

STATISTICAL RELEASE

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Financial statistics of provincial government 2016/2017

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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 deficit of R1 240 million for the 2016/2017 fiscal year.

The revenue cash flows from operating activities amounted to R519 385 million and the expense cash flows amounted to R486 511 million, resulting in a net cash inflow from operating activities of R32 874 million for the 2016/2017 fiscal year ending 31 March 2017. The net cash outflow from transactions in non-financial assets amounted to R34 114 million for the 2016/2017 fiscal year. The cash deficit for 2016/2017 was R1 240 million. The total net change in the stock of cash for the provincial government amounted to R1 240 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 R520 755 million from the provincial revenue funds and donor funds for the 2016/2017 fiscal year was education (R216 060 million, contributing 41,5%), followed by health (R162 072 million or 31,1%), economic affairs (R55 032 million or 10,6%), general public services (R27 644 million or 5,3%), housing and community amenities (R22 906 million or 4,4%), social protection (R18 000 million or 3,5%), recreation, culture and religion (R9 417 million or 1,8%), public order and safety (R5 900 million or 1,1%) and environmental protection (R3 724 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.

The revenue cash flows from operating activities increased by R30 590 million from R488 795 million in 2015/2016 to R519 385 million in 2016/2017. 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 2016/2017 fiscal year was grants (R500 619 million), followed by taxes (R12 077 million) and other receipts (R6 689 million).

Cash payments for operating activities increased by R35 737 million from R450 774 million in 2015/2016 to R486 511 million in 2016/2017. 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 2016/2017 fiscal year was compensation of employees (R311 779 million), followed by purchases of goods and services (R113 520 million), other payments (R35 233 million), grants paid (R15 803 million), subsidies (R7 996 million), social benefits (R2 137 million) and interest (R42 million) (see Table A, p.6 and Figure 1, p.7).

The increase of R22 874 million in compensation of employees from R288 905 million in 2015/2016 to R311 779 million in 2016/2017 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R9 539 million in purchases of goods and services from R103 981 million in 2015/2016 to R113 520 million in 2016/2017 was mainly due to increased payments by the KwaZulu-Natal, Limpopo and Western Cape provincial governments.

The increase of R1 876 million in grants paid from R13 927 million in 2015/2016 to R15 803 million in 2016/2017 was mainly due to increased grants to provincial extra-budgetary accounts and funds by the Gauteng provincial government.

The increase of R839 million in other payments from R34 394 million in 2015/2016 to R35 233 million in 2016/2017 was mainly due to increased transfers to households made by the Gauteng, Limpopo and Mpumalanga provincial governments.

The increase of R656 million in subsidies from R7 340 million in 2015/2016 to R7 996 million in 2016/2017 was mainly due to increased subsidy payments made by the Gauteng and Western Cape provincial governments.

The increase of R86 million in social benefits from R2 051 million in 2015/2016 to R2 137 million in 2016/2017 was mainly due to increased payments for employer social benefits by the Gauteng and Eastern Cape provincial governments.

The decrease of R133 million in interest paid from R175 million in 2015/2016 to R42 million in 2016/2017 was mainly due to decreased interest payments made by the KwaZulu-Natal provincial government.

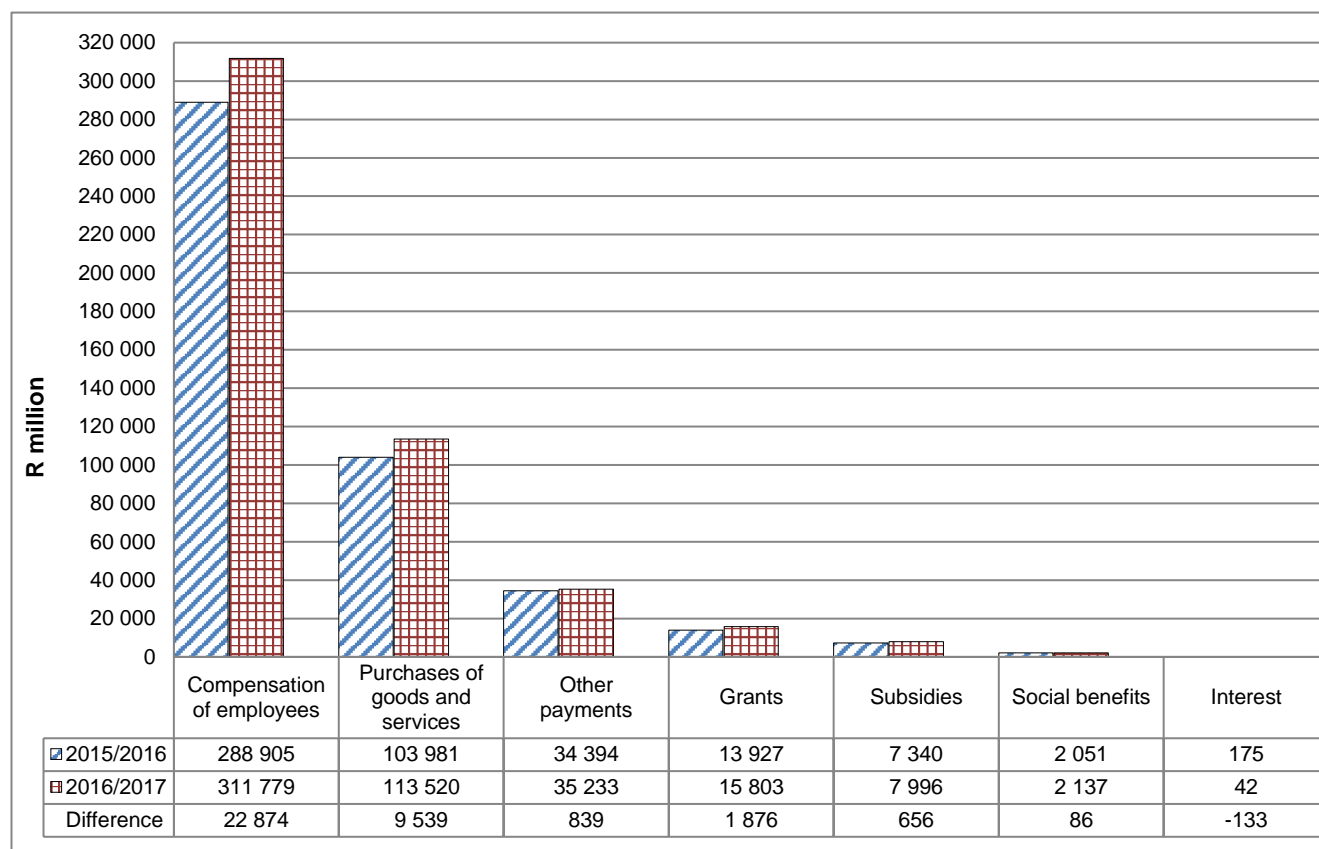
The net cash flows from investments in non-financial assets decreased by R2 127 million from R36 241 million in 2015/2016 to R34 114 million in 2016/2017. The decrease can mainly be attributed to decreased capital expenditure on buildings and structures by the North West, KwaZulu-Natal and Mpumalanga provincial governments.

