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Financial statistics of provincial government

2005/2006

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KEY FINDINGS

NET CHANGE IN THE STOCK OF CASH FROM THE PROVINCIAL REVENUE FUNDS AMOUNTED TO AN INCREASE OF R633 MILLION FOR THE 2005/2006 FISCAL YEAR

Cash receipts from operating activities amounted to R215 348 million and cash payments for operating activities amounted to R201 214 million, resulting in net cash inflow from operating activities of R14 134 million for the 2005/2006 fiscal year ending 31 March 2006. Purchases of non-financial assets amounted to R13 617 million for 2005/2006. Sales of non-financial assets amounted to R116 million for the 2005/2006 fiscal year, resulting in net cash outflow from investments in non-financial assets of R13 501 million. Total net change in the stock of cash for provincial government amounted to an increase of R633 million (see table A, p.4).

Economic classification of cash payments for operating activities and purchases of non-financial assets from the provincial revenue funds received

The 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. Seven main economically classified cash payments for operating activities categories exist and these are compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

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

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

The largest contributor to total cash receipts from operating activities was grants (R208 142 million), followed by taxes on goods and services (R4 061 million) and other receipts (R3 145 million) for the 2005/2006 fiscal year (see Table A, p.4).

Cash receipts from operating activities increased by 12,6% from R191 310 million in 2004/2005 to R215 348 million in 2005/2006, mainly due to the increase in grants received (see Table A, p.4).

The largest contributor to the total cash payments for operating activities (economically classified) for the 2005/2006 fiscal year was compensation of employees (R95 684 million), followed by social benefits (R51 393 million), purchases of goods and services (R37 972 million), other payments (R9 199 million), grants (R4 920 million) and subsidies (R2 044 million) (see Table A, p.4 and Figure 1, p.5).

Cash payments for operating activities increased by 13,0% from R178 002 million in 2004/2005 to R201 214 million in 2005/2006, mainly due to the increase in compensation of employees (see Table A, p.4).

The increase of 52,7% in grants from R3 221 million in 2004/2005 to R4 920 million in 2005/2006 was mainly due to the grant made to Limpopo Roads Agency. The Limpopo Roads Agency was not included as an extra-budgetary account in the 2004/2005 financial year, but was included as a public corporation in the 2004/2005 financial year (see Table A, p.4 and Figure 1, p.5).

The decrease of 93,9% in interest paid from R33 million in 2004/2005 to R2 million in 2005/2006, is mainly due to Eastern Cape and KwaZulu-Natal paying less interest in 2005/2006 (see Table A, p.4 and Figure 1, p.5).

The largest contributor to purchases of non-financial assets was fixed assets (R13 408 million), followed by non-produced assets (R208 million) (see table A, p.4).

The increase of 23,9% in purchases of non-financial assets from R10 988 million in 2004/2005 to R13 617 million in 2005/2006, is mainly due to Gauteng, KwaZulu-Natal and Western Cape spending more on other constructions in 2005/2006 (see Table A, p.4 and Figure 1, p.5).

