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2015/2016

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Key findings

The net change in the stock of cash from provincial revenue funds and donor funds amounted to a cash surplus of R1 856 million for the 2015/2016 fiscal year.

The revenue cash flows from operating activities amounted to R488 795 million and the expense cash flows amounted to R450 698 million, resulting in a net cash inflow from operating activities of R38 097 million for the 2015/2016 fiscal year ending 31 March 2016. The net cash outflow from transactions in non-financial assets amounted to R36 241 million for the 2015/2016 fiscal year. The cash surplus for 2015/2016 was R1 856 million. The total net change in the stock of cash for the provincial government amounted to R1 856 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 R487 052 million from the provincial revenue funds and donor funds for the 2015/2016 fiscal year was education (R201 981 million, contributing 41,5%), followed by health (R150 443 million or 30,9%), economic affairs (R51 787 million or 10,6%), general public services (R25 813 million or 5,3%), housing and community amenities (R22 191 million or 4,6%), social protection (R16 876 million or 3,5%), recreation, culture and religion (R8 673 million or 1,8%), public order and safety (R5 726 million or 1,2%) and environmental protection (R3 561 million or 0,7%) (see Table B, p.11 and Figure 4, p.12).

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

Provincial revenue funds refer to the votes of the provincial governments and fixed statutory appropriations. Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. 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 R27 030 million from R461 765 million in 2014/2015 to R488 795 million in 2015/2016. This increase was mainly due to an increase in grants received from national government.

The largest contributor to total cash receipts from operating activities for the 2015/2016 fiscal year was grants (R471 699 million), followed by taxes (R10 928 million) and other receipts (R6 168 million).

Cash payments for operating activities increased by R27 298 million from R423 400 million in 2014/2015 to R450 698 million in 2015/2016. The increase was mainly due to an increase in compensation of employees 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 (R288 905 million), followed by purchases of goods and services (R103 907 million), other payments (R34 394 million), grants paid (R13 926 million), subsidies (R7 340 million), social benefits (R2 051 million) and interest (R175 million) (see Table A, p.6 and Figure 1, p.7).

The increase of R17 791 million in compensation of employees from R271 114 million in 2014/2015 to R288 905 million in 2015/2016 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Limpopo provincial governments.

The increase of R5 804 million in purchases of goods and services from R98 103 million in 2014/2015 to R103 907 million in 2015/2016 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Western Cape provincial governments.

The increase of R2 172 million in grants paid from R11 754 million in 2014/2015 to R13 926 million in 2015/2016 was mainly due to increased grants to municipalities and provincial extra-budgetary accounts and funds by the Gauteng provincial government.

The increase of R1 541 million in other payments from R32 853 million in 2014/2015 to R34 394 million in 2015/2016 was mainly due to increased transfers to households made by the North West, Limpopo and Eastern Cape provincial governments.

The increase of R151 million in interest paid from R24 million in 2014/2015 to R175 million in 2015/2016 was mainly due to increased interest payments made by the KwaZulu-Natal provincial government.

The decrease of R149 million in social benefits from R2 200 million in 2014/2015 to R2 051 million in 2015/2016 was mainly due to decreased payments for employer social benefits by the Eastern Cape, KwaZulu-Natal and Northern Cape provincial governments.

The decrease of R12 million in subsidies from R7 352 million in 2014/2015 to R7 340 million in 2015/2016 was mainly due to decreased subsidy payments made by the Eastern Cape and North West provincial governments.

The net cash flows from investments in non-financial assets increased by R5 117 million from R31 124 million in 2014/2015 to R36 241 million in 2015/2016. The increase can mainly be attributed to increased capital expenditure on buildings and structures by the Gauteng, North West and Eastern Cape provincial governments.

