 2014/2015 classified information is generally comparable with the 2015/2016 information. Additional detail in terms of the GFSM 2014 is available on the Stats SA website (or on request).	
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. Classification of public-sector institutions that have taken place for the year ended 31 March 2015. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2016.	
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;</i>
	P9119.3	<i>Financial statistics of national government; and</i>
	P9121	<i>Financial statistics of national government</i>
Symbols and abbreviations	CET	Community Education and Training
	GFSM	Government Finance Statistics Manual, 2014
	IMF	International Monetary Fund
	n.e.c.	Not elsewhere classified
	NPISH	Non-Profit Institutions Serving Households
	NT	National Treasury
	PSCC	Public Sector Classification Committee
	R&D	Research and Development
	SA	South Africa
	SARB	South African Reserve Bank
	SNA	System of National Accounts, 2008
	Stats SA	Statistics South Africa
Revisions	Figures for 2015/2016 should be regarded as preliminary, and may be revised. Revisions to 2014/2015 data are indicated by footnotes in Tables A and B. Revisions are due to improved classification of data and additional information becoming available after this statistical release was published.	

Glossary of selected variables

Accrual basis of recording	Flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Buildings and structures	Consist of dwellings, buildings other than dwellings, other structures and land improvements.
Buildings other than dwellings	Buildings other than dwellings include whole buildings or parts of buildings not designated as dwellings. Fixtures, facilities, and equipment that are integral parts of the structures are included. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouses and industrial buildings, commercial buildings, hotels, and restaurants.
Capital expenditure	Any expenditure incurred for or incidental to the acquisition or improvement of land, buildings, engineering structures and machinery and equipment. Note: The expenditure normally confers a lasting benefit and results in the acquisition of, or extends the life of, a fixed or long-term work, irrespective of whether payments were made outside contractors or concerns, or the work was done by the enterprise itself. Capital expenditure includes vehicles, office furniture and equipment, but excludes minor items that are generally regarded as being expendable even though in some instances their useful lives may extend beyond one year.
Capital transfers	Capital transfers are transfers in which the ownership of an asset (other than cash or inventories) changes from one party to another or that oblige one or both parties to acquire or dispose of an asset (other than cash or inventories).
Cash basis of recording	Flows are recorded when cash is received or disbursed.
Collective services	Services provided collectively to the community, particularly applicable to services such as general administration, public order or 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 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.
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.
Expense	Expense is a decrease in net worth resulting from a transaction.
Extra-budgetary accounts and funds	Extra-budgetary accounts and funds refer to accounts and funds of national and provincial governments not included in normal budget totals and which do not operate through normal budgetary procedures, e.g. trading accounts and general government accounts.
Financial assets	Financial assets consist of financial claims 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.
Financial public corporations	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.
Fixed assets	Fixed assets are produced assets that are used repeatedly or continuously in production processes for more than one year.
Functional classification	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.
GFSM (2014)	The GFSM 2014 provides a harmonised systematic basis for reporting and analysing government finances. The manual describes an integrated statistical system that is harmonised, to the extent possible, with the 2008 edition of the System of National Accounts (2008 SNA). The GFSM 2014 is intended to be a reference volume describing the GFS system.
Government consumption expenditure	Expenditure on all goods and services which are used (without further transformation) by government units for the direct satisfaction of individual needs or wants or the collective needs of members of the community.
Grants	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.
Higher education	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).

Higher education institutions	Any institution providing higher education on 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. See Higher Education Act as amended (Section 1 of Act No.63, 2002).
Households	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.
Individual services	Community and social services, such as education, health and welfare, rendered to individuals or a small group of persons.
Information, computer, and telecommunications	Consists of devices using electronic controls and also the electronic components forming part of these devices. Examples are products that form part of computing machinery and parts and accessories thereof, television and radio transmitters, television, video, and digital cameras, and telephone sets.
Intellectual property products	Intellectual property products are the result of research, development, investigation, or innovation leading to knowledge that the developers can market or use to their own benefit in production for which the use of the knowledge is restricted by means of legal or other protection.
Inventories	Consist of goods and services held by producers for sale, use in production, or other use at a later date.
Land improvements	Are the result of actions that lead to major improvements in the quantity, quality or productivity of land, or prevent its deterioration. Activities such as land reclamation, land clearance, land contouring, creation of wells and watering holes that are integral to the land in question are to be treated as resulting in land improvements.
Liability	An obligation to provide economic benefits to the units holding the corresponding financial responsibility.
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.
Machinery and equipment not elsewhere classified	This category includes all machinery and equipment not classified in any of the other machinery and equipment categories. Types of assets that would be included are general and special purpose machinery; office and accounting equipment; electrical machinery; medical appliances; precision and optical instruments; furniture; watches and clocks; musical instruments; and sports goods. It also includes paintings, sculptures, other works of art or antiques and other collections of considerable value that are owned and displayed for the purpose of producing museum and similar services.

Municipality	A generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipality as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
National government	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.
Non-financial public corporations	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	Non-profit institutions which are mainly engaged in non-market production and serve households.
Other economic flows	Changes in the volume or value of assets or liabilities that do not result from transactions.
Other structures	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.
Provincial government	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.
Revenue	An increase in net worth resulting from a transaction.
Social benefits	Social benefits are transfers in cash or in kind to protect the entire population or specific segment of it against certain social risks.
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	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.

Subsidies on production	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.
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 forms the dominant share of revenue for many government units and is composed of compulsory transfers to the general government sector.
Transfer	A transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart.
Transport equipment	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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