Table A – Economic classification of statement of sources and uses of cash of provincial government for the 2015/2016 and 2016/2017 fiscal years (summary)¹

GFS 2014 code	Economic classification of sources and uses of cash	2015/2016 ²	2016/2017	Difference between 2015/2016 and 2016/2017
		R million		
	Cash flows from operating activities:			
	Revenue cash flows a	488 795	519 385	30 590
11	Taxes	10 928	12 077	1 149
12	Social contributions	0	0	0
13	Grants	471 699	500 619	28 920
14	Other receipts	6 168	6 689	521
	Expense cash flows b	450 774	486 511	35 737
21	Compensation of employees	288 905	311 779	22 874
22	Purchases of goods and services	103 981	113 520	9 539
24	Interest	175	42	-133
25	Subsidies	7 340	7 996	656
26	Grants	13 927	15 803	1 876
27	Social benefits	2 051	2 137	86
28	Other payments	34 394	35 233	839
	<i>Net cash flow from operating activities: (outflow)/ inflow (a-b)=c</i>	38 021	32 874	-5 147
	Cash flows from transactions in non-financial assets:			
	Net cash outflow from investments in non-financial assets ³ d	36 241	34 114	-2 127
611	Fixed assets	36 094	34 031	-2 063
612	Inventories	0	0	0
613	Valuables	8	1	-7
614	Non-produced assets	139	81	-58
	Cash surplus/ deficit (c-d)=e	1 780	-1 240	
	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	1 780	-1 240	

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 (R34 114 million) is equal to purchases of non-financial assets (R34 244 million) minus sales of non-financial assets (R130 million). The total amounts for purchases and sales of non-financial assets are shown, respectively, in Table 3 (p. 19) and Table 4 (p. 23).

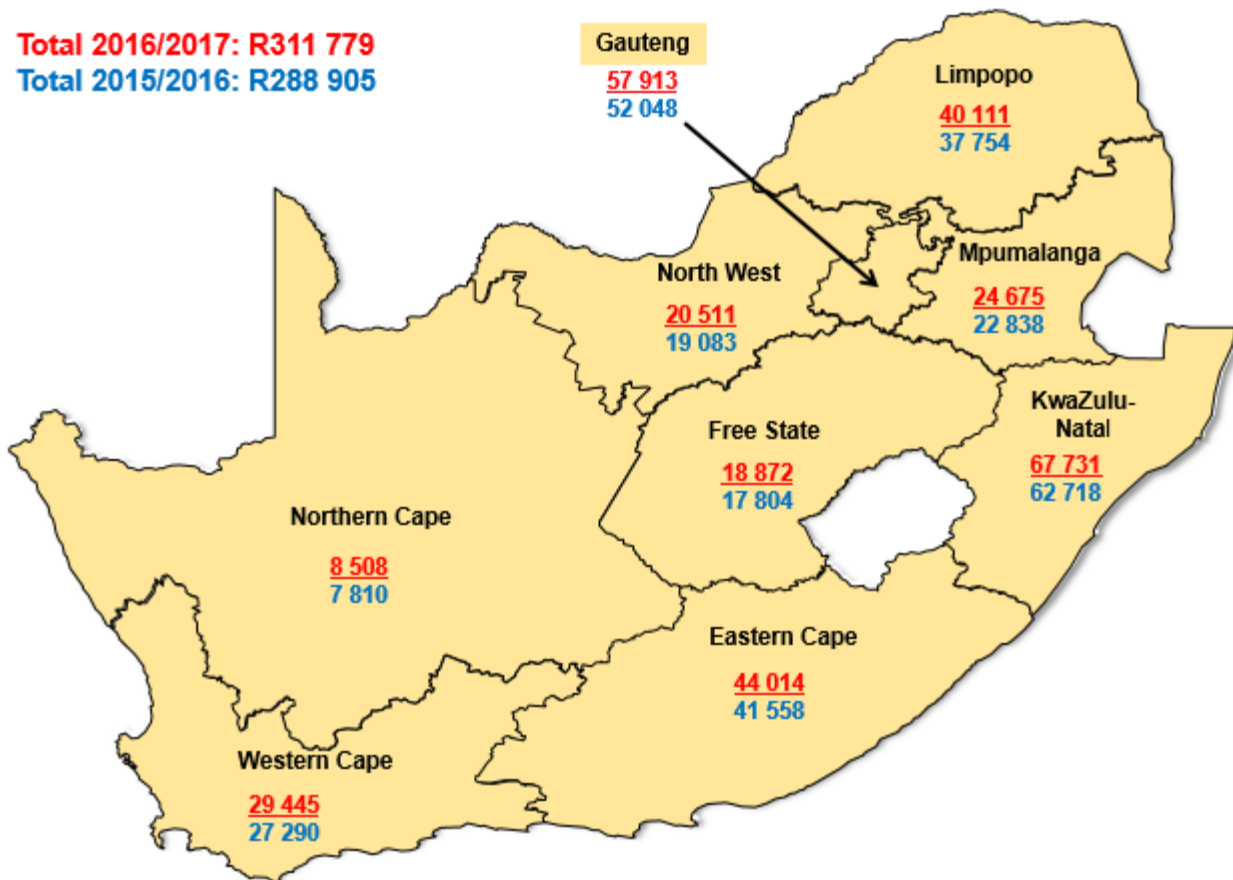
Figure 1 – Economic classification of cash payments for operating activities for the 2015/2016* and 2016/2017 fiscal year (R million)



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

Figure 1 shows the economic classification of cash payments for operating activities for the 2015/2016 and 2016/2017 fiscal years. In 2016/2017, compensation of employees accounted for the largest proportion of the expenditure (R311 779 million), followed by purchases of goods and services (R113 520 million), other payments (R35 233 million) and grants (R15 803 million).