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

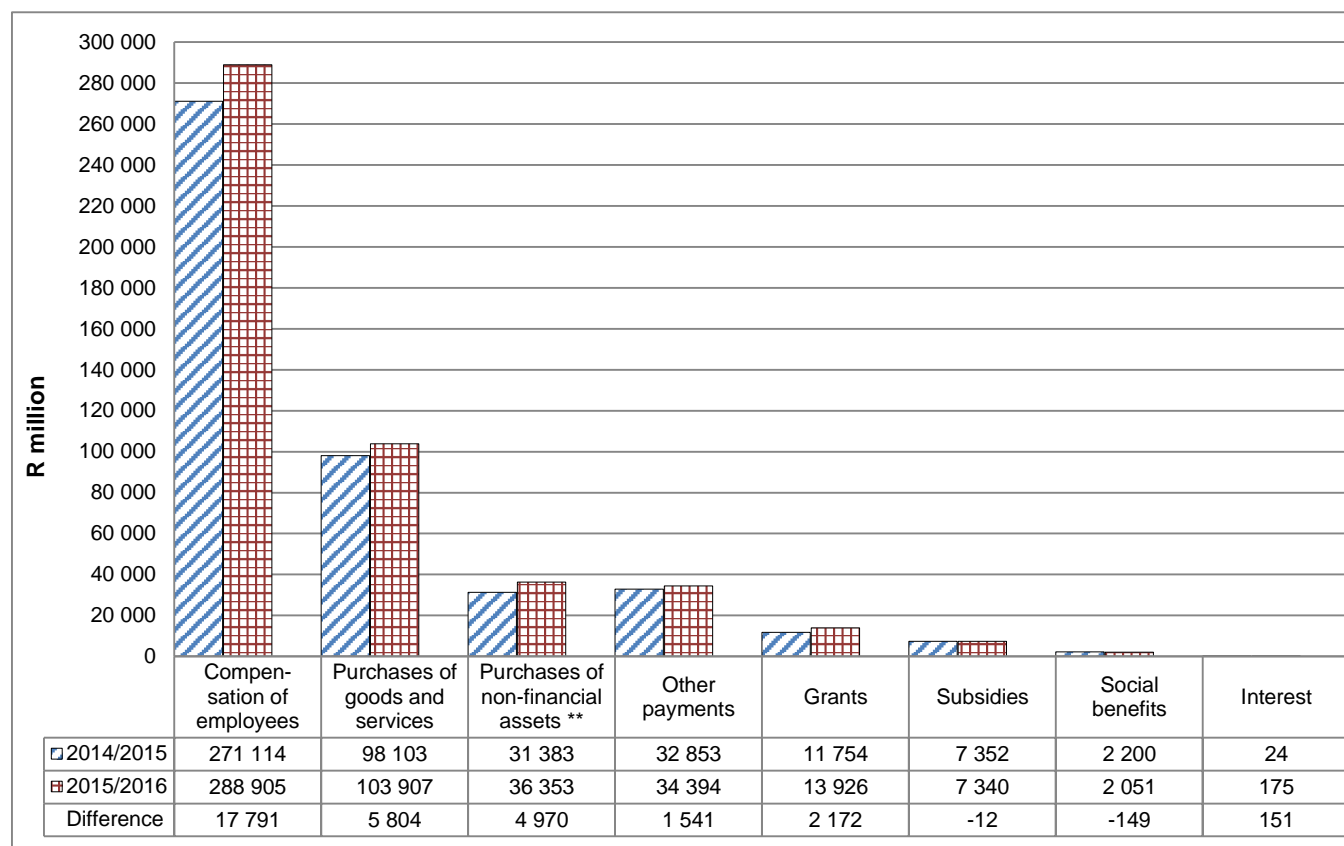
GFS 2014 code	Economic classification of sources and uses of cash	2014/2015 ²	2015/2016	Difference between 2014/2015 and 2015/2016
		R million		
	Cash flows from operating activities:			
	Cash receipts from operating activities a	461 765	488 795	27 030
11	Taxes	10 253	10 928	675
12	Social contributions	0	0	0
13	Grants	445 330	471 699	26 369
14	Other receipts	6 182	6 168	-14
	Cash payments for operating activities b	423 400	450 698	27 298
21	Compensation of employees	271 114	288 905	17 791
22	Purchases of goods and services	98 103	103 907	5 804
24	Interest	24	175	151
25	Subsidies	7 352	7 340	-12
26	Grants	11 754	13 926	2 172
27	Social benefits	2 200	2 051	-149
28	Other payments	32 853	34 394	1 541
	<i>Net cash flow from operating activities: (outflow)/ inflow (a-b)=c</i>	38 365	38 097	-268
	Cash flows from transactions in non-financial assets:			
	Net cash outflow from investments in non-financial assets ³ d	31 124	36 241	5 117
611	Fixed assets	30 992	36 094	5 102
612	Inventories	0	0	0
613	Valuables	6	8	2
614	Non-produced assets	126	139	13
	Cash surplus/ deficit (c-d)=e	7 241	1 856	
	Cash flows from financing activities:			
	Net acquisition of financial assets other than cash:			
	cash outflow/ (inflow) f	0	0	
321	Domestic	0	0	
322	Foreign	0	0	
	Net incurrence of liabilities: cash (outflow)/ inflow g	0	0	
331	Domestic	0	0	
332	Foreign	0	0	
	<i>Net cash flow from financing activities: (outflow)/ inflow (g-f)=h</i>	0	0	
	NET CHANGE IN THE STOCK OF CASH (h+e)=i	7 241	1 856	

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. 19) and 4 (p. 23).

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

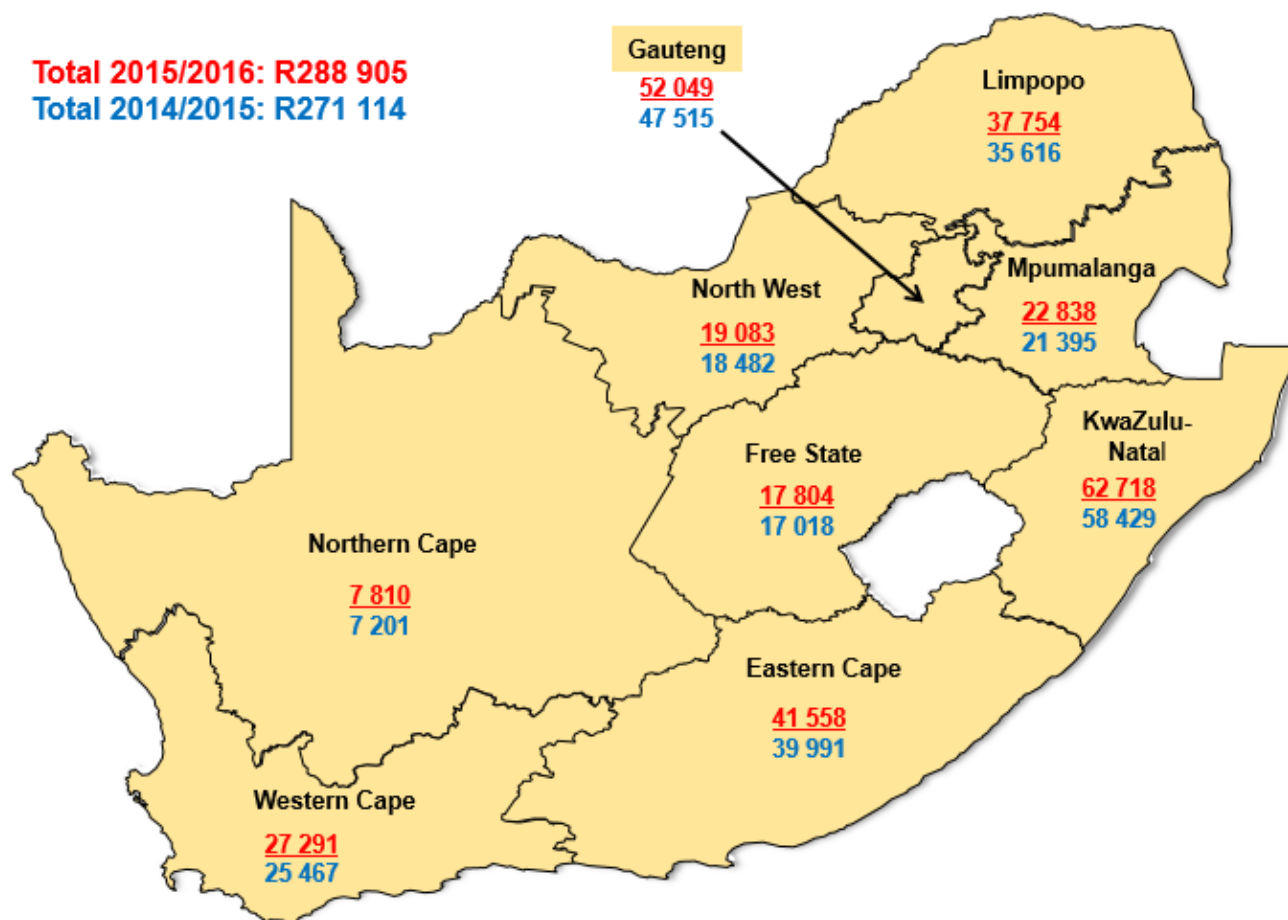


* Some of the figures have been revised since the previous publication.

