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The South Africa I know, the home I understand



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Key findings

The net change in the stock of cash from provincial revenue funds and donor funds amounted to a cash surplus of R1 813 million for the 2017/2018 fiscal year.

Provincial revenue funds refer to the votes of the provincial governments and fixed statutory appropriations. The revenue cash flows from operating activities amounted to R558 248 million and the expense cash flows amounted to R521 774 million, resulting in a net cash inflow from operating activities of R36 474 million for the 2017/2018 fiscal year ending 31 March 2018. The net cash outflow from transactions in non-financial assets amounted to R34 661 million for the 2017/2018 fiscal year. The cash surplus for 2017/2018 was R1 813 million. The total net change in the stock of cash for the provincial government amounted to R1 813 million (see Table A, p. 5).

The largest contributor to the total expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of R556 630 million from the provincial revenue funds and donor funds for the 2017/2018 fiscal year was education (R230 303 million, contributing 41,4%), followed by health (R176 794 million or 31,8%), economic affairs (R56 516 million or 10,2%), general public services (R29 675 million or 5,3%), housing and community amenities (R23 960 million or 4,3%), social protection (R19 171 million or 3,4%), recreation, culture and religion (R9 868 million or 1,8%), public order and safety (R6 459 million or 1,2%) and environmental protection (R3 884 million or 0,7%) (see Table C, p.10 and Figure 3, p.11).

Revenue cash flows from operating activities, the contribution of expense cash flows for operating activities and net cash flows from investment in non-financial assets by economic classification

Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. There are seven main economic classification categories of expense cash flows 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 R38 877 million from R519 371 million in 2016/2017 to R558 248 million in 2017/2018. This increase was mainly due to an increase in grants received from national government.

The largest contributor to total revenue cash flows from operating activities for the 2017/2018 fiscal year was grants (R538 785 million), followed by taxes (R13 023 million) and other receipts (R6 441 million).

Expense cash flows for operating activities increased by R35 348 million from R486 426 million in 2016/2017 to R521 774 million in 2017/2018. The increase was mainly due to an increase in compensation of employees and purchases of goods and services.

The largest contributor to total expense cash flows for operating activities for the 2017/2018 fiscal year was compensation of employees (R334 279 million), followed by purchases of goods and services (R124 958 million), other payments (R36 595 million), grants paid (R15 724 million), subsidies (R8 012 million), social benefits (R2 113 million) and interest (R92 million) (see Table A, p.5 and Figure 1, p.6).

The increase of R22 828 million in compensation of employees from R311 451 million in 2016/2017 to R334 279 million in 2017/2018 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R10 218 million in purchases of goods and services from R114 740 million in 2016/2017 to R124 958 million in 2017/2018 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Western Cape provincial governments.

The increase of R1 675 million in other payments from R34 920 million in 2016/2017 to R36 595 million in 2017/2018 was mainly due to increased transfers to households made by the Western Cape, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R587 million in grants paid from R15 137 million in 2016/2017 to R15 724 million in 2017/2018 was mainly due to increased grants to provincial extra-budgetary accounts and funds by the Limpopo provincial government, increased grants to municipalities and provincial extra-budgetary accounts and funds by the KwaZulu-Natal provincial government and increased grants to higher education institutions by the Free State provincial government.

The increase of R49 million in interest paid from R43 million in 2016/2017 to R92 million in 2017/2018 was mainly due to increased interest payments made by the Gauteng and Free State provincial governments.

The increase of R16 million in subsidies from R7 996 million in 2016/2017 to R8 012 million in 2017/2018 was mainly due to increased subsidy payments made by the KwaZulu-Natal, Western Cape and Eastern Cape provincial governments.

The decrease of R24 million in social benefits from R2 137 million in 2016/2017 to R2 113 million in 2017/2018 was mainly due to decreased payments for employer social benefits by the Eastern Cape, KwaZulu-Natal and North West provincial governments.

The net cash flows from investments in non-financial assets increased by R458 million from R34 203 million in 2016/2017 to R34 661 million in 2017/2018. The increase can mainly be attributed to increased capital expenditure on buildings and structures by the Mpumalanga, Limpopo and Northern Cape provincial governments.