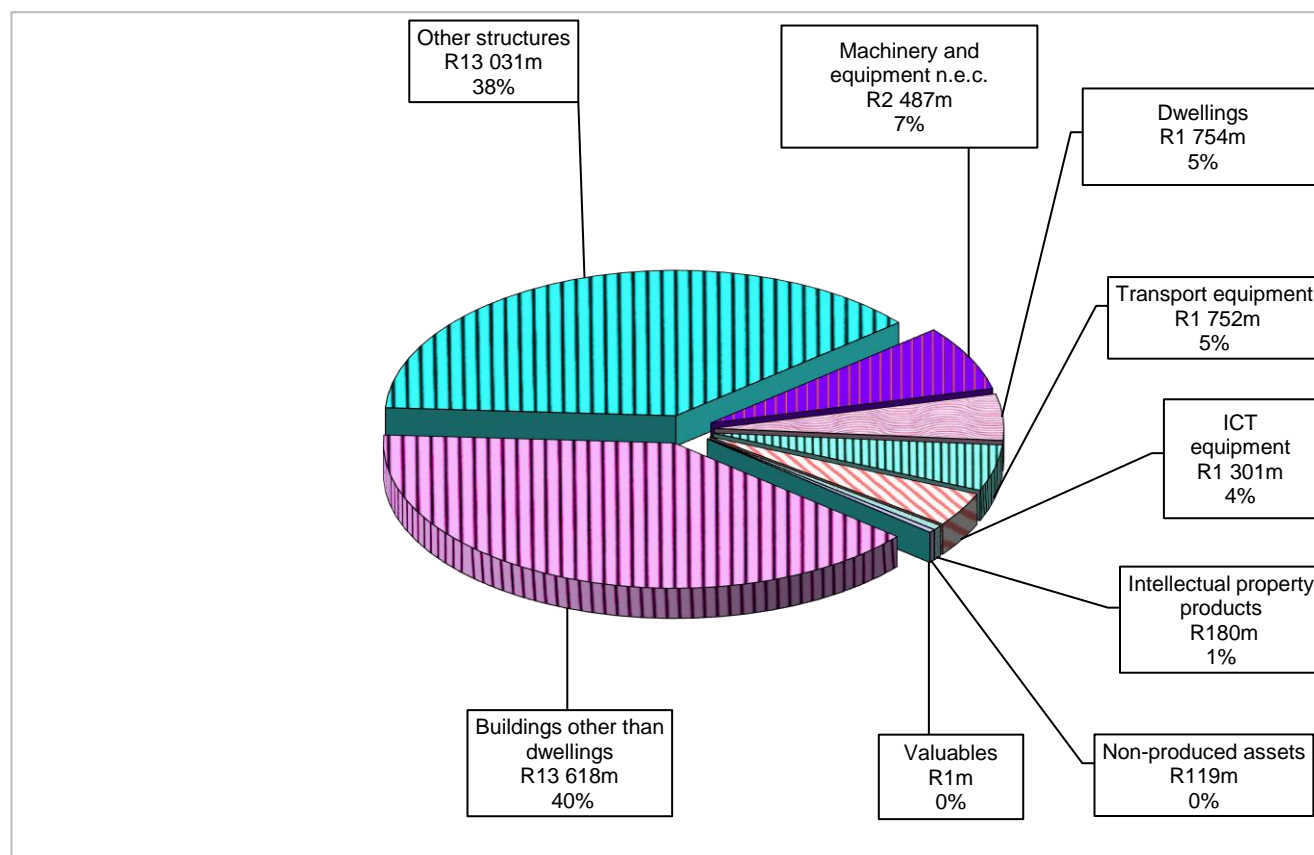
Figure 2 – Compensation of employees of the individual provincial governments for the 2015/2016* and 2016/2017 fiscal years (R million)



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

The total provincial government expenditure on compensation of employees for the 2016/2017 fiscal year was R311 779 million. Figure 2 shows that the KwaZulu-Natal provincial government accounted for the largest proportion of this expenditure (R67 731 million), followed by Gauteng (R57 913 million) and Eastern Cape (R44 014 million). The Northern Cape provincial government's expenditure on compensation of employees was the lowest (R8 508 million) (see Annexure A, p. 24).

Figure 3 – Economic classification of cash payments for purchases of non-financial assets for 2016/2017 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 2016/2017 fiscal year. The total was R34 244 million, with the largest contributors being buildings other than dwellings (R13 618 million or 40%), other structures (R13 031 million or 38%), and machinery and equipment n.e.c. (R2 487 million or 7%).

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 R33 627 million from R487 128 million in 2015/2016 to R520 755 million in the 2016/2017 fiscal year (see Table B, p.11).

The increase of R14 573 million in cash payments for education from R201 487 million in 2015/2016 to R216 060 million in 2016/2017 was mainly due to increased spending on education by the Gauteng, KwaZulu-Natal, Limpopo, Eastern Cape and Western Cape provincial governments.

The increase of R11 629 million in cash payments for health from R150 443 million in 2015/2016 to R162 072 million in 2016/2017 was mainly due to increased spending on hospitals and public health services by the KwaZulu-Natal, Gauteng, Limpopo, Eastern Cape and Western Cape provincial governments.