** The total amounts for purchases of non-financial assets are shown in Table 3, p.19.

Figure 1 shows the economic classification of expense cash flows 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 (R288 905 million in 2015/2016), followed by purchases of goods and services (R103 907 million), purchases of non-financial assets (R36 353 million) and other payments (R34 394 million).

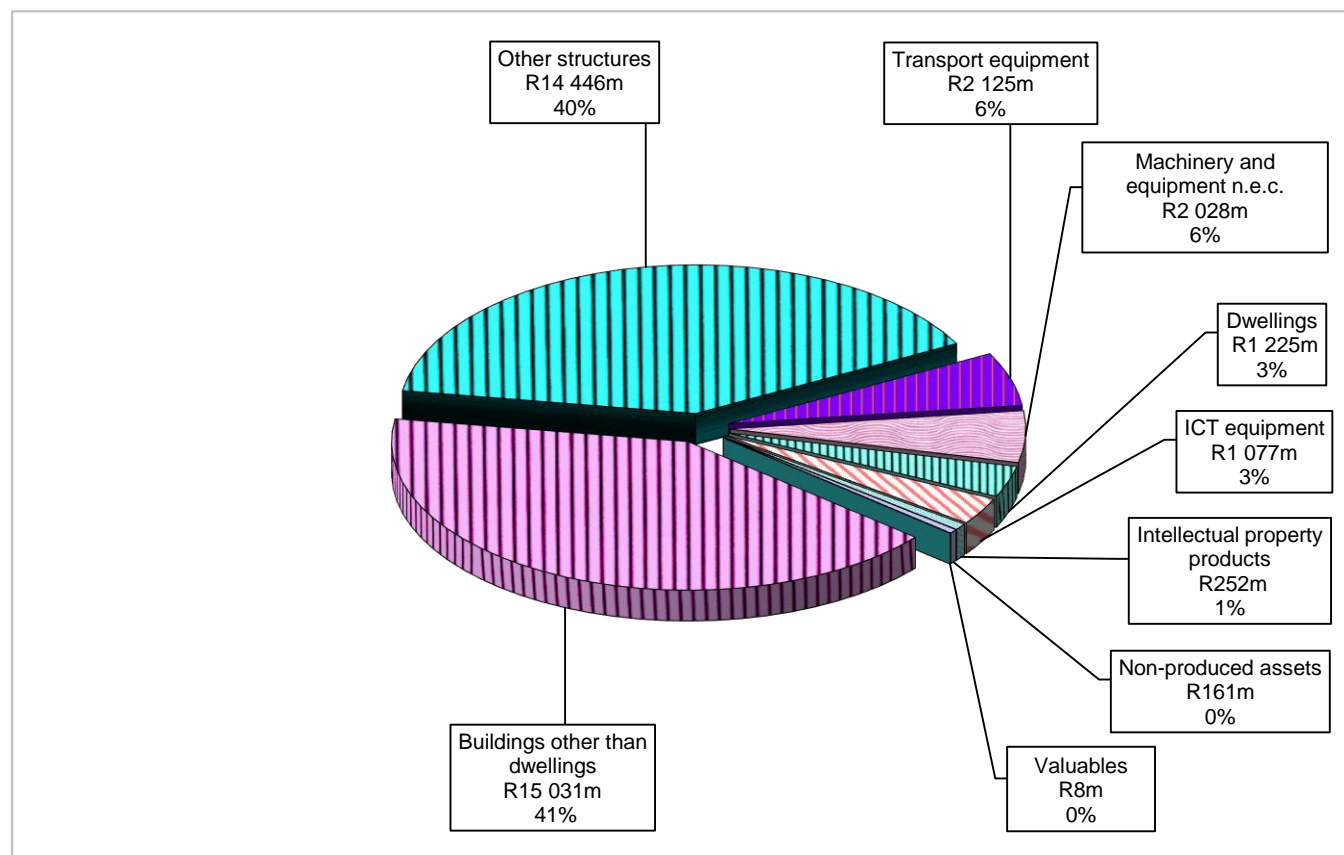
Figure 2 – Compensation of employees of the individual provincial governments for the 2014/2015* and 2015/2016 fiscal years (R million)



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

The total provincial government expenditure on compensation of employees for the 2015/2016 fiscal year was R288 905 million. Figure 2 shows that the KwaZulu-Natal provincial government accounted for the largest proportion of this expenditure (R62 718 million), followed by Gauteng (R52 049 million) and Eastern Cape (R41 558 million). The Northern Cape provincial government's expenditure on compensation of employees was the lowest (R7 810 million) (see Annexure A, p. 24).

Figure 3 – Economic classification of cash payments for purchases of non-financial assets for 2015/2016 fiscal year * (R million)



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

** The total amounts for purchases of non-financial assets are shown in Table 3, p.19 and a breakdown can be found on the disaggregated tables available on the Stats SA website.

Figure 3 shows the economic classification of payments for purchases of non-financial assets for the 2015/2016 fiscal year. The total was R36 353 million, with the largest contributors being buildings other than dwellings (R15 031 million or 41%), other structures (R14 446 million or 40%), and transport equipment (R2 125 million or 6%).

The contribution of cash payments for operating activities and purchases of non-financial assets to total provincial 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, page 11. 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) from the provincial revenue funds and donor funds increased by R32 269 million from R454 783 million in 2014/2015 to R487 052 million in the 2015/2016 fiscal year (see Table B, p.11).

The increase of R13 033 million in cash payments for health from R137 410 million in 2014/2015 to R150 443 million in 2015/2016 was mainly due to increased spending on hospitals and public health services by the Gauteng and KwaZulu-Natal provincial governments.

The increase of R10 679 million in cash payments for education from R191 302 million in 2014/2015 to R201 981 million in 2015/2016 was mainly due to increased spending on education by the Gauteng, KwaZulu-Natal and Mpumalanga provincial governments.

The increase of R2 706 million in cash payments for economic affairs from R49 081 million in 2014/2015 to R51 787 million in 2015/2016 was mainly due to increased spending on transport by the Western Cape, Gauteng and KwaZulu-Natal provincial governments.