Table A – Economic classification of statement of sources and uses of cash of provincial government for the 2016/2017 and 2017/2018 fiscal years (summary)¹

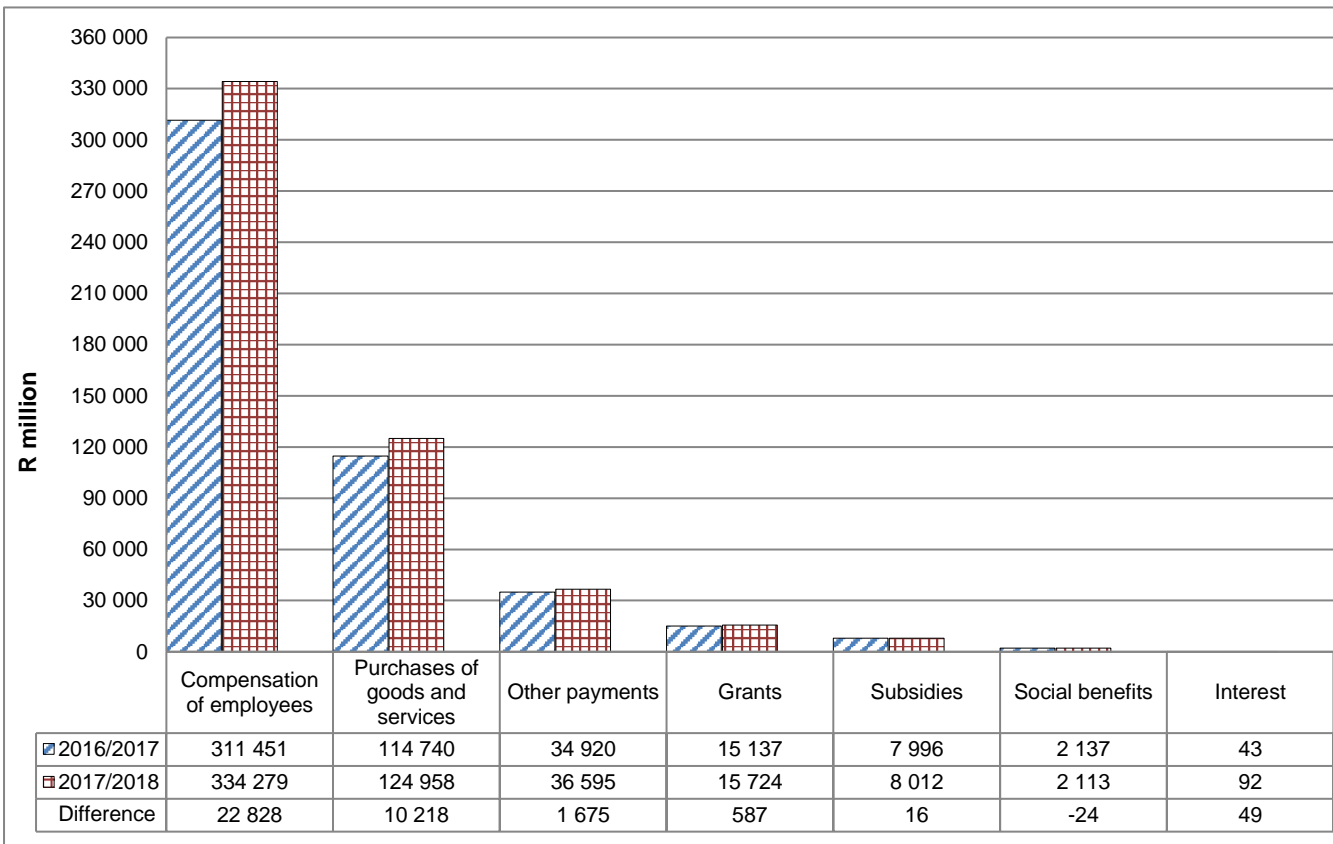
GFS 2014 code	Economic classification of sources and uses of cash	2016/2017 ²	2017/2018	Difference between 2016/2017 and 2017/2018
		R million		
	Cash flows from operating activities:			
	Revenue cash flows a	519 371	558 248	38 877
11	Taxes	12 044	13 023	979
12	Social contributions	0	0	0
13	Grants	500 619	538 785	38 166
14	Other receipts	6 709	6 441	-268
	Expense cash flows b	486 426	521 774	35 348
21	Compensation of employees	311 451	334 279	22 828
22	Purchases of goods and services	114 740	124 958	10 218
24	Interest	43	92	49
25	Subsidies	7 996	8 012	16
26	Grants	15 137	15 724	587
27	Social benefits	2 137	2 113	-24
28	Other payments	34 920	36 595	1 675
	<i>Net cash flow from operating activities: (outflow)/ inflow</i>			
	(a-b)=c	32 945	36 474	3 529
	Cash flows from transactions in non-financial assets:			
	Net cash outflow from investments in non-financial assets ³ d	34 203	34 661	458
611	Fixed assets	34 120	34 615	495
612	Inventories	0	0	0
613	Valuables	1	5	4
614	Non-produced assets	81	40	-41
	<i>Cash surplus/ (deficit)</i>			
	(c-d)=e	-1 258	1 813	
	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</i>			
	(g-f)=h	0	0	
	NET CHANGE IN THE STOCK OF CASH (h+e)=i	-1 258	1 813	

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 661 million) is equal to purchases of non-financial assets (R34 856 million) minus sales of non-financial assets (R195 million). The total amounts for purchases and sales of non-financial assets are shown, respectively, in Table 3 (p. 18) and Table 4 (p. 22).