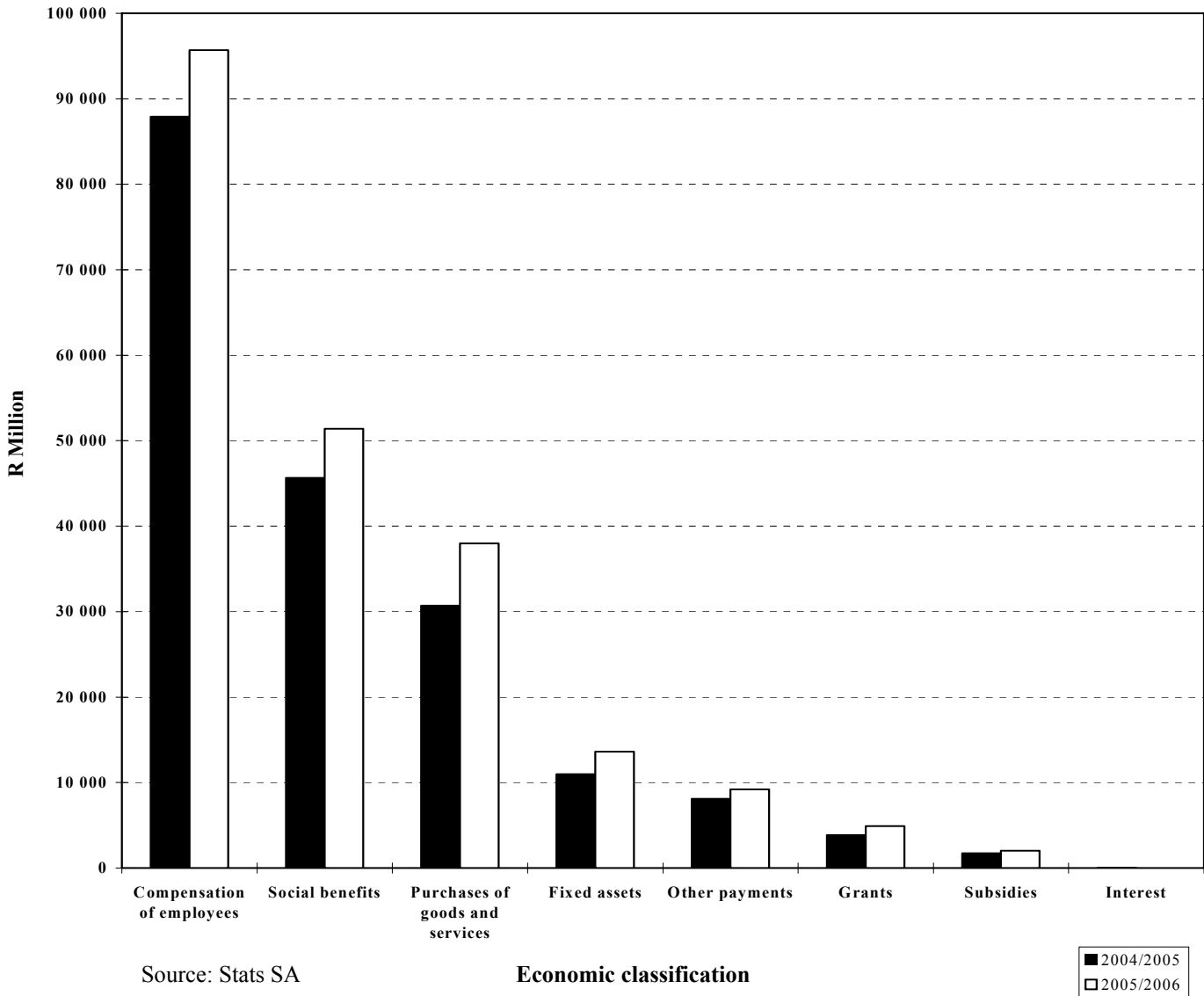
Table A – Economic classification of statement of sources and uses of cash of provincial government for the 2004/2005 and 2005/2006 fiscal years (Summary)¹

		2004/2005	2005/2006
		R million	R million
Cash flows from operating activities:			
Cash receipts from operating activities:	a	191 310	215 348
Taxes		3 235	4 061
Social contributions		0	0
Grants		185 146	208 142
Other receipts		2 929	3 145
Cash payments for operating activities:	b	178 002	201 214
Compensation of employees		87 903	95 684
Purchases of goods and services		30 712*	37 972
Interest		33	2
Subsidies		1 730*	2 044
Grants		3 221	4 920
Social benefits		45 653	51 393
Other payments		8 749*	9 199
<i>Net cash flow from operating activities (outflow) / inflow</i>	(a-b) = c	<i>13 308</i>	<i>14 134</i>
Expenses not regarded as cash transactions (memo item)	d	150	107
Cash flows from investments in non-financial assets:			
Purchases of non-financial assets:	e	10 988	13 617
Fixed assets		10 939*	13 408
Strategic stocks		0	0
Valuables		0	1
Non-produced assets		49*	208
Sales of non-financial assets:	f	74	116
Fixed assets		59	76
Strategic stocks		0	0
Valuables		0	0
Non-produced assets		15	40
<i>Net cash flow from investments in non-financial assets inflow / (outflow)</i>	(f-e) = g	<i>-10 913</i>	<i>-13 501</i>
CASH SURPLUS/(DEFICIT)	(c+g) = h	2 395	633
Cash flows from financing activities:			
Net acquisition of financial assets other than cash: (inflow) / outflow	i	0	0
Domestic		0	0
Foreign		0	0
Net incurrence of liabilities: (outflow) / inflow	j	0	0
Domestic		0	0
Foreign		0	0
<i>Net cash flow from financing activities (outflow) / inflow</i>	(j-i) = k	<i>0</i>	<i>0</i>
NET CHANGE IN THE STOCK OF CASH	(h+k) = l	2 395	633

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

* The figures have been revised.

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



Functional classification of cash payments for operating activities and purchases of non-financial assets from the provincial revenue fund received

Functional classification of cash payments for operating activities and 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 7. There are 10 main groups of categories of functional classification of cash payments for operating activities and purchases of non-financial assets: general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection.

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

The largest contributor to the total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R214 937 million from the provincial revenue funds for the 2005/2006 fiscal year was education (R73 564 million) contributing 34,2%, followed by social protection (R58 383 million or 27,2%), health (R45 503 million or 21,2%), total economic affairs (R17 457 million or 8,1%), total general public services (R8 912 million or 4,1%), housing and community amenities (R6 460 million or 3,0%), recreation, culture and religion (R2 102 million or 1,0%), public order and safety (R1 476 million or 0,7%) and environmental protection (R1 081 million or 0,5%), (see table B, p.7, columns 2 and 3, and figure 2, p.8).

The increase of 120,0% in cash payments on basic research from R10 million in 2004/2005 to R22 million in 2005/2006 was mainly due to an increase in grants to the Council for Scientific Industrial Research.