The increase of R1 832 million in cash payments for general public services from R23 981 million in 2014/2015 to R25 813 million in 2015/2016 was mainly due to increased spending on other general services by the Gauteng, Eastern Cape and Western Cape provincial governments.

The increase of R1 298 million in cash payments for social protection from R15 578 million in 2014/2015 to R16 876 million in 2015/2016 was mainly due to increased spending on social protection services by the Gauteng, Western Cape and Limpopo provincial governments.

The increase of R1 199 million in cash payments for housing and community amenities from R20 992 million in 2014/2015 to R22 191 million in 2015/2016 was mainly due to increased spending on housing development by the North West, Limpopo and KwaZulu-Natal provincial governments.

The increase of R929 million in cash payments for recreation, culture and religion from R7 744 million in 2014/2015 to R8 673 million in 2015/2016 was mainly due to increased spending on cultural services by the Limpopo, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R510 million in cash payments for public order and safety from R5 216 million in 2014/2015 to R5 726 million in 2015/2016 was mainly due to increased spending on public order and safety services by the Mpumalanga, Gauteng and North West provincial governments.

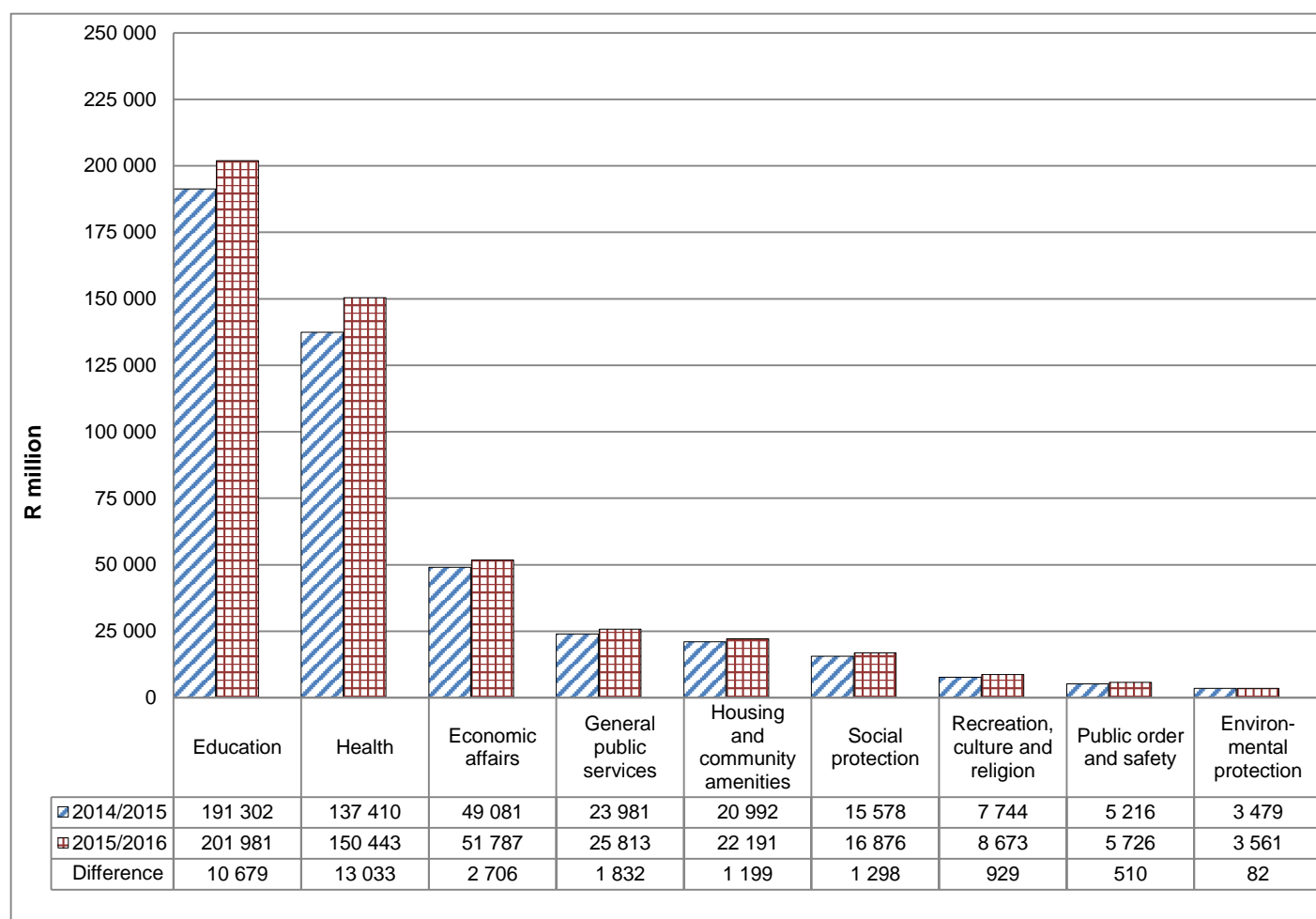
The increase of R82 million in cash payments for environmental protection from R3 479 million in 2014/2015 to R3 561 million in 2015/2016 was mainly due to increased spending on the protection of biodiversity and landscape by the Gauteng, Western Cape and Limpopo provincial governments.