The increase of R2 765 million in cash payments for economic affairs from R52 267 million in 2015/2016 to R55 032 million in 2016/2017 was mainly due to increased spending on transport by the Gauteng and Limpopo provincial governments and general economic, commercial and labour affairs by the Western Cape provincial government.

The increase of R1 817 million in cash payments for general public services from R25 827 million in 2015/2016 to R27 644 million in 2016/2017 was mainly due to increased spending on other general services by the Western Cape, Gauteng, Eastern Cape, Mpumalanga and Limpopo provincial governments.

The increase of R1 124 million in cash payments for social protection from R16 876 million in 2015/2016 to R18 000 million in 2016/2017 was mainly due to increased spending on social protection services by the Gauteng, KwaZulu-Natal, Mpumalanga and Eastern Cape provincial governments.

The increase of R715 million in cash payments for housing and community amenities from R22 191 million in 2015/2016 to R22 906 million in 2016/2017 was mainly due to increased spending on housing development by the Gauteng and Mpumalanga provincial governments.

The increase of R668 million in cash payments for recreation, culture and religion from R8 749 million in 2015/2016 to R9 417 million in 2016/2017 was mainly due to increased spending on cultural services by the KwaZulu-Natal, Limpopo, Gauteng and North West provincial governments.

The increase of R174 million in cash payments for public order and safety from R5 726 million in 2015/2016 to R5 900 million in 2016/2017 was mainly due to increased spending on public order and safety services by the North West and Limpopo provincial governments.

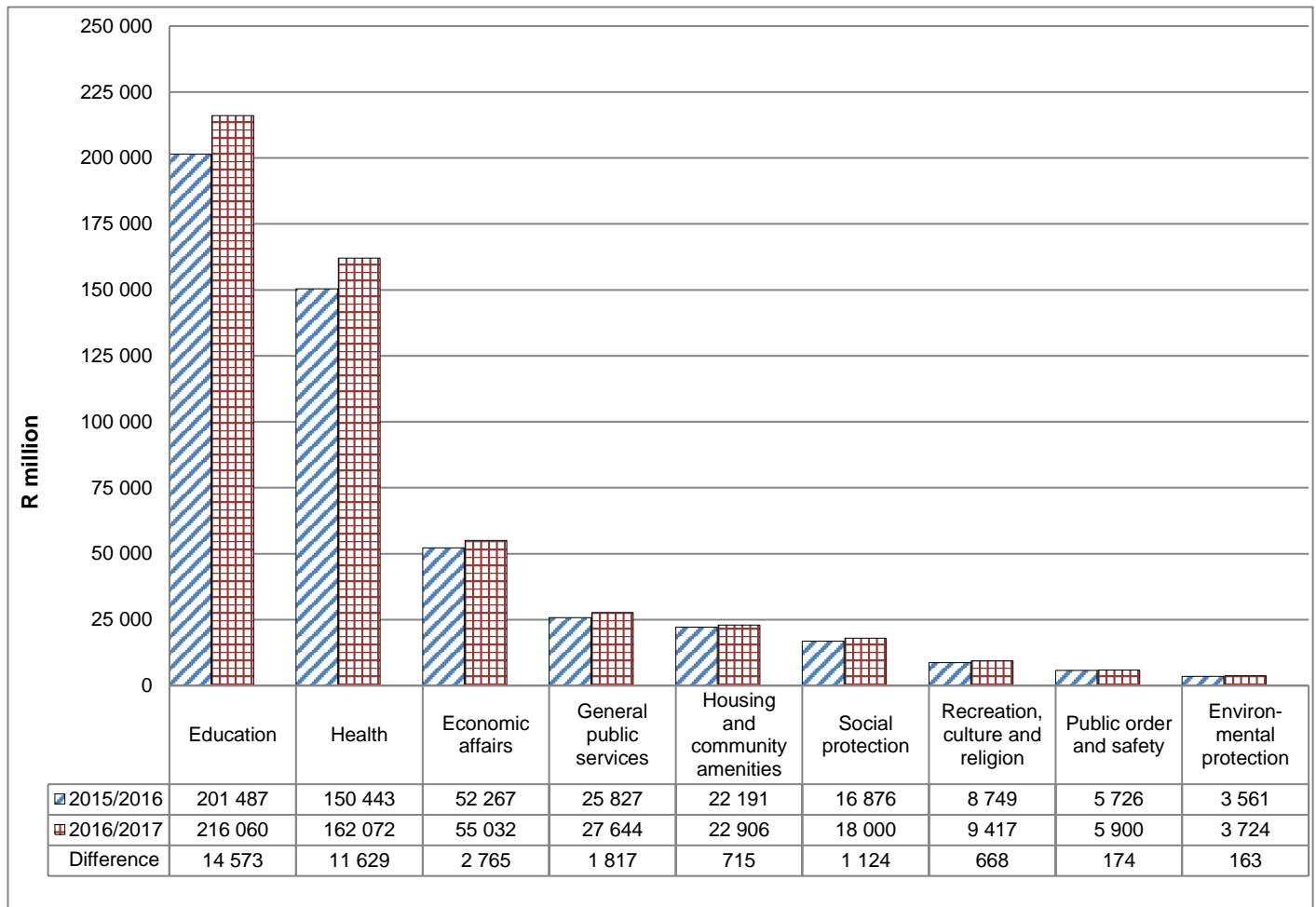
The increase of R163 million in cash payments for environmental protection from R3 561 million in 2015/2016 to R3 724 million in 2016/2017 was mainly due to increased spending on the protection of biodiversity and landscape by the Limpopo provincial governments.