The increase of 25,7% in cash payments on transport from R8 457 million in 2004/2005 to R10 630 million in 2005/2006 was mainly due to greater spending by Gauteng, KwaZulu-Natal and Western Cape on transport.

The increase of 23,2% in cash payments on agriculture, forestry, fishing and hunting from R3 224 million in 2004/2005 to R3 972 million in 2005/2006 was mainly due to greater spending on agriculture by Free State, Limpopo and Mpumalanga.

The decrease of 52,0% in cash payments on mining, manufacturing and construction from R25 million in 2004/2005 to R12 million in 2005/2006 was due to fewer cash payments for manufacturing in Gauteng, Northern Cape and Western Cape.

The decrease of 22,0% in cash payments on other industries from R1 220 million in 2004/2005 to R952 million in 2005/2006 was due to fewer cash payments for multipurpose development projects in Gauteng.

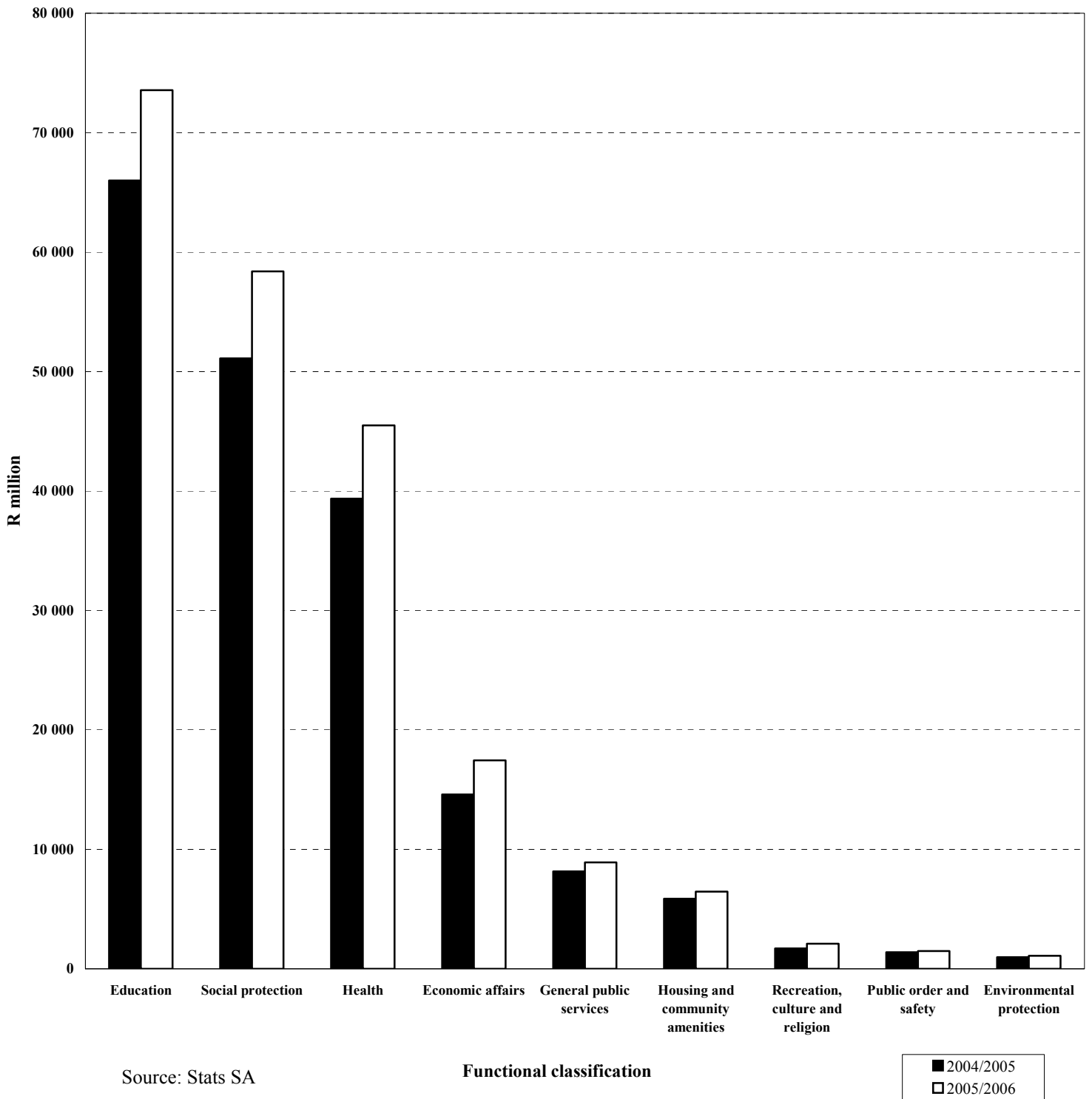
Table B – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2004/2005 and 2005/2006 fiscal years (Summary) ¹