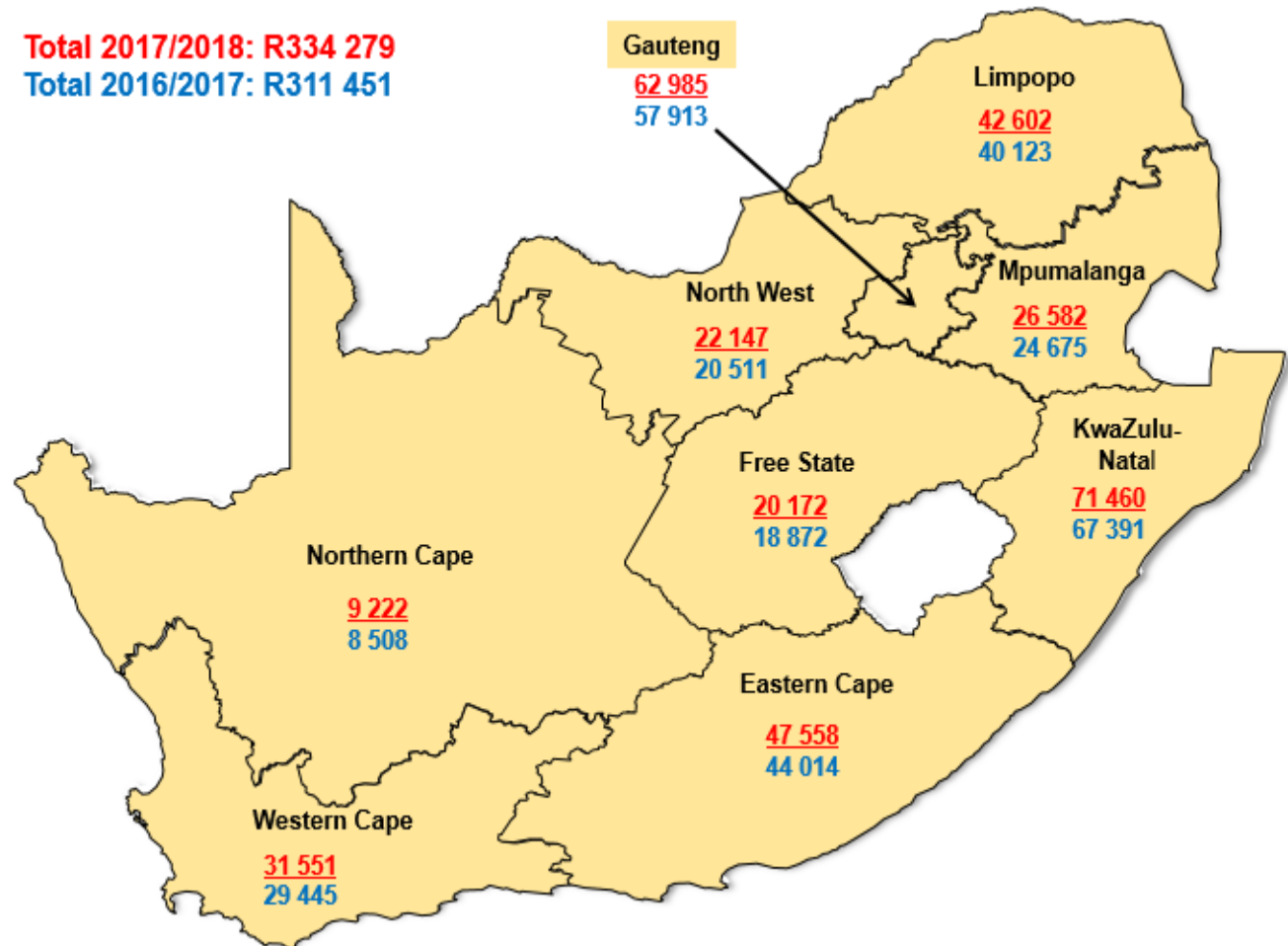
Figure 1 – Economic classification of expense cash flows for operating activities for the 2016/2017* and 2017/2018 fiscal year (R million)



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

Figure 1 shows the economic classification of expense cash flows for operating activities for the 2016/2017 and 2017/2018 fiscal years. In 2017/2018, compensation of employees accounted for the largest proportion of the expense cash flows (R334 279 million), followed by purchases of goods and services (R124 958 million), other payments (R36 595 million) and grants (R15 724 million).