Table B – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2015/2016 and 2016/2017 fiscal years (summary)¹

GFS 2014 code	Type of service	2015/2016 ²	2016/2017	Difference between 2015/2016 and 2016/2017	% of total cash payments 2016/2017
		R million			%
	General government services				
701	General public services				
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	8 058	8 732	674	1,7
7012	Foreign economic aid	0	0	0	0,0
7013	General services	17 479	18 608	1 129	3,6
7014	Basic research	0	0	0	0,0
7015	Research and development general public services	220	201	-19	0,0
7016	General public services n.e.c.	70	103	33	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	25 827	27 644	1 817	5,3
702	Defence b	0	0	0	0,0
703	Public order and safety				
7031	Police	5 682	5 867	185	1,1
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	44	33	-11	0,0
7036	Public order and safety n.e.c.	0	0	0	0,0
	Total public order and safety c	5 726	5 900	174	1,1
704	Economic affairs				
7041	General economic, commercial and labour affairs	4 430	4 580	150	0,9
7042	Agriculture, forestry, fishing and hunting	9 369	9 612	243	1,8
7043	Fuel and energy	0	0	0	0,0
7044	Mining, manufacturing and construction	201	131	-70	0,0
7045	Transport	35 418	38 047	2 629	7,3
7046	Communications	0	0	0	0,0
7047	Other industries	1 985	1 838	-147	0,4
7048	Research and development economic affairs	863	825	-38	0,2
	Total economic affairs d	52 267	55 032	2 765	10,6
705	Environmental protection e	3 561	3 724	163	0,7
706	Housing and community amenities f	22 191	22 906	715	4,4
707	Health g	150 443	162 072	11 629	31,1
708	Recreation, culture and religion h	8 749	9 417	668	1,8
709	Education i	201 487	216 060	14 573	41,5
710	Social protection j	16 876	18 000	1 124	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	487 128	520 755	33 627	100,0

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

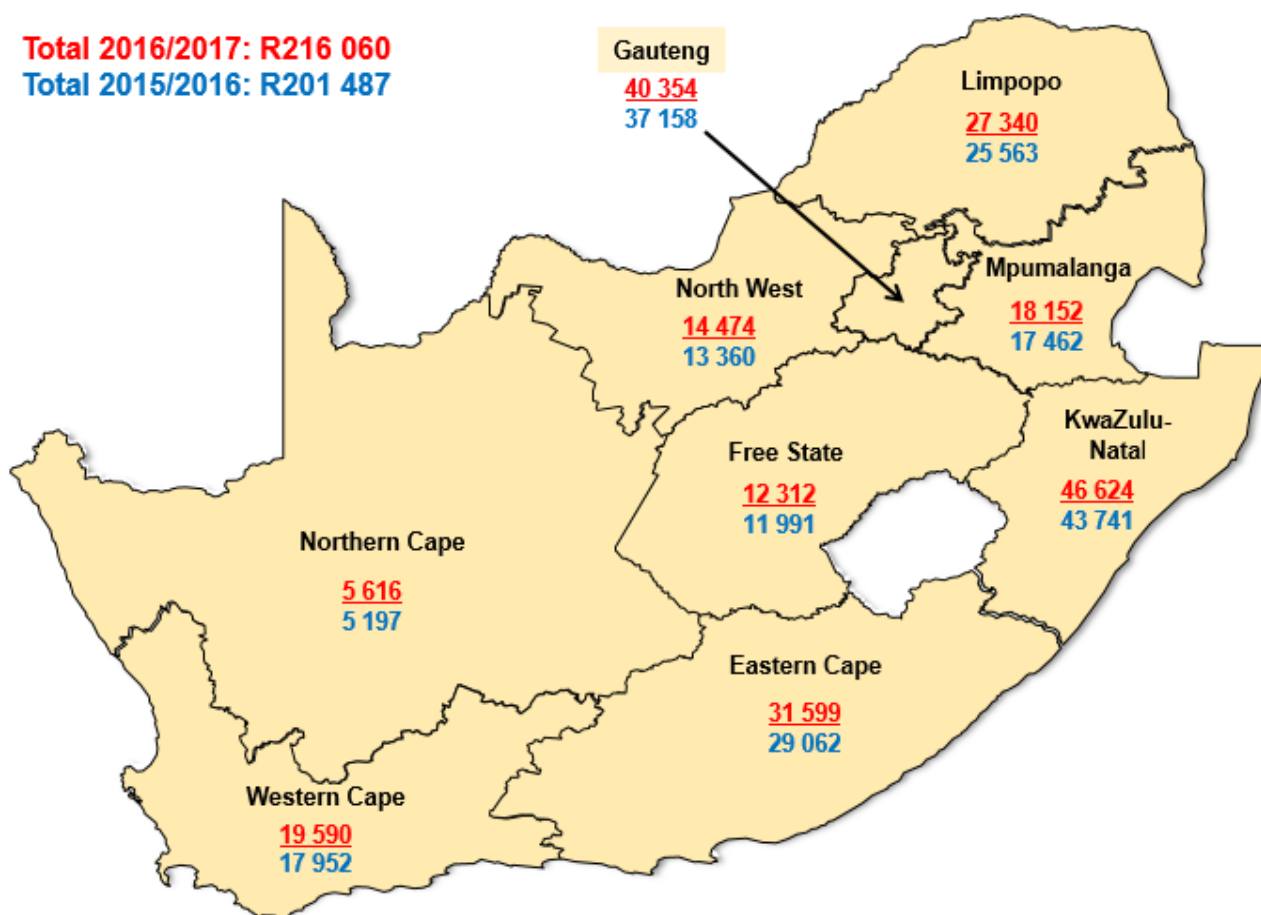
Figure 4 – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2015/2016* and 2016/2017 fiscal years (R million)



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

Figure 4 shows that the largest proportion of provincial government spending according to functional classification for the 2016/2017 fiscal year was on education (R216 060 million), followed by health (R162 072 million), economic affairs (R55 032 million), general public services (R27 644 million) and housing and community amenities (R22 906 million).

Figure 5 – Spending on education by the individual provincial governments for the 2015/2016* and 2016/2017 fiscal years (R million)



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

The provincial government expenditure on education for the 2016/2017 fiscal year was R216 060 million. Figure 5 shows that the KwaZulu-Natal provincial government was the highest contributor (R46 624 million), followed by Gauteng (R40 354 million) and Eastern Cape (R31 599 million). The Northern Cape provincial government's expenditure was the lowest (R5 616 million) (see Annexure B, p. 25).