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	Type of service	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	7 227	8 044	817	1,7
7012	Foreign economic aid	0	0	0	0,0
7013	General services	16 576	17 479	903	3,6
7014	Basic research	0	0	0	0,0
7015	Research and development general public services	178	220	42	0,0
7016	General public services n.e.c.	0	70	70	0,0
7017	Public debt transactions (mainly interest)	0	0	0	0,0
7018	Transfers of a general character between different levels of government	0	0	0	0,0
	Total general public services a	23 981	25 813	1 832	5,3
702	Defence b	0	0	0	0,0
703	Public order and safety				
7031	Police	5 174	5 686	512	1,2
7032	Fire protection services	0	0	0	0,0
7033	Law courts	0	0	0	0,0
7034	Prisons	0	0	0	0,0
7035	R&D Public order and safety	42	40	-2	0,0
7036	Public order and safety n.e.c.	0	0	0	0,0
	Total public order and safety c	5 216	5 726	510	1,2
704	Economic affairs				
7041	General economic, commercial and labour affairs	4 004	4 530	526	0,9
7042	Agriculture, forestry, fishing and hunting	9 364	9 369	5	1,9
7043	Fuel and energy	0	0	0	0,0
7044	Mining, manufacturing and construction	73	201	128	0,0
7045	Transport	32 948	34 939	1 991	7,2
7046	Communications	0	0	0	0,0
7047	Other industries	1 904	1 885	-19	0,4
7048	Research and development economic affairs	788	863	75	0,2
	Total economic affairs d	49 081	51 787	2 706	10,6
705	Environmental protection e	3 479	3 561	82	0,7
706	Housing and community amenities f	20 992	22 191	1 199	4,6
707	Health g	137 410	150 443	13 033	30,9
708	Recreation, culture and religion h	7 744	8 673	929	1,8
709	Education i	191 302	201 981	10 679	41,5
710	Social protection j	15 578	16 876	1 298	3,5
	Total provincial government cash payments for operating activities and purchases of non-financial assets (k=a+b+c+d+e+f+g+h+i+j) k	454 783	487 052	32 269	100,0

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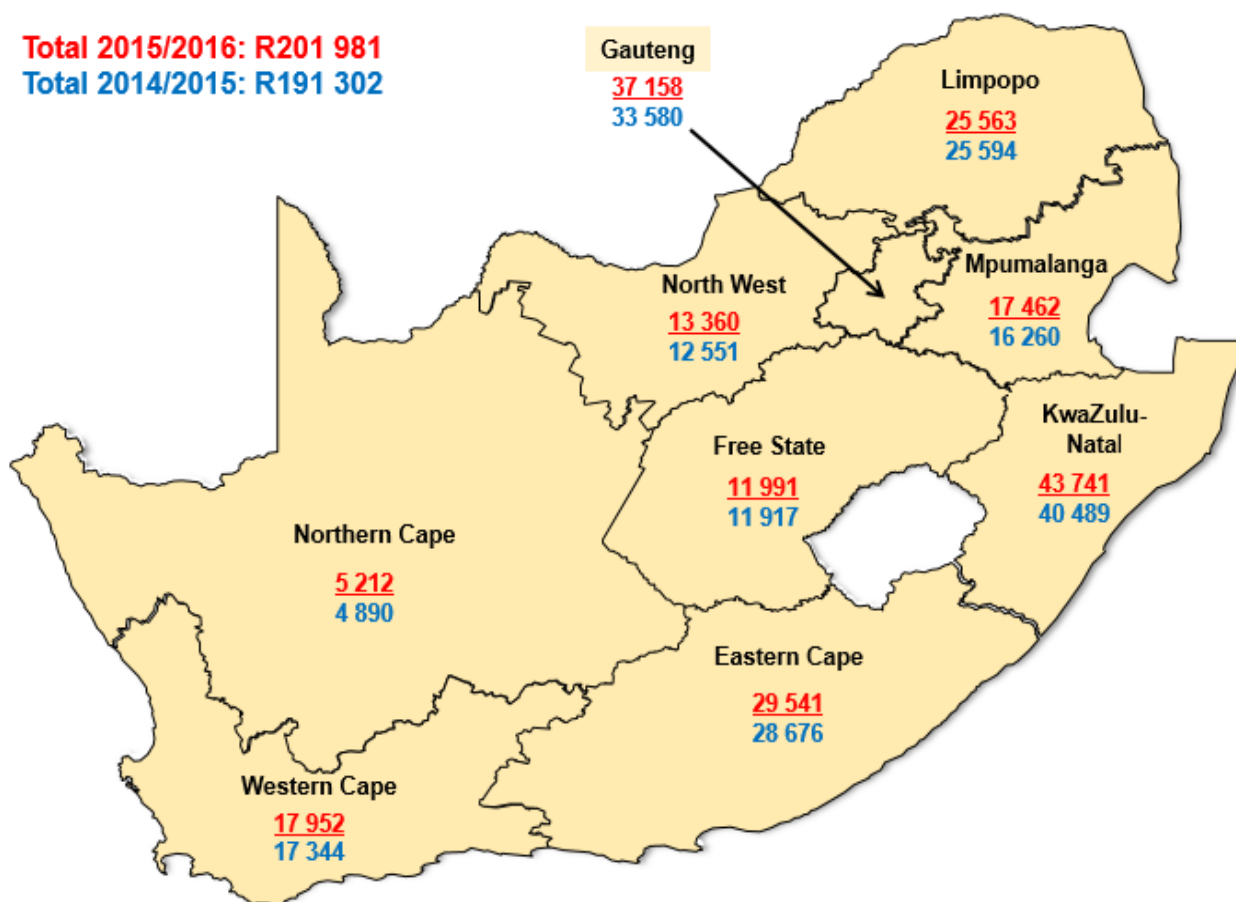
Figure 4 – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2014/2015* and 2015/2016 fiscal years



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

Figure 4 shows the functional classification of cash payments for operating activities and purchases of non-financial assets. Education accounted for the largest proportion of the expenditure in 2015/2016 (R201 981 million), followed by health (R150 443 million) and economic affairs (R51 787 million).

Figure 5 – Spending on education by the individual provincial governments for the 2014/2015* and 2015/2016 fiscal years (R million)



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

The provincial government expenditure on education for the 2015/2016 fiscal year was R201 981 million. Figure 5 shows that the KwaZulu-Natal provincial government was the highest contributor (R43 741 million), followed by Gauteng (R37 158 million) and Eastern Cape (R29 541 million). The Northern Cape provincial government's expenditure was the lowest (R5 212 million) (see Annexure B, p. 25).