Figure 2 – Compensation of employees of the individual provincial governments for the 2016/2017* and 2017/2018 fiscal year (R million)**



* 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.

The total provincial government expense cash flows on compensation of employees for the 2017/2018 fiscal year was R334 279 million. Figure 2 shows that the KwaZulu-Natal provincial government accounted for the largest proportion of the total (R71 460 million), followed by Gauteng (R62 985 million) and Eastern Cape (R47 558 million). The Northern Cape provincial government's compensation of employees was the lowest (R9 222 million) (see Annexure A, p. 23).

Table B – Economic classification of cash outflows (purchases) from investment in non-financial assets for the 2016/2017 and 2017/2018 fiscal years (summary)¹

GFS 2014 code	Cash flows from transactions in non-financial assets	2016/2017 ²	2017/2018	Difference between 2016/2017 and 2017/2018
				R million
	Cash flows from investments in non-financial assets: (b+r+s+t)=a	34 333	34 856	523
611	Fixed assets (c+d+i+q)=b	34 247	34 809	562
6111	Buildings and structures c	28 680	28 972	292
61111	Dwellings	2 018	396	-1 622
61112	Buildings other than dwellings	13 613	15 114	1 501
61113	Other structures	13 049	13 462	413
61114	Land improvements	0	0	0
6112	Machinery and equipment (e+f)=d	5 352	5 614	262
61121	Transport equipment e	1 753	1 921	168
61122	Machinery and equipment other than transport equipment (g+h)=f	3 599	3 693	94
611221	Information, computer and telecommunications equipment g	1 081	727	-354
611222	Machinery and equipment not elsewhere classified: h	2 518	2 966	448
6112221	Office furniture (and domestic furniture)	123	115	-8
6112222	Other machinery and equipment	2 395	2 850	455
6112223	Books	0	1	1
6113	Other fixed assets (j+k)=i	215	223	8
61131	Cultivated biological resources j	41	21	-20
611311	Animal resources yielding repeat products	41	21	-20
611312	Tree, crop, and plant resources yielding repeat products	0	0	0
61132	Intellectual property products (l+m+n+o+p)=k	174	202	28
611321	Research and development l	0	0	0
611322	Mineral exploration and evaluation m	0	0	0
611323	Computer software and databases n	142	182	40
6113231	Computer software	142	182	40
6113232	Databases	0	0	0
611324	Entertainment, literary, and artistic originals o	0	0	0
611325	Other intellectual property products p	32	20	-12
6114	Weapons systems q	0	0	0
612	Inventories r	0	0	0
613	Valuables s	1	5	4
614	Non-produced assets t	85	40	-45

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.

The largest contributor to the cash outflow from investment in non-financial assets was buildings and structures (R28 972 million), followed by machinery and equipment (R5 614 million), other fixed assets (R223 million), non-produced assets (R40 million) and valuables (R5 million) for the 2017/2018 fiscal year.

Expenditure cash flows for operating activities and purchases of non-financial assets by functional classification

Functional classification of expenditure cash flows 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 C, page 10. 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 expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) from the provincial revenue funds and donor funds increased by R35 871 million from R520 759 million in 2016/2017 to R556 630 million in the 2017/2018 fiscal year (see Table C, p.10).

The increase of R14 722 million in cash payments for health from R162 072 million in 2016/2017 to R176 794 million in 2017/2018 was mainly due to increased spending on hospitals and public health services by the Gauteng, KwaZulu-Natal, Eastern Cape, Mpumalanga and Western Cape provincial governments.

The increase of R14 224 million in cash payments for education from R216 079 million in 2016/2017 to R230 303 million in 2017/2018 was mainly due to increased spending on education by the KwaZulu-Natal, Limpopo, Eastern Cape and Gauteng provincial governments.

The increase of R2 349 million in cash payments for general public services from R27 326 million in 2016/2017 to R29 675 million in 2017/2018 was mainly due to increased spending on general services by the Eastern Cape, Gauteng and North West provincial governments.