Type of service	R million	R million	Percentage of total cash payments
	2004/2005	2005/2006	2005/2006
General government services			
General public services			
Executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid	2 642	2 918	1,4
Foreign economic aid	0	0	0,0
General services	5 500	5 972	2,8
Basic research	10*	22	0,0
General public services n.e.c.	0	0	0,0
Public debt transactions (mainly interest)	0	0	0,0
Transfers of a general character between different levels of government	0	0	0,0
Total general public services	a 8 151*	8 912	4,1
Defence	b 0	0	0,0
Public order and safety			
Police	1 391	1 476	0,7
Fire protection services	0	0	0,0
Prisons	0	0	0,0
Law courts	0	0	0,0
Total public order and safety	c 1 391	1 476	0,7
Economic affairs			
General economic, commercial and labour affairs	1 401*	1 598	0,7
Agriculture, forestry, fishing and hunting	3 224*	3 972	1,8
Fuel and energy	0	0	0,0
Mining, manufacturing and construction	25*	12	0,0
Transport	8 457*	10 630	4,9
Communications	0	0	0,0
Other industries	1 220*	952	0,4
Economic affairs n.e.c.	275*	293	0,1
Total economic affairs	d 14 602*	17 457	8,1
Environmental protection	971	1 081	0,5
Housing and community amenities	f 5 871*	6 460	3,0
Health	g 39 359	45 503	21,2
Recreation, culture and religion	h 1 713	2 102	1,0
Education	i 65 987*	73 564	34,2
Social protection	j 51 095	58 383	27,2
Total general government cash payments for operating activities and purchases of non-financial assets	(k=a+b+c+d+e+f+g+h+i+j) 189 139	214 937	100,0

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

* The figures have been revised.

Figure 2 – Functional classification of cash payments for operating activities and purchases of non-financial assets from the provincial revenue funds for the 2004/2005 and 2005/2006 fiscal years



Notes

Forthcoming issues	Issue Financial statistics of provincial government for 2006/2007	Expected release date 30 September 2008
Purpose of this statistical release	This statistical release provides financial statistics of cash transactions of provincial governments. Cash payments defrayed from the provincial revenue funds for operating activities and purchases of non-financial assets for the 2005/2006 fiscal year were classified economically and functionally.	
Expected changes in next issue	No changes are expected.	

PJ Lehohla
Statistician-General

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

	R '000
Table 1 Cash receipts from operating activities	215 347 796
11 Taxes	4 060 614
12 Social contributions	0
13 Grants	208 142 425
14 Other receipts	3 144 757

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

Economic classification		Table 2 Cash payments for operating activities								TOTAL (21 - 29) R '000
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	
70	GENERAL GOVERNMENT SERVICES	95 683 960	37 972 013	1 840	2 043 973	4 920 409	51 392 556	9 198 854	106 576	201 320 181
701	GENERAL PUBLIC SERVICES	3 599 029	3 644 271	1 509	0	378 183	213 938	146 351	14 696	7 997 977
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	1 374 508	1 364 065	1 509	0	1 145	9 588	54 126	5 112	2 810 053
7012	Foreign economic aid	0	0	0	0	0	0	0	0	0
7013	General services	2 218 016	2 276 771	0	0	365 377	204 343	92 079	9 584	5 166 170
7014	Basic research	0	0	0	0	11 661	0	0	0	11 661
7015	R&D General public services	6 505	3 435	0	0	0	7	146	0	10 093
7016	General public services n.e.c.	0	0	0	0	0	0	0	0	0
7017	Public debt transactions (mainly interest)	0	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	0
702	DEFENCE	0	0	0	0	0	0	0	0	0
7021	Military defence	0	0	0	0	0	0	0	0	0
7022	Civil defence	0	0	0	0	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0	0	0	0	0
7024	R&D Defence	0	0	0	0	0	0	0	0	0
7025	Defence n.e.c.	0	0	0	0	0	0	0	0	0
703	PUBLIC ORDER AND SAFETY	889 887	467 943	0	0	6 686	3 834	41 506	1 905	1 411 761
7031	Police services	887 977	465 590	0	0	6 686	3 834	41 479	1 905	1 407 471
7032	Fire protection services	0	0	0	0	0	0	0	0	0
7033	Law courts	0	0	0	0	0	0	0	0	0
7034	Prisons	0	0	0	0	0	0	0	0	0
7035	R&D Public order and safety	1 910	2 353	0	0	0	0	27	0	4 290
7036	Public order and safety n.e.c.	0	0	0	0	0	0	0	0	0