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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	488 795
11	Taxes	10 928
12	Social contributions	0
13	Grants	471 699
14	Other receipts	6 168

* 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)

		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
Functional classification		R million							
70	GENERAL GOVERNMENT SERVICES	288 905	103 907	175	7 340	13 926	2 051	34 394	450 698
701	GENERAL PUBLIC SERVICES	11 090	8 644	17	0	1 372	84	2 202	23 409
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	4 845	2 432	2	0	156	27	358	7 821
7012	Foreign economic aid	0	0	0	0	0	0	0	0
7013	General services	6 237	5 999	15	0	1 146	57	1 844	15 298
7014	Basic research	0	0	0	0	0	0	0	0
7015	R&D General public services	8	212	0	0	0	0	0	220
7016	General public services n.e.c.	0	0	0	0	70	0	0	70
7017	Public debt transactions (mainly interest)	0	0	0	0	0	0	0	0
7018	Transfers of a general character between different levels of government	0	0	0	0	0	0	0	0
702	DEFENCE	0	0	0	0	0	0	0	0
7021	Military defence	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0
7025	Defence n.e.c.	0	0	0	0	0	0	0	0
703	PUBLIC ORDER AND SAFETY	3 319	1 747	1	1	1	22	109	5 200
7031	Police services	3 301	1 726	1	1	1	22	109	5 160
7032	Fire protection services	0	0	0	0	0	0	0	0
7033	Law courts	0	0	0	0	0	0	0	0
7034	Prisons	0	0	0	0	0	0	0	0
7035	R&D Public order and safety	18	21	0	0	0	0	0	40
7036	Public order and safety 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							
704	ECONOMIC AFFAIRS	10 404	13 114	2	6 222	6 509	142	2 315	38 709
7041	General economic, commercial and labour affairs	851	858	0	13	1 742	5	940	4 408
7042	Agriculture, forestry, fishing and hunting	4 454	2 597	1	12	416	70	1 151	8 701
7043	Fuel and energy	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	201	0	0	201
7045	Transport	4 509	9 121	1	6 175	2 765	62	92	22 725
7046	Communication	0	0	0	0	0	0	0	0
7047	Other industries	147	224	0	23	1 336	1	127	1 858
7048	R&D Economic affairs	443	314	0	0	49	4	6	816
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	1 357	600	0	0	1 431	11	49	3 449
7051	Waste management	69	35	0	0	0	0	0	105
7052	Waste water management	0	0	0	0	0	0	0	0
7053	Pollution abatement	33	13	0	0	0	0	0	46
7054	Protection of biodiversity and landscape	1 224	517	0	0	1 368	11	48	3 169
7055	R&D Environmental protection	13	29	0	0	63	0	0	105
7056	Environmental protection n.e.c.	18	5	0	0	0	0	0	24
706	HOUSING AND COMMUNITY AMENITIES	2 110	1 179	0	3	1 327	13	17 470	22 102
7061	Housing development	1 591	844	0	3	961	10	17 249	20 660
7062	Community development	446	277	0	0	365	3	62	1 154
7063	Water supply	0	0	0	0	0	0	0	0
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	72	58	0	0	1	0	158	289
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	93 886	43 555	14	0	1 425	494	3 365	142 740
7072	Outpatient services	60	47	0	0	0	0	0	107
70724	Ambulance services	3 990	1 388	1	0	330	9	66	5 784
7073	Hospital services	62 617	23 856	11	0	0	323	939	87 746
7074	Public health services	26 541	17 458	2	0	1 059	160	2 337	47 556
7075	R&D Health	0	9	0	0	0	0	0	9
7076	Health n.e.c.	679	797	0	0	36	2	22	1 537
708	RECREATION, CULTURE AND RELIGION	3 237	2 025	1	0	1 333	28	1 158	7 783
7081	Recreational and sporting services	497	543	0	0	333	3	192	1 569
7082	Cultural services	2 740	1 460	0	0	908	25	391	5 525
7083	Broadcasting and publishing services	0	0	0	0	93	0	0	93
7084	Religious and other community services	0	0	0	0	0	0	575	575
7085	R&D Recreation, culture and religion	0	21	0	0	0	0	0	21
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0
709	EDUCATION	156 103	30 736	141	1 114	455	1 196	1 477	191 221
7091	Pre-primary and primary education	76 230	9 598	83	638	0	641	50	87 239
7092	Secondary education	59 674	7 331	55	476	20	380	76	68 012
7093	Post-secondary non-tertiary education (e.g. CET)	2 821	529	0	0	0	12	227	3 589
7094	Tertiary education	0	2	0	0	92	0	0	94
7095	Education not definable by level	0	0	0	0	0	0	14	14
7096	Subsidiary services to education	28	449	0	0	0	0	0	477
7097	R&D Education	0	43	0	0	0	0	0	43
7098	Education n.e.c.	17 351	12 784	3	0	343	163	1 109	31 753

* 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)

		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							
Functional classification		R million							
710	SOCIAL PROTECTION	7 399	2 307	0	0	71	59	6 249	16 085
7101	Sickness and disability	164	52	0	0	0	2	408	626
7102	Old age	248	53	0	0	0	1	789	1 092
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	2 199	317	0	0	0	10	3 514	6 041
7105	Unemployment	0	0	0	0	0	0	0	0
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 069	461	0	0	33	2	549	2 115
7108	R&D Social protection	24	21	0	0	0	0	0	45
7109	Social protection n.e.c.	3 693	1 402	0	0	37	44	989	6 165

* 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	36 184	0	8	161	36 353
701	GENERAL PUBLIC SERVICES	2 297	0	0	107	2 404
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	223	0	0	0	223
7012	Foreign economic aid	0	0	0	0	0
7013	General services	2 074	0	0	107	2 181
7014	Basic research	0	0	0	0	0
7015	R&D General public services	0	0	0	0	0
7016	General public services n.e.c.	0	0	0	0	0
7017	Public debt transactions (mainly interest)	0	0	0	0	0
7018	Transfers of a general character between different levels of government	0	0	0	0	0
702	DEFENCE	0	0	0	0	0
7021	Military defence	0	0	0	0	0
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.	0	0	0	0	0
703	PUBLIC ORDER AND SAFETY	526	0	0	0	526
7031	Police services	526	0	0	0	526
7032	Fire protection services	0	0	0	0	0
7033	Law courts	0	0	0	0	0
7034	Prisons	0	0	0	0	0
7035	R&D Public order and safety	0	0	0	0	0
7036	Public order and safety n.e.c.	0	0	0	0	0