The increase of R1 171 million in cash payments for social protection from R18 000 million in 2016/2017 to R19 171 million in 2017/2018 was mainly due to increased spending on social protection services by the North West, Gauteng, Eastern Cape, Limpopo and Western Cape provincial governments.

The increase of R1 147 million in cash payments for economic affairs from R55 369 million in 2016/2017 to R56 516 million in 2017/2018 was mainly due to increased spending on transport by the Limpopo, Northern Cape, Mpumalanga and North West provincial governments.

The increase of R1 054 million in cash payments for housing and community amenities from R22 906 million in 2016/2017 to R23 960 million in 2017/2018 was mainly due to increased spending on housing development by the KwaZulu-Natal, Eastern Cape and Western Cape provincial governments.

The increase of R559 million in cash payments for public order and safety from R5 900 million in 2016/2017 to R6 459 million in 2017/2018 was mainly due to increased spending on public order and safety services by the KwaZulu-Natal, Gauteng and Free State provincial governments.

The increase of R473 million in cash payments for recreation, culture and religion from R9 395 million in 2016/2017 to R9 868 million in 2017/2018 was mainly due to increased spending on cultural services by the KwaZulu-Natal, North West and Eastern Cape provincial governments.

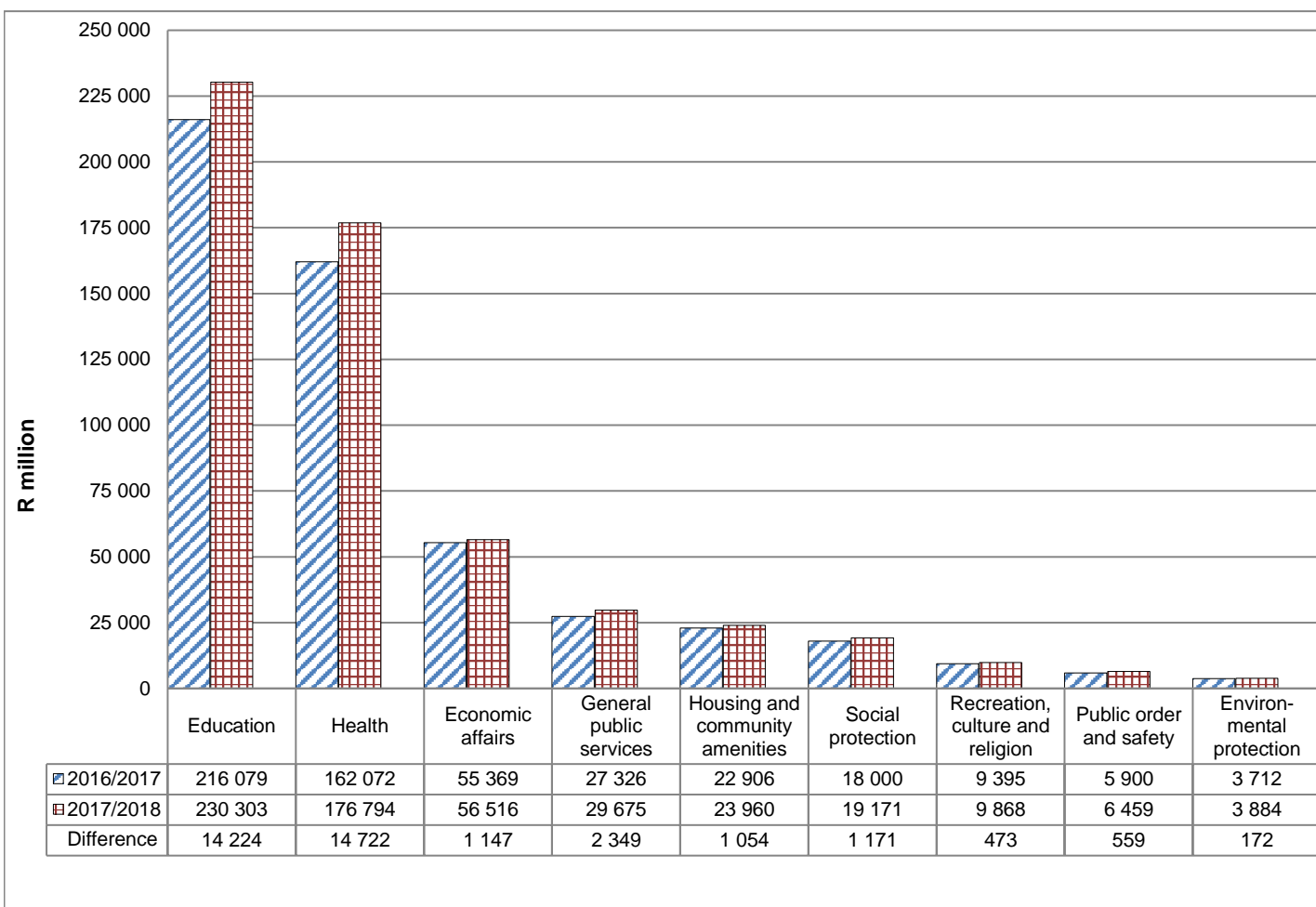
The increase of R172 million in cash payments for environmental protection from R3 712 million in 2016/2017 to R3 884 million in 2017/2018 was mainly due to increased spending on the protection of biodiversity and landscape by the KwaZulu-Natal and Limpopo provincial governments.