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

Economic classification		Table 2 Cash payments for operating activities								
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	TOTAL (21 - 29)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	3 972 828	3 986 392	87	1 626 651	1 780 144	43 945	598 063	5 942	12 014 052
7041	General economic, commercial and labour affairs	183 946	219 461	0	806 952	128 877	198	228 029	130	1 567 593
7042	Agriculture, forestry, fishing and hunting	1 863 467	1 123 278	84	206 806	693	28 502	270 837	1 762	3 495 429
7043	Fuel and energy	0	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	808	575	0	5 605	0	0	5 370	0	12 358
7045	Transport	1 651 433	2 330 682	0	587 419	1 266 537	14 685	81 182	3 999	5 935 937
7046	Communication	0	0	0	0	0	0	0	0	0
7047	Other industries	158 349	184 141	0	17 830	350 988	189	11 821	44	723 362
7048	R&D Economic affairs	114 825	128 255	3	2 039	33 049	371	824	7	279 373
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	318 153	231 234	11	2 800	483 658	565	7 858	119	1 044 398
7051	Waste management	31 196	17 868	4	200	4 757	17	3 155	7	57 204
7052	Waste water management	0	0	0	0	0	0	0	0	0
7053	Pollution abatement	6 199	6 511	0	0	5	1	67	2	12 785
7054	Protection of biodiversity and landscape	264 820	195 968	7	2 600	478 896	547	4 422	107	947 367
7055	R&D Environmental protection	0	0	0	0	0	0	0	0	0
7056	Environmental protection n.e.c.	15 938	10 887	0	0	0	0	214	3	27 042
706	HOUSING AND COMMUNITY AMENITIES	563 552	516 803	0	16 000	294 820	2 061	4 981 958	6 943	6 382 137
7061	Housing development	302 834	264 295	0	16 000	72 468	1 535	4 632 859	3 124	5 293 115
7062	Community development	195 105	210 782	0	0	221 784	445	347 943	2 715	978 774
7063	Water supply	0	0	0	0	0	0	0	0	0
7064	Street lighting	0	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	65 613	41 726	0	0	568	81	1 156	1 104	110 248
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0	0

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

Economic classification		Table 2 Cash payments for operating activities								
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	TOTAL (21 - 29)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
707	HEALTH	24 507 779	14 679 231	0	23 922	1 322 556	128 402	981 934	20 261	41 664 085
7072	Outpatient services	16 123	52 645	0	0	0	115	77	11	68 971
70724	Ambulance services	829 020	524 569	0	22	214 846	1 015	16 968	280	1 586 720
7073	Hospital services	12 166 570	7 339 771	0	14 553	99 860	53 223	236 024	14 514	19 924 515
7074	Public health services	11 323 447	6 167 626	0	9 347	1 007 170	73 208	727 679	5 132	19 313 609
7075	R&D Health	0	0	0	0	0	0	0	0	0
7076	Health n.e.c.	172 619	594 620	0	0	680	841	1 186	324	770 270
708	RECREATION, CULTURE AND RELIGION	781 924	677 028	0	5 000	276 084	1 919	156 775	12 030	1 910 760
7081	Recreational and sporting services	133 388	181 278	0	5 000	119 725	59	49 109	131	488 690
7082	Cultural services	613 598	464 104	0	0	132 256	1 856	51 241	11 899	1 274 954
7083	Broadcasting and publishing services	0	0	0	0	0	0	0	0	0
7084	Religious and other community services	34 938	31 646	0	0	24 103	4	56 425	0	147 116
7085	R&D Recreation, cultural and religion	0	0	0	0	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0	0
709	EDUCATION	59 108 939	10 565 253	111	333 570	259 710	223 157	371 381	18 335	70 880 456
7091	Pre-primary and primary education	28 404 377	4 310 377	0	92 818	38 818	101 199	101 496	12	33 049 097
7092	Secondary education	22 247 756	2 387 449	0	240 752	121	63 709	60 281	0	25 000 068
7093	Post-secondary non-tertiary education (e.g. ABET)	2 582 949	599 283	0	0	117 779	5 560	30 755	675	3 337 001
7094	Tertiary education	0	0	0	0	71 397	0	0	0	71 397
7095	Education not definable by level	0	7 350	0	0	0	0	6 715	0	14 065
7096	Subsidiary services to education	0	0	0	0	0	0	0	0	0
7097	R&D Education	0	0	0	0	0	0	0	0	0
7098	Education n.e.c.	5 873 857	3 260 794	111	0	31 595	52 689	172 134	17 648	9 408 828

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

Economic classification		Table 2 Cash payments for operating activities								
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	29 Expenses not regarded as transactions	TOTAL (21 - 29)
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
Functional classification										
710	SOCIAL PROTECTION	1 941 869	3 203 858	122	36 030	118 568	50 774 735	1 913 028	26 345	58 014 555
7101	Sickness and disability	11 486	2 463	0	0	16 115	13 097 841	145 966	0	13 273 871
7102	Old age	44 581	10 420	0	0	0	19 850 303	360 670	25	20 265 999
7103	Survivors	0	0	0	0	0	0	0	0	0
7104	Family and children	146 050	72 908	0	0	0	16 804 394	735 901	45	17 759 298
7105	Unemployment	0	0	0	0	0	0	0	0	0
7106	Housing	0	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	100 698	66 711	0	0	0	57	113 184	0	280 650
7108	R&D Social protection	1 439	2 169	0	0	0	0	3	0	3 611
7109	Social protection n.e.c.	1 637 615	3 049 187	122	36 030	102 453	1 022 140	557 304	26 275	6 431 126