* 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				
704	ECONOMIC AFFAIRS	13 034	0	0	44	13 078
7041	General economic, commercial and labour affairs	122	0	0	0	122
7042	Agriculture, forestry, fishing and hunting	668	0	0	0	668
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0
7045	Transport	12 170	0	0	44	12 214
7046	Communication	0	0	0	0	0
7047	Other industries	27	0	0	0	27
7048	R&D Economic affairs	47	0	0	0	47
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	112	0	0	0	112
7051	Waste management	2	0	0	0	2
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	3	0	0	0	3
7054	Protection of biodiversity and landscape	107	0	0	0	107
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	0	0	0	0	0
706	HOUSING AND COMMUNITY AMENITIES	89	0	0	0	89
7061	Housing development	43	0	0	0	43
7062	Community development	44	0	0	0	44
7063	Water supply	0	0	0	0	0
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	1	0	0	0	1
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) TOTAL
		R million				
707	HEALTH	7 703	0	0	0	7 703
7072	Outpatient services	1	0	0	0	1
70724	Ambulance services	449	0	0	0	449
7073	Hospital services	5 358	0	0	0	5 358
7074	Public health services	1 584	0	0	0	1 584
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	312	0	0	0	312
708	RECREATION, CULTURE AND RELIGION	882	0	8	0	890
7081	Recreational and sporting services	192	0	0	0	192
7082	Cultural services	690	0	8	0	698
7083	Broadcasting and publishing services	0	0	0	0	0
7084	Religious and other community services	0	0	0	0	0
7085	R&D Recreation, culture and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0
709	EDUCATION	10 750	0	0	9	10 760
7091	Pre-primary and primary education	1 165	0	0	0	1 165
7092	Secondary education	325	0	0	0	325
7093	Post-secondary non-tertiary education (e.g. CET)	38	0	0	0	38
7094	Tertiary education	0	0	0	0	0
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.	9 220	0	0	9	9 229

* 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) TOTAL
		R million				
710	SOCIAL PROTECTION	791	0	0	0	791
7101	Sickness and disability	0	0	0	0	0
7102	Old age	35	0	0	0	35
7103	Survivors	0	0	0	0	0
7104	Family and children	158	0	0	0	158
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	113	0	0	0	113
7108	R&D Social protection	5	0	0	0	5
7109	Social protection n.e.c.	480	0	0	0	480

* 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		112
311	Fixed assets	91
312	Inventories	0
313	Valuables	0
314	Non-produced assets	21

* 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 2015/2016 fiscal year (summary)

GFS 2014 code	Economic classification	R million
32		0
321	Domestic	0
322	Foreign	0

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		0
331	Domestic	0
332	Foreign	0

Annexure A: Cash payments for operating activities and purchases of non-financial assets (economically classified) of the individual provincial governments for the 2014/2015* and 2015/2016 fiscal years

Economic classification Provincial government	Compensation of employees		Purchases of goods and services		Interest		Subsidies		Grants		Social benefits		Other payments		Purchases of non- financial assets		Grand Total **	
	R million		R million		R million		R million		R million		R million		R million		R million		R million	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
KwaZulu-Natal	58 429	62 718	20 337	22 000	4	141	1 058	1 072	2 659	2 961	394	359	6 273	6 474	8 229	8 647	97 383	104 372
Gauteng	47 515	52 049	20 228	22 441	3	8	2 399	2 552	3 125	4 860	275	249	8 066	6 846	4 153	6 127	85 764	95 132
Eastern Cape	39 991	41 558	12 382	13 060	3	12	617	432	1 273	1 644	506	456	3 513	4 159	3 219	3 869	61 504	65 190
Limpopo	35 616	37 754	8 581	8 017	0	0	757	768	1 647	1 432	337	334	2 028	2 597	2 219	2 101	51 186	53 003
Western Cape	25 467	27 291	11 544	12 274	0	0	869	892	1 421	1 564	163	160	4 189	4 361	4 602	5 021	48 255	51 563
Mpumalanga	21 395	22 838	8 020	8 636	6	1	553	568	708	658	144	132	2 667	2 912	2 934	3 566	36 427	39 311
North West	18 482	19 083	6 971	7 259	3	6	752	700	620	468	158	170	2 675	3 337	2 238	3 185	31 899	34 208
Free State	17 018	17 804	6 453	6 194	2	3	282	280	194	179	138	137	2 511	2 699	2 355	2 472	28 953	29 768
Northern Cape	7 201	7 810	3 587	4 026	3	4	65	76	106	160	85	54	931	1 009	1 435	1 367	13 413	14 506
Grand Total **	271 114	288 905	98 103	103 907	24	175	7 352	7 340	11 754	13 926	2 200	2 051	32 853	34 394	31 383	36 353	454 783	487 052

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

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

Annexure B: Cash payments for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2014/2015* and 2015/2016 fiscal years

Functional classification Provincial government	General public services		Public order and services		Economic affairs		Environmental affairs		Housing and community amenities		Health		Recreation, culture and religion		Education		Social protection		Grand Total **	
	R million		R million		R million		R million		R million		R million		R million		R million		R million		R million	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
KwaZulu-Natal	3 198	3 122	805	834	12 330	12 773	1 086	1 080	4 526	4 733	30 458	33 302	1 893	2 051	40 489	43 741	2 598	2 737	97 384	104 373
Gauteng	4 557	5 254	630	715	7 275	8 017	231	288	5 056	4 786	30 274	34 098	734	845	33 580	37 158	3 429	3 971	85 764	95 132
Eastern Cape	3 336	4 002	498	533	5 228	5 759	479	414	2 847	2 927	16 972	18 363	1 290	1 371	28 676	29 541	2 177	2 280	61 503	65 190
Limpopo	1 945	2 089	928	929	5 039	4 937	413	444	791	1 355	14 186	15 083	822	1 007	25 594	25 563	1 468	1 596	51 185	53 002
Western Cape	3 109	3 375	502	560	5 292	5 860	457	503	2 161	2 221	17 072	18 502	554	651	17 344	17 952	1 765	1 939	48 256	51 562
Mpumalanga	1 672	1 802	924	1 160	5 203	5 283	84	107	1 849	1 756	8 570	9 743	622	717	16 260	17 462	1 243	1 281	36 427	39 311
North West	2 996	2 711	432	525	3 541	3 966	393	357	1 952	2 464	8 092	8 728	674	753	12 551	13 360	1 269	1 344	31 900	34 208
Free State	2 217	2 443	313	308	3 027	3 021	217	242	1 334	1 336	8 133	8 524	820	886	11 917	11 991	973	1 016	28 952	29 768
Northern Cape	951	1 015	185	162	2 145	2 172	120	127	476	613	3 653	4 101	336	392	4 890	5 212	657	712	13 413	14 506
Grand Total **	23 981	25 813	5 216	5 726	49 081	51 787	3 479	3 561	20 992	22 191	137 410	150 443	7 744	8 673	191 302	201 981	15 578	16 876	454 783	487 052

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

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

Annexure C: Information on disaggregated tables available on the Stats SA website:
<http://www.statssa.gov.za/?s=P9121&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

Explanatory notes

Introduction This statistical release includes economic and functional classifications of the cash payments from the provincial revenue fund and donor funds for the 2015/2016 fiscal year based on the GFS 2014 methodology. The provincial revenue fund refers to the votes of the provincial government departments as well as fixed statutory appropriations and standing appropriations. Donor funds consist mainly of donations from foreign governments and international organisations.