Table C – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2016/2017 and 2017/2018 fiscal years (summary)¹

GFS 2014 code	Functional classification	2016/2017 ²	2017/2018	Difference between 2016/2017 and 2017/2018	Percentage of total cash payments 2017/2018
		R million			%
701	General public services				
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	8 414	9 385	971	1,7
7012	Foreign economic aid	0	0	0	0,0
7013	General services	18 608	20 050	1 442	3,6
7014	Basic research	0	0	0	0,0
7015	Research and development general public services	201	185	-16	0,0
7016	General public services n.e.c.	103	55	-48	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	27 326	29 675	2 349	5,3
702	Defence b	0	0	0	0,0
703	Public order and safety				
7031	Police	5 867	6 427	560	1,2
7032	Fire protection services	0	0	0	0,0
7033	Law courts	0	0	0	0,0
7034	Prisons	0	0	0	0,0
7035	R&D Public order and safety	33	32	-1	0,0
7036	Public order and safety n.e.c.	0	0	0	0,0
	Total public order and safety c	5 900	6 459	559	1,2
704	Economic affairs				
7041	General economic, commercial and labour affairs	4 586	4 979	393	0,9
7042	Agriculture, forestry, fishing and hunting	9 599	9 612	13	1,7
7043	Fuel and energy	0	0	0	0,0
7044	Mining, manufacturing and construction	139	149	10	0,0
7045	Transport	38 383	38 982	599	7,0
7046	Communications	0	0	0	0,0
7047	Other industries	1 838	1 875	37	0,3
7048	Research and development economic affairs	825	918	93	0,2
	Total economic affairs d	55 369	56 516	1 147	10,2
705	Environmental protection e	3 712	3 884	172	0,7
706	Housing and community amenities f	22 906	23 960	1 054	4,3
707	Health g	162 072	176 794	14 722	31,8
708	Recreation, culture and religion h	9 395	9 868	473	1,8
709	Education i	216 079	230 303	14 224	41,4
710	Social protection j	18 000	19 171	1 171	3,4
	Total provincial government expenditure cash flows for operating activities and purchases of non-financial assets (a+b+c+d+e+f+g+h+i+j)=k	520 759	556 630	35 871	100,0