Risenga Maluleke
Statistician-General

Table 1 – Economic classification of cash receipts from operating activities for the 2016/2017 * fiscal year (summary)

GFS 2014 code	Economic classification	R million
1	Cash receipts from operating activities	519 385
11	Taxes	12 077
12	Social contributions	0
13	Grants	500 619
14	Other receipts	6 689

* 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 2016/2017 * 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	311 779	113 520	42	7 996	15 803	2 137	35 233	486 511
701	GENERAL PUBLIC SERVICES	11 944	9 341	6	0	1 607	87	2 534	25 519
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	5 155	2 418	4	0	306	26	434	8 343
7012	Foreign economic aid	0	0	0	0	0	0	0	0
7013	General services	6 782	6 729	2	0	1 198	61	2 101	16 872
7014	Basic research	0	0	0	0	0	0	0	0
7015	R&D General public services	7	194	0	0	0	0	0	201
7016	General public services n.e.c.	0	0	0	0	103	0	0	103
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	3 651	1 861	0	0	3	28	46	5 590
7031	Police services	3 630	1 850	0	0	3	28	46	5 557
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	22	11	0	0	0	0	0	33
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 2016/2017 * 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	11 056	15 459	3	6 813	8 307	139	1 788	43 565
7041	General economic, commercial and labour affairs	869	801	0	29	1 945	6	799	4 449
7042	Agriculture, forestry, fishing and hunting	4 695	2 715	0	0	418	70	854	8 752
7043	Fuel and energy	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	131	0	0	131
7045	Transport	4 884	11 578	3	6 784	4 277	59	92	27 679
7046	Communication	0	0	0	0	0	0	0	0
7047	Other industries	170	105	0	0	1 495	1	37	1 807
7048	R&D Economic affairs	438	260	0	0	41	2	5	746
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	1 484	699	0	0	1 311	9	46	3 549
7051	Waste management	72	31	0	0	1	0	0	105
7052	Waste water management	0	0	0	0	0	0	0	0
7053	Pollution abatement	38	12	0	0	0	0	0	50
7054	Protection of biodiversity and landscape	1 342	615	0	0	1 239	8	45	3 250
7055	R&D Environmental protection	13	35	0	0	72	0	0	121
7056	Environmental protection n.e.c.	18	5	0	0	0	0	0	24
706	HOUSING AND COMMUNITY AMENITIES	2 249	1 298	0	0	1 190	31	17 986	22 755
7061	Housing development	1 706	901	0	0	884	27	17 899	21 417
7062	Community development	460	346	0	0	306	4	31	1 146
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	84	51	0	0	0	0	56	192
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 2016/2017 * 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	101 884	47 301	22	0	1 388	542	3 601	154 738
7072	Outpatient services	63	52	0	0	0	0	0	115
70724	Ambulance services	4 386	1 492	2	0	331	8	15	6 234
7073	Hospital services	67 614	25 449	14	0	0	352	953	94 382
7074	Public health services	29 059	19 244	5	0	993	179	2 631	52 111
7075	R&D Health	0	20	0	0	0	0	0	20
7076	Health n.e.c.	762	1 045	0	0	64	3	2	1 876
708	RECREATION, CULTURE AND RELIGION	3 517	2 391	2	0	1 420	39	1 162	8 530
7081	Recreational and sporting services	532	662	0	0	381	5	201	1 783
7082	Cultural services	2 985	1 712	1	0	937	34	325	5 994
7083	Broadcasting and publishing services	0	0	0	0	102	0	0	102
7084	Religious and other community services	0	0	0	0	0	0	636	636
7085	R&D Recreation, culture and religion	0	17	0	0	0	0	0	17
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0
709	EDUCATION	168 071	32 642	8	1 183	503	1 193	1 535	205 135
7091	Pre-primary and primary education	82 914	9 192	4	701	0	638	30	93 479
7092	Secondary education	63 379	8 565	0	482	15	361	19	72 821
7093	Post-secondary non-tertiary education (e.g. CET)	3 143	462	0	0	0	16	321	3 943
7094	Tertiary education	0	0	0	0	104	0	0	104
7095	Education not definable by level	0	0	0	0	0	0	0	0
7096	Subsidiary services to education	0	0	0	0	0	0	0	0
7097	R&D Education	0	43	0	0	0	0	0	43
7098	Education n.e.c.	18 635	14 380	4	0	384	178	1 164	34 745

* 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 2016/2017 * fiscal year (summary) (concluded)

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21 - 28)
		R million							
Functional classification		R million							
710	SOCIAL PROTECTION	7 922	2 529	0	0	75	69	6 536	17 130
7101	Sickness and disability	239	67	0	0	0	1	428	736
7102	Old age	340	58	0	0	0	1	803	1 202
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	2 413	399	0	0	0	12	3 641	6 465
7105	Unemployment	0	0	0	0	3	0	0	3
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 106	464	0	0	24	2	578	2 173
7108	R&D Social protection	151	62	0	0	0	0	2	215
7109	Social protection n.e.c.	3 673	1 478	0	0	48	53	1 084	6 337