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

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
70	GENERAL GOVERNMENT SERVICES	13 408 005	0	1 143	207 827	13 616 975
701	GENERAL PUBLIC SERVICES	892 712	0	1 029	20 064	913 805
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	107 343	0	1 029	0	108 372
7012	Foreign economic aid	0	0	0	0	0
7013	General services	785 285	0	0	20 064	805 349
7014	Basic research	0	0	0	0	0
7015	R&D General public services	84	0	0	0	84
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	64 431	0	12	0	64 443
7031	Police services	64 379	0	12	0	64 391
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	52	0	0	0	52
7036	Public order and safety n.e.c.	0	0	0	0	0

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

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	5 266 322	0	75	176 572	5 442 969
7041	General economic, commercial and labour affairs	30 296	0	5	0	30 301
7042	Agriculture, forestry, fishing and hunting	336 932	0	54	139 819	476 805
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	12	0	0	0	12
7045	Transport	4 656 993	0	14	36 753	4 693 760
7046	Communication	0	0	0	0	0
7047	Other industries	228 432	0	2	0	228 434
7048	R&D Economic affairs	13 657	0	0	0	13 657
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	36 176	0	16	0	36 192
7051	Waste management	5 870	0	1	0	5 871
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	976	0	0	0	976
7054	Protection of biodiversity and landscape	27 589	0	15	0	27 604
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	1 741	0	0	0	1 741
706	HOUSING AND COMMUNITY AMENITIES	78 134	0	11	0	78 145
7061	Housing development	41 486	0	0	0	41 486
7062	Community development	33 946	0	11	0	33 957
7063	Water supply	0	0	0	0	0
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	2 702	0	0	0	2 702
7066	Housing and community amenities n.e.c.	0	0	0	0	0

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

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
707	HEALTH	3 837 521	0	0	920	3 838 441
7072	Outpatient services	4 036	0	0	0	4 036
70724	Ambulance services	227 699	0	0	0	227 699
7073	Hospital services	1 925 665	0	0	0	1 925 665
7074	Public health services	1 603 755	0	0	920	1 604 675
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	76 366	0	0	0	76 366
708	RECREATION, CULTURE AND RELIGION	191 712	0	0	0	191 712
7081	Recreational and sporting services	36 463	0	0	0	36 463
7082	Cultural services	154 379	0	0	0	154 379
7083	Broadcasting and publishing services	0	0	0	0	0
7084	Religious and other community services	870	0	0	0	870
7085	R&D Recreation, cultural and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0
709	EDUCATION	2 673 005	0	0	10 271	2 683 276
7091	Pre-primary and primary education	1 410 543	0	0	10 110	1 420 653
7092	Secondary education	988 652	0	0	0	988 652
7093	Post-secondary non-tertiary education (e.g. ABET)	37 725	0	0	0	37 725
7094	Tertiary education	0	0	0	0	0
7095	Education not definable by level	3 846	0	0	0	3 846
7096	Subsidiary services to education	0	0	0	0	0
7097	R&D Education	0	0	0	0	0
7098	Education n.e.c.	232 239	0	0	161	232 400

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

Economic classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
Functional classification						
710	SOCIAL PROTECTION	367 992	0	0	0	367 992
7101	Sickness and disability	198	0	0	0	198
7102	Old age	364	0	0	0	364
7103	Survivors	0	0	0	0	0
7104	Family and children	2 421	0	0	0	2 421
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	537	0	0	0	537
7108	R&D Social protection	74	0	0	0	74
7109	Social protection n.e.c.	364 398	0	0	0	364 398

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

	R '000
Table 4 Sale of non-financial assets	115 928
311 Fixed assets	75 710
312 Strategic stocks	0
313 Valuables	0
314 Non-produced assets	40 218

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

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

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

	R '000
Table 6 Net incurrence of liabilities	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 2005/2006 fiscal year

R '000

Economic classification Provincial government	Compensation of employees	Purchases of goods and services	Interest	Subsidies	Grants	Social benefits	Other payments	Purchases of non-financial assets	Expenses not regarded as cash transactions	Total
Western Cape	8 930 414	4 435 933	-	70 694	671 767	3 992 172	1 322 769	1 482 942	21 281	20 927 972
Eastern Cape	15 254 939	4 527 922	937	312 956	1 239 020	9 857 982	1 267 815	1 513 264	23 298	33 998 133
Northern Cape	2 157 810	1 134 467	-	31 577	142 191	1 182 952	194 664	373 126	1 840	5 218 627
Free State	6 763 999	2 533 519	-	60 136	99 389	3 418 930	675 161	647 490	11 355	14 209 979
KwaZulu-Natal	19 682 692	8 562 577	694	473 989	696 246	11 991 685	1 324 184	3 253 790	15 188	46 001 045
North West	8 039 019	2 757 000	99	462 117	306 085	4 209 377	861 675	965 275	1 713	17 602 360
Gauteng	14 356 290	6 823 539	110	164 435	583 380	6 349 358	2 267 062	2 940 180	30 533	33 514 887
Mpumalanga	6 754 324	3 082 367	-	158 429	135 906	3 502 322	553 312	1 092 501	232	15 279 393
Limpopo	13 744 473	4 114 689	-	309 640	1 046 425	6 887 778	732 212	1 348 407	1 136	28 184 760
Total	95 683 960	37 972 013	1 840	2 043 973	4 920 409	51 392 556	9 198 854	13 616 975	106 576	214 937 156