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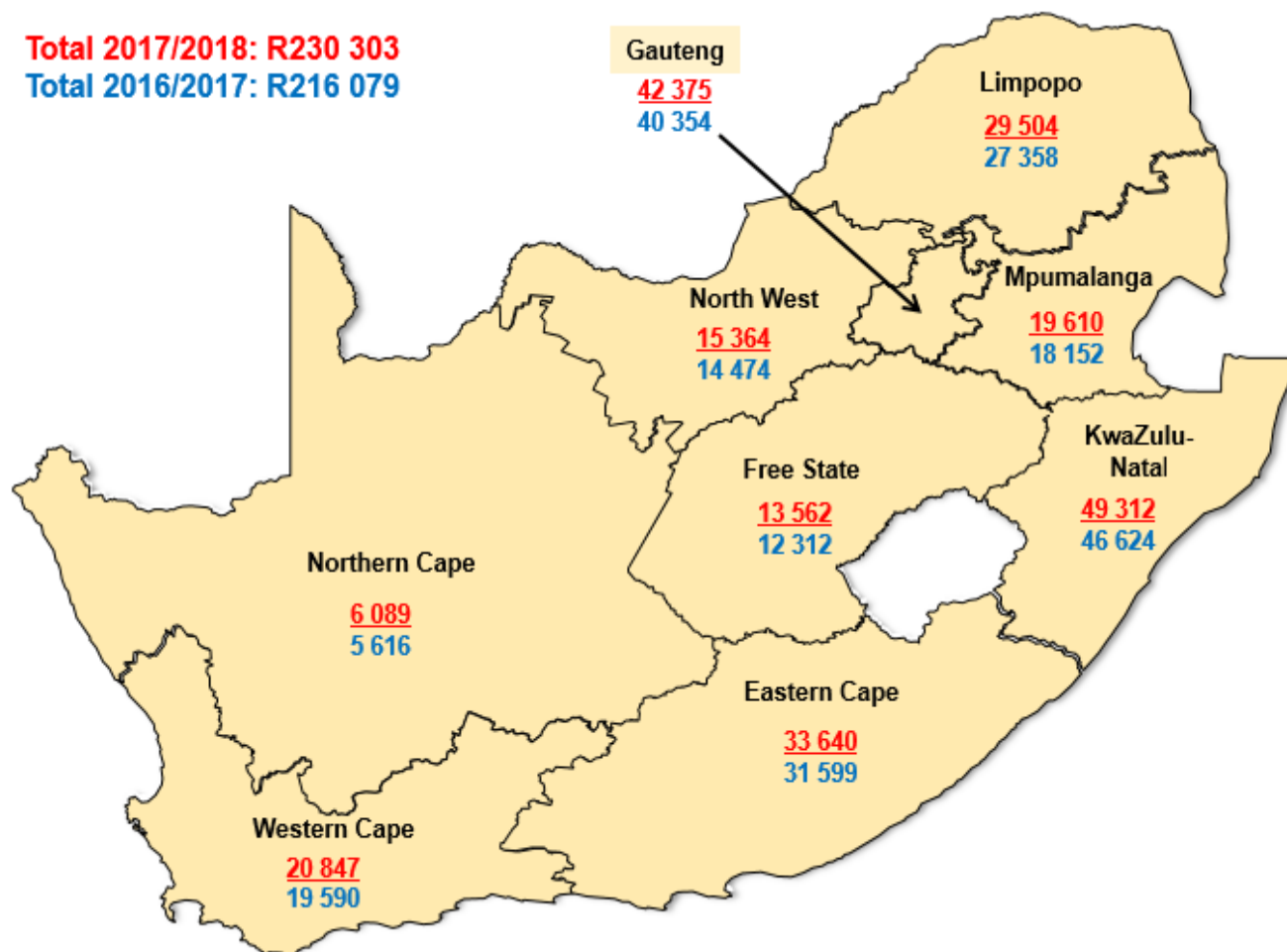
Figure 3 – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2016/2017* and 2017/2018 fiscal years (R million)



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

Figure 3 shows that the largest proportion of provincial government spending according to functional classification for the 2017/2018 fiscal year was on education (R230 303 million), followed by health (R176 794 million), economic affairs (R56 516 million), general public services (R29 675 million) and housing and community amenities (R23 960 million).

Figure 4 – Spending on education by the individual provincial governments for the 2016/2017* and 2017/2018 fiscal year (R million)**



* 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.

The provincial government expenditure on education for the 2017/2018 fiscal year was R230 303 million. Figure 4 shows that the KwaZulu-Natal provincial government was the highest contributor (R49 312 million), followed by Gauteng (R42 375 million) and Eastern Cape (R33 640 million). The Northern Cape provincial government expenditure was the lowest (R6 089 million) (see Annexure B, p. 26).


Risenga Maluleke
Statistician-General

Table 1 – Economic classification of revenue cash flows from operating activities for the 2017/2018* fiscal year (summary)

GFS 2014 code	Economic classification	R million
1		558 248
11	Taxes	13 023
12	Social contributions	0
13	Grants	538 785
14	Other receipts	6 441

* 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 expense cash flows for operating activities for the 2017/2018* fiscal year (summary)