* 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 2016/2017 * 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	34 157	0	1	85	34 244
701	GENERAL PUBLIC SERVICES	2 113	0	0	12	2 125
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	389	0	0	0	389
7012	Foreign economic aid	0	0	0	0	0
7013	General services	1 724	0	0	12	1 736
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	310	0	0	0	310
7031	Police services	310	0	0	0	310
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 2016/2017 * 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	11 417	0	0	50	11 467
7041	General economic, commercial and labour affairs	131	0	0	0	131
7042	Agriculture, forestry, fishing and hunting	859	0	0	0	859
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0
7045	Transport	10 317	0	0	50	10 368
7046	Communication	0	0	0	0	0
7047	Other industries	31	0	0	0	31
7048	R&D Economic affairs	79	0	0	0	79
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	175	0	0	0	175
7051	Waste management	2	0	0	0	2
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	5	0	0	0	5
7054	Protection of biodiversity and landscape	167	0	0	0	167
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	151	0	0	0	151
7061	Housing development	41	0	0	0	41
7062	Community development	109	0	0	0	109
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 2016/2017 * 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	7 334	0	0	0	7 334
7072	Outpatient services	0	0	0	0	0
70724	Ambulance services	424	0	0	0	424
7073	Hospital services	4 876	0	0	0	4 876
7074	Public health services	1 621	0	0	0	1 621
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	413	0	0	0	413
708	RECREATION, CULTURE AND RELIGION	885	0	1	0	887
7081	Recreational and sporting services	207	0	0	0	207
7082	Cultural services	679	0	1	0	680
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	10 902	0	0	23	10 925
7091	Pre-primary and primary education	951	0	0	0	951
7092	Secondary education	629	0	0	0	629
7093	Post-secondary non-tertiary education (e.g. CET)	35	0	0	0	35
7094	Tertiary education	0	0	0	0	0
7095	Education not definable by level	0	0	0	0	0
7096	Subsidiary services to education	0	0	0	0	0
7097	R&D Education	0	0	0	0	0
7098	Education n.e.c.	9 287	0	0	23	9 310

* 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 2016/2017 * 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	869	0	0	0	869
7101	Sickness and disability	2	0	0	0	2
7102	Old age	18	0	0	0	18
7103	Survivors	0	0	0	0	0
7104	Family and children	206	0	0	0	206
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	105	0	0	0	105
7108	R&D Social protection	22	0	0	0	22
7109	Social protection n.e.c.	516	0	0	0	516

* 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 2016/2017 * fiscal year (summary)

GFS 2014 code	Economic classification	R million
31		130
311	Fixed assets	126
312	Inventories	0
313	Valuables	0
314	Non-produced assets	4

* 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 2016/2017 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 2016/2017 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 2016* and 2017 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	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
KwaZulu-Natal	62 718	67 731	22 000	24 105	141	5	1 072	1 092	2 961	2 727	359	368	6 474	5 753	8 647	7 910	104 373	109 689
Gauteng	52 048	57 913	22 516	23 046	8	4	2 552	2 976	4 860	6 310	249	306	6 846	8 069	6 127	5 892	95 208	104 517
Eastern Cape	41 558	44 014	13 060	14 447	12	14	432	470	1 644	1 726	456	494	4 159	3 554	3 869	4 775	65 190	69 495
Limpopo	37 754	40 111	8 017	9 773	0	0	768	807	1 432	1 757	334	323	2 597	3 332	2 101	1 885	53 002	57 989
Western Cape	27 290	29 445	12 274	13 810	0	0	892	972	1 563	1 799	160	162	4 361	4 422	5 021	4 917	51 562	55 526
Mpumalanga	22 838	24 675	8 636	9 283	1	3	568	601	658	512	132	135	2 912	3 293	3 566	2 926	39 311	41 427
North West	19 083	20 511	7 259	8 520	6	6	700	684	468	547	170	161	3 337	3 248	3 185	2 307	34 208	35 984
Free State	17 804	18 872	6 194	6 409	3	4	280	313	179	279	137	133	2 699	2 637	2 472	2 300	29 768	30 948
Northern Cape	7 810	8 508	4 024	4 127	4	6	76	81	161	146	54	55	1 009	924	1 367	1 333	14 506	15 180
Grand Total **	288 905	311 779	103 981	113 520	175	42	7 340	7 996	13 927	15 803	2 051	2 137	34 394	35 233	36 353	34 244	487 128	520 755

* 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 2016* and 2017 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	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
KwaZulu-Natal	3 122	3 287	834	892	12 773	12 572	1 080	1 024	4 733	4 037	33 302	36 115	2 051	2 170	43 741	46 624	2 737	2 968	104 373	109 689
Gauteng	5 254	5 715	715	633	8 017	9 511	288	335	4 786	6 024	34 098	36 595	921	1 018	37 158	40 354	3 971	4 333	95 208	104 517
Eastern Cape	4 002	4 382	533	568	6 238	6 264	414	434	2 927	2 505	18 363	19 914	1 371	1 446	29 062	31 599	2 280	2 381	65 190	69 495
Limpopo	2 089	2 308	929	1 038	4 937	5 297	444	606	1 355	1 779	15 083	16 844	1 007	1 105	25 563	27 340	1 596	1 671	53 002	57 989
Western Cape	3 375	3 686	560	579	5 860	6 312	503	534	2 221	2 252	18 502	19 832	651	732	17 952	19 590	1 939	2 010	51 562	55 526
Mpumalanga	1 802	1 974	1 160	1 051	5 283	5 582	107	110	1 756	2 089	9 743	10 267	717	792	17 462	18 152	1 281	1 409	39 311	41 427
North West	2 711	2 656	525	628	3 966	4 068	357	310	2 464	2 305	8 728	9 312	753	837	13 360	14 474	1 344	1 395	34 208	35 984
Free State	2 443	2 511	308	342	3 021	3 196	242	237	1 336	1 425	8 524	8 894	886	926	11 991	12 312	1 016	1 105	29 768	30 948
Northern Cape	1 029	1 125	162	169	2 172	2 229	127	133	613	490	4 101	4 299	392	392	5 197	5 616	712	728	14 506	15 180
Grand Total **	25 827	27 644	5 726	5 900	52 267	55 032	3 561	3 724	22 191	22 906	150 443	162 072	8 749	9 417	201 487	216 060	16 876	18 000	487 128	520 755

* 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 2016/2017 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2016/2017 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2016/2017 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2016/2017 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for the 2016/2017 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2016/2017 fiscal year
Table 7	Economic and functional classification of cash payments for operating activities for the 2016/2017 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 2016/2017 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 2016/2017 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) are available on the Stats SA website.**

Methodology Provincial government departments keep their accounts on a modified 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 cash payment transactions of the following provincial governments (2016/2017 reporting departments) have been classified economically and functionally:

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

These 9 provinces comprised 123 departments for the 2016/2017 fiscal year.

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) Co-operative 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 2015/2016 classified information is generally comparable with the 2016/2017 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 2016. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2017.