Annexure B

Cash payments for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2005/2006 fiscal year

R '000

Functional classification Provincial Government	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection	Total
Western Cape	810 116	-	178 657	1 775 003	122 043	673 231	5 644 554	179 430	6 594 250	4 950 688	20 927 972
Eastern Cape	1 078 749	-	126 413	2 883 590	157 082	740 856	5 790 954	444 492	11 865 777	10 910 220	33 998 133
Northern Cape	396 946	-	47 177	399 687	35 418	134 165	1 063 229	87 069	1 603 490	1 451 446	5 218 627
Free State	563 286	-	133 174	834 001	83 785	466 023	3 046 217	167 624	4 992 474	3 923 395	14 209 979
KwaZulu-Natal	1 315 007	-	257 230	3 411 832	355 916	1 159 377	10 187 962	455 189	15 397 792	13 460 740	46 001 045
North West	921 938	-	178 755	1 758 355	39 444	748 737	2 826 212	251 468	6 044 770	4 832 681	17 602 360
Gauteng	1 699 926	-	181 603	1 895 406	127 267	1 688 827	9 756 961	236 891	10 658 752	7 269 254	33 514 887
Mpumalanga	692 910	-	160 581	1 467 888	112 028	338 788	2 590 985	136 687	5 852 438	3 927 088	15 279 393
Limpopo	1 432 904	-	212 614	3 031 259	47 607	510 278	4 595 452	143 622	10 553 989	7 657 035	28 184 760
Total	8 911 782	-	1 476 204	17 457 021	1 080 590	6 460 282	45 502 526	2 102 472	73 563 732	58 382 547	214 937 156

Annexure C: Information on disaggregated tables available on the Stats SA website

Tables

Table 1 Economic classification of cash receipts from operating activities for the 2005/2006 fiscal year.....

Table 2 Economic and functional classification of cash payments for operating activities for the 2005/2006 fiscal year.....

Table 3 Economic and functional classification of purchases of non-financial assets for the 2005/2006 fiscal year.....

Table 4 Economic classification of sales of non-financial assets for the 2005/2006 fiscal year....

Table 5 Economic classification of net acquisition of financial assets other than cash for 2005/2006 fiscal year.....

Table 6 Economic classification of net incurrence of liabilities for the 2005/2006 fiscal year.....

Table 7 Economic and functional classification of cash payments from operating activities for the 2005/2006 fiscal year: Government consumption cash payments divided between individual and collective services.....

Table 8 Economic and functional classification of cash payments from operating activities for the 2005/2006 fiscal year: Subsidies paid divided between subsidies on products and subsidies on production.....

Explanatory notes

Introduction

This statistical release includes economic and functional classifications of transactions of provincial governments from the provincial revenue funds for the 2005/2006 fiscal year, ended 31 March 2006.

Provincial revenue funds refer to the votes of the provincial governments as well as fixed statutory appropriations.

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

Methodology

Provincial governments 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 governments and the rest of the economy.

The information is processed from the bookkeeping systems of provincial departments. The total expenditure of each province corresponds with the totals in the audited financial statements as published by the Auditor-General.

Scope of the financial statistics of provincial governments

The cash payment transactions of the following provincial governments (including fixed statutory appropriations) have been classified economically and functionally :

- Western Cape;
- Eastern Cape;
- Northern Cape;
- Free State;
- KwaZulu-Natal;
- North West;
- Gauteng;
- Mpumalanga;
- Limpopo.

Classification

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

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

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

- **Cash receipts from operating activities**
 - Taxes
 - Social contributions
 - Grants
 - Other receipts
- **Cash payments for operating activities**
 - Compensation of employees (excluding capitalised remuneration)
 - Purchases of goods and services
 - Interest
 - Subsidies
 - Social benefits
 - Other payments
- **Purchases of non-financial assets (including capitalised remuneration)**
 - Fixed assets
 - Strategic stocks
 - Valuables
 - Non-produced assets
- **Financial assets other than cash**
 - Domestic
 - Foreign
- **Financial liabilities**
 - Domestic
 - Foreign

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

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

- **General public services**
 - Executive and legislative services, financial and fiscal affairs, external affairs
 - Foreign economic aid
 - General services
 - Basic research
 - R&D General public services
 - General public services n.e.c.
 - Public debts transactions (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**

- Ambulance services
- Hospital services
- Public health services
- R&D Health
- Health n.e.c.

- **Recreation, culture and religion**

- Recreational and sporting services
- Cultural services
- Broadcasting and publishing services
- Religious and other community services
- R&D Recreation, culture and religion
- Recreation, culture and religion n.e.c.