Disaggregated data **Disaggregated data (Tables 1 to 8) of Summary table is on the Stats SA website.**

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

Scope of the financial statistics of provincial government The audited annual reports of provincial government departments collected decreased from 124 in 2014/2015 to 123 in 2015/2016. The Department of Royal Household was abolished as a department with effect from 12 December 2014 and was removed as a department from the list of KwaZulu-Natal provincial government departments.

The cash payments of the following provincial government departments have been included in the tables:

These 9 provinces comprised 123 departments for the 2015/2016 fiscal year.

- 1) Eastern Cape
- 2) Free State
- 3) Gauteng
- 4) KwaZulu-Natal
- 5) Limpopo
- 6) Mpumalanga
- 7) North West
- 8) Northern Cape
- 9) Western Cape

Eastern Cape (14 departments)

- 1) Co-operative Governance and Traditional Affairs
- 2) Economic Development, Environmental Affairs and Tourism
- 3) Education
- 4) Health
- 5) Human Settlements
- 6) Office of the Premier
- 7) Provincial Legislature
- 8) Provincial Treasury
- 9) Roads and Public Works
- 10) Rural Development and Agrarian Reform
- 11) Safety and Liaison

- 12) Social Development
- 13) Sport, Recreation, Arts and Culture
- 14) Transport

Free State (13 departments)

- 15) Agriculture and Rural Development
- 16) Co-operative Governance and Traditional Affairs
- 17) Economic, Small Business Development, Tourism and Environmental Affairs
- 18) Education
- 19) Health
- 20) Human Settlements
- 21) Legislature
- 22) Police, Roads and Transport
- 23) Public Works and Infrastructure
- 24) Social Development
- 25) Sport, Arts, Culture and Recreation
- 26) The Premier
- 27) Treasury

Gauteng (15 departments)

- 28) Agriculture and Rural Development
- 29) Community Safety
- 30) Co-operative Governance and Traditional Affairs
- 31) Economic Development
- 32) Education
- 33) Finance
- 34) Health
- 35) Human Settlements
- 36) Infrastructure Development
- 37) Legislature
- 38) Office of the Premier
- 39) Roads and Transport
- 40) Social Development
- 41) Sport, Arts, Culture and Recreation
- 42) Treasury

KwaZulu-Natal (15 departments)

- 43) Agriculture and Rural Development
- 44) Arts and Culture
- 45) Community Safety and Liaison
- 46) Cooperate Governance and Traditional Affairs
- 47) Economic Development, Tourism and Environmental Affairs
- 48) Education
- 49) Health
- 50) Human Settlements
- 51) Office of the Premier
- 52) Provincial Legislature
- 53) Provincial Treasury
- 54) Public Works
- 55) Social Development
- 56) Sport and Recreation
- 57) Transport

Limpopo (13 departments)

- 58) Agriculture and Rural Development
- 59) Co-operative Governance, Human Settlement and Traditional Affairs
- 60) Economic Development, Environmental and Tourism
- 61) Education
- 62) Health
- 63) Office of the Premier
- 64) Provincial Legislature
- 65) Provincial Treasury
- 66) Public Works, Roads and Infrastructure
- 67) Safety, Security and Liaison
- 68) Social Development
- 69) Sports, Arts and Culture
- 70) Transport

Mpumalanga (13 departments)

- 71) Agriculture, Rural Development and Land Administration
- 72) Community Safety, Security and Liaison
- 73) Co-operative Governance and Traditional Affairs
- 74) Culture, Sport and Recreation
- 75) Economic Development and Tourism
- 76) Education
- 77) Finance
- 78) Health
- 79) Human Settlements
- 80) Office of the Premier
- 81) Provincial Legislature
- 82) Public Works, Roads and Transport
- 83) Social Development

North West (13 departments)

- 84) Agriculture, Land Reform and Rural Development
- 85) Co-operate Governance, Human Settlements and Traditional Affairs
- 86) Economic Development and Tourism
- 87) Education
- 88) Environment and Nature Conservation
- 89) Health
- 90) Office of the Premier
- 91) Provincial Legislature
- 92) Provincial Treasury
- 93) Roads and Public Works
- 94) Social Development
- 95) Sports, Arts and Culture
- 96) Transport, Safety and Liaison

Northern Cape (13 departments)

- 97) Community Safety and Transport Management
- 98) Culture, Arts and Traditional Affairs
- 99) Economy and Enterprise Development
- 100) Education and Sports Development
- 101) Finance
- 102) Health

- 103) Local Government and Human Settlements
- 104) Office of the Premier
- 105) Provincial Legislature
- 106) Public Works and Roads
- 107) Rural, Environment and Agriculture Development
- 108) Social Development
- 109) Tourism

Western Cape (14 departments)

- 110) Agriculture
- 111) Community Safety
- 112) Cultural Affairs and Sport
- 113) Economic Development and Tourism
- 114) Education
- 115) Environmental Affairs and Development Planning
- 116) Health
- 117) Human Settlements
- 118) Local Government
- 119) Premier
- 120) Provincial Parliament
- 121) Provincial Treasury
- 122) Social Development
- 123) Transport and Public Works

Classifications

Economic and functional classifications

Cash flows from operating activities and transactions of non-financial assets in this statistical release are classified economically and functionally according to the standard classification of the 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
Ambulances 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 C, p.26). 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 C, p.26). 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 GFS 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>
P9119.4	<i>Financial statistics of consolidated general 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 and other structures.
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	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.
GFS Manual (2014)	The manual describes an integrated statistical system that is harmonised, to the extent possible, with the 2008 edition of the System of National Accounts (2008 SNA). The GFSM 2014 is intended to be a reference volume describing the GFS system. The GFSM 2014 provides a harmonised systematic basis for reporting and analysing government finances.
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 (ICT)	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.
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 (NPISH)	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	Is a transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart.
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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	Financial statistics of provincial government for 2016/2017	September 2018

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