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 2016/2017 should be regarded as preliminary, and may be revised. Revisions to 2015/2016 data are indicated by footnotes in Tables A and B. Revisions are due to improved classification of data and additional information becoming available after this statistical release was published.

Glossary of selected variables

Accrual basis of recording	Flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Buildings and structures	Consist of dwellings, buildings other than dwellings, other structures and land improvements.
Buildings other than dwellings	Buildings other than dwellings include whole buildings or parts of buildings not designated as dwellings. Fixtures, facilities, and equipment that are integral parts of the structures are included. Examples of types of buildings included in this category are office buildings, schools, hospitals, buildings for public entertainment, warehouses and industrial buildings, commercial buildings, hotels, and restaurants.
Capital expenditure	Any expenditure incurred for or incidental to the acquisition or improvement of land, buildings, engineering structures and machinery and equipment. Note: The expenditure normally confers a lasting benefit and results in the acquisition of, or extends the life of, a fixed or long-term work, irrespective of whether payments were made outside contractors or concerns, or the work was done by the enterprise itself. Capital expenditure includes vehicles, office furniture and equipment, but excludes minor items that are generally regarded as being expendable even though in some instances their useful lives may extend beyond one year.
Capital transfers	Capital transfers are transfers in which the ownership of an asset (other than cash or inventories) changes from one party to another or that oblige one or both parties to acquire or dispose of an asset (other than cash or inventories).
Cash basis of recording	Flows are recorded when cash is received or disbursed.
Collective services	Services provided collectively to the community, particularly applicable to services such as general administration, public order or safety and economic services.
Compensation of employees	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except work connected with own account capital formation. It includes both wages and salaries and social contributions. Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments and housing subsidies.
Cultivated assets	Consist of animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services.
Dwellings	Buildings that are used entirely or primarily as residences, including garages and other associated structures. Houseboats, barges, mobile homes, flats, hostels, nursing homes and caravans that are used as principal residences are also included. Dwellings acquired for military personnel are included because they are used in the same way as dwellings acquired by civilians.
Economic classification	A measure of the nature and economic effect of government operations on the economy of the country.

Expense	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	Consists of devices using electronic controls and also the electronic components forming part of these devices. Examples are products that form part of computing machinery and parts and accessories thereof, television and radio transmitters, television, video, and digital cameras, and telephone sets.
Intellectual property products	Intellectual property products are the result of research, development, investigation, or innovation leading to knowledge that the developers can market or use to their own benefit in production for which the use of the knowledge is restricted by means of legal or other protection.
Inventories	Consist of goods and services held by producers for sale, use in production, or other use at a later date.
Land improvements	Are the result of actions that lead to major improvements in the quantity, quality or productivity of land, or prevent its deterioration. Activities such as land reclamation, land clearance, land contouring, creation of wells and watering holes that are integral to the land in question are to be treated as resulting in land improvements.
Liability	An obligation to provide economic benefits to the units holding the corresponding financial responsibility.
Machinery and equipment	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture. Military expenditure on machinery and equipment which could be used for civilian purposes is included.
Machinery and equipment not elsewhere classified	This category includes all machinery and equipment not classified in any of the other machinery and equipment categories. Types of assets that would be included are general and special purpose machinery; office and accounting equipment; electrical machinery; medical appliances; precision and optical instruments; furniture; watches and clocks; musical instruments; and sports goods. It also includes paintings, sculptures, other works of art or antiques and other collections of considerable value that are owned and displayed for the purpose of producing museum and similar services.
Municipality	A generic term describing the 'unit' of government in the local spheres responsible for local government in a geographically demarcated area and including district, local and metropolitan municipalities. Municipality as an institution consist of a municipal council (elected political representatives) and the municipal administration (appointed officials).
National government	It is the first level of government which controls a nation and has power to set and maintain foreign policy and the ability to collect taxes.
Non-financial public corporations	Government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
Non-produced assets	Non-produced assets consist of tangible assets, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.

Non-profit institutions serving households	Non-profit institutions which are mainly engaged in non-market production and serve households.
Other economic flows	Changes in the volume or value of assets or liabilities that do not result from transactions.
Other structures	All structures other than buildings. Included are the following: highways, streets, roads, bridges, elevated highways, tunnels, railways, subways, airfield runways, sewers, waterways, harbours, dams, other waterworks, shafts, tunnels, other structures associated with mining subsoil assets, communication lines, power lines, pipelines, outdoor sport and recreation facilities.
Provincial government	It is the second level of government, between the national government and the municipalities. The powers of the provincial governments are circumscribed by the national constitution.
Revenue	An increase in net worth resulting from a transaction.
Social benefits	Social benefits are transfers in cash or in kind to protect the entire population or specific segment of it against certain social risks.
Social contributions	Social contributions are actual receipt from either employer on behalf of their employee or from employee, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependents or their survivors.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Subsidies are current unrequited payments that government units pay to enterprises on the basis of levels of their production activities or the quantities or values of the goods and services that they produce, sell, export or import. Subsidies may be designed to influence levels of production, prices at which outputs are sold, or the remuneration of the enterprises.
Subsidies on production	Payments made to resident enterprises as a consequence of engaging in production which are not related to specific product. Included are subsidies on payroll or workforce, which are payable on the total wage and salary bill, the size of the total workforce or the employment of particular types of persons; subsidies to reduce pollution; and payments of interest on behalf of corporations.
Subsidies on products	Current unrequited payments that government units make to enterprises on the basis of quantities or values of the goods and services that they produce, sell, export or import.
Tax revenue	Tax revenue forms the dominant share of revenue for many government units and is composed of compulsory transfers to the general government sector.
Transfer	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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Forthcoming issues	Issue	Expected release date
	Financial statistics of provincial government for 2017/2018	September 2019

You can visit us on the Internet at: www.statssa.gov.za

Technical enquiries

Elizabeth Makhafola Telephone number: +27 12 310 8977
 Email: ElizabethMa@statssa.gov.za

Costa Doukas Telephone number: +27 12 310 8628
 Email: CostaD@statssa.gov.za

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