- **Education**

- Pre-primary and primary education
- Secondary education
- Post-secondary and non-tertiary education
- Tertiary education
- Education not defined by level
- R&D Education
- Education n.e.c.

- **Social protection**

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

Individual and collective services

The **Disaggregated data** (Tables 1 to 8) also include tables in which government consumption expenditure is broken down into individual and collective services (see Table 7 as listed in Annexure C, p.24). The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure C, p.24). These categories are recommended by the 1993 System of National Accounts (SNA) of the United Nations.

Comparability with the previous year

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

The following information is also considered relevant:
 Limpopo Roads Agency was included in release P9102 *Financial statistics of extra-budgetary accounts and funds* for the first time in the 2005/2006 financial year. This means that the transfer to the Limpopo Roads Agency is classified as a capital grant to provincial extra budgetary accounts and funds for the 2005/2006 financial year. This was not the case in the 2004/2005 financial year when it was classified as a capital transfer to a public corporation.

Related publications

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

- P9101 *Capital expenditure by the public sector;*
- P9102 *Financial statistics of extra-budgetary accounts and funds;*
- P9103 *Financial statistics of higher education institutions;*
- P9114 *Financial census of municipalities;*
- P9119.3 *Financial statistics of national government;*
- P9119.4 *Financial statistics of consolidated general government.*

Symbols and abbreviations

- GFS Government Finance Statistics, 2001
- IMF International Monetary Fund
- n.e.c not elsewhere classified
- NPISH Non-profit institutions serving households
- R&D Research and Development
- RDP Reconstruction and Development Programme
- SA South Africa
- SARS South African Revenue Service
- SCOA Standard Chart of Accounts
- SITA State Information Technology Agency
- SNA System of National Accounts, 1993
- Stats SA Statistics South Africa

Glossary

Accrual basis of recording	Accrual basis of recording means that flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Cash basis of recording	Cash basis of recording means that transactions are captured when cash is received or when cash payments are made.
Collective services	Collective services refer to the services provided collectively to the community and are particularly applicable to services such as general administration, public order and safety and economic services.
Compensation of employees	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except for work connected with own account capital formation. It includes both wages and salaries and social contributions.
Economic classification	Economic classification is a measure of the nature and economic effect of government operations on the economy of the country.
Expenses not regarded as transactions	Adjustments for statistical purposes are mainly concerned with thefts and losses, and irrecoverable debts written off.
Extra-budgetary accounts and funds	Extra-budgetary accounts and funds refer to accounts and funds of national and provincial governments not included in normal budget totals and which do not operate through normal budgetary procedures, e.g. trading accounts and general government accounts.
Financial institutions	Financial institutions are units primarily engaged in both incurring liabilities and acquiring financial assets in the market. Financial institutions may be entirely or mainly owned and/or controlled by government in which case they are regarded as public financial institutions. It is the prime function of financial institutions to act as intermediaries.
Functional classification	Functional classification of cash payments for operating activities and 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 various services and objectives rendered to the community.
GFS Manual (2001)	The manual describes a specialised macroeconomic statistical system (Government Finance Statistics system) designed to support fiscal analysis.
Grants	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation.
Household	Household may be defined as individuals or a small group of persons who share the same living accommodation.
Individual services	Individual services refer to services rendered to individuals or a small group of persons. This category applies particularly to community and social services, e.g. education, health and welfare.
Machinery and equipment	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture.

Non-financial public corporations	Non-financial public corporations are government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
Non-produced assets	Non-produced assets consist of tangible, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.
Non-profit institutions serving households (NPISH)	NPISH are non-profit institutions which are mainly engaged in non-market production and serves households.
Non-residential buildings	Non-residential buildings are buildings other than residential buildings and include hospitals, offices and office blocks, warehouses, laboratories, workshops, etc.
Residential buildings	Residential buildings are buildings that are used entirely or primarily as residences and include flats, hostels and nursing homes.
Social benefits	Social benefits are defined as transfers to protect the entire population or specific segments of the population against certain social risks.
Social contributions (cash receipts from operating activities)	Social contributions are actual receipts from either employers on behalf of their employees or from employees, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependants or their survivors.
Standing appropriations	Standing appropriations are government's expenditure obligations that do not require a vote or statutory provisions, including contractual guarantee commitments and international agreements.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Subsidies are current unrequited payments that government units pay to enterprises on the basis of the quantities or values of the goods and services, which they produce, sell or import.
Subsidies on products	Subsidies on products are payments made per unit of good or service.
Subsidies on production	Subsidies on production are payments which resident enterprises may receive as a consequence of engaging in production.
Tax revenue (taxes)	Tax revenue is composed of compulsory transfers to the general government sector. Certain compulsory transfers, such as fines and penalties, are excluded from tax revenue.
Valuables	Valuables are produced goods of considerable value acquired and held primarily as store of value and not used primarily for purposes of production or consumption.
Vote	Vote is an appropriation voted by parliament.

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