Functional classification		Economic classification							
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	(21-28)
		R million							
70	GENERAL GOVERNMENT SERVICES	334 279	124 958	92	8 012	15 724	2 113	36 595	521 774
701	GENERAL PUBLIC SERVICES	12 729	10 535	3	0	630	86	3 820	27 803
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	5 601	2 664	2	0	300	23	316	8 906
7012	Foreign economic aid	0	0	0	0	0	0	0	0
7013	General services	7 104	7 710	1	0	275	63	3 504	18 656
7014	Basic research	0	0	0	0	0	0	0	0
7015	R&D General public services	24	161	0	0	0	0	0	185
7016	General public services n.e.c.	0	0	0	0	55	0	0	55
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	3 954	2 085	1	0	8	38	60	6 145
7031	Police services	3 931	2 076	1	0	8	38	60	6 114
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	23	9	0	0	0	0	0	32
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 expense cash flows for operating activities for the 2017/2018* 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	11 360	16 937	69	6 760	8 191	153	1 175	44 646
7041	General economic, commercial and labour affairs	968	736	0	14	2 303	3	570	4 594
7042	Agriculture, forestry, fishing and hunting	4 915	2 911	2	35	445	78	386	8 772
7043	Fuel and energy	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	137	0	12	149
7045	Transport	4 808	12 814	67	6 711	3 748	69	186	28 403
7046	Communication	0	0	0	0	0	0	0	0
7047	Other industries	187	114	0	0	1 519	0	13	1 834
7048	R&D Economic affairs	483	361	0	0	40	2	8	893
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	1 524	723	0	0	1 415	12	39	3 713
7051	Waste management	78	33	0	0	0	0	0	111
7052	Waste water management	0	0	0	0	0	0	0	0
7053	Pollution abatement	40	13	0	0	0	0	0	53
7054	Protection of biodiversity and landscape	1 373	625	0	0	1 349	11	38	3 397
7055	R&D Environmental protection	15	46	0	0	66	0	0	128
7056	Environmental protection n.e.c.	18	6	0	0	0	0	0	24
706	HOUSING AND COMMUNITY AMENITIES	2 420	1 169	0	0	1 647	13	18 440	23 689
7061	Housing development	1 839	823	0	0	1 372	10	18 379	22 422
7062	Community development	488	271	0	0	275	3	10	1 048
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	94	74	0	0	0	0	51	220
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 expense cash flows for operating activities for the 2017/2018* 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	109 220	52 962	16	0	1 589	531	4 184	168 503
7072	Outpatient services	69	52	0	0	0	0	0	121
70724	Ambulance services	4 869	1 761	2	0	377	9	22	7 039
7073	Hospital services	72 568	27 957	11	0	0	335	1 658	102 529
7074	Public health services	30 900	21 998	4	0	1 127	183	2 498	56 710
7075	R&D Health	0	35	0	0	0	0	0	35
7076	Health n.e.c.	815	1 161	0	0	85	3	5	2 070
708	RECREATION, CULTURE AND RELIGION	3 753	2 753	1	0	1 464	32	1 154	9 156
7081	Recreational and sporting services	536	640	0	0	444	5	219	1 843
7082	Cultural services	3 217	2 061	1	0	910	27	324	6 540
7083	Broadcasting and publishing services	0	0	0	0	108	0	0	108
7084	Religious and other community services	0	40	0	0	2	0	611	653
7085	R&D Recreation, culture and religion	0	13	0	0	0	0	0	13
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0
709	EDUCATION	180 730	34 556	2	1 253	746	1 185	1 285	219 758
7091	Pre-primary and primary education	89 759	9 261	0	769	0	646	49	100 484
7092	Secondary education	67 859	9 302	0	483	46	353	22	78 065
7093	Post-secondary non-tertiary education (e.g. CET)	3 143	453	0	0	0	16	350	3 961
7094	Tertiary education	0	2	0	0	68	0	55	125
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	45	0	0	0	0	0	45
7098	Education n.e.c.	19 970	15 494	2	0	632	171	810	37 079

* 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 expense cash flows for operating activities for the 2017/2018* 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							
710	SOCIAL PROTECTION	8 588	3 238	0	0	34	63	6 437	18 360
7101	Sickness and disability	264	74	0	0	0	0	448	788
7102	Old age	373	120	0	0	0	1	794	1 287
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	2 703	780	0	0	0	12	3 524	7 019
7105	Unemployment	0	0	0	0	1	0	0	1
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 195	545	0	0	4	2	539	2 286
7108	R&D Social protection	236	53	0	0	0	0	1	289
7109	Social protection n.e.c.	3 817	1 666	0	0	29	47	1 131	6 690

* 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 the cash outflows (purchases) from investment in non-financial assets for the 2017/2018* 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	34 810	0	5	40	34 856
701	GENERAL PUBLIC SERVICES	1 846	0	0	26	1 872
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	479	0	0	0	479
7012	Foreign economic aid	0	0	0	0	0
7013	General services	1 368	0	0	26	1 394
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	313	0	0	0	313
7031	Police services	313	0	0	0	313
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 the cash outflows (purchases) from investment in non-financial assets for the 2017/2018* fiscal year (summary) (continued)

Functional classification		Economic classification				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	(611 - 614) TOTAL
		R million				
704	ECONOMIC AFFAIRS	11 870	0	0	0	11 870
7041	General economic, commercial and labour affairs	386	0	0	0	386
7042	Agriculture, forestry, fishing and hunting	840	0	0	0	840
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0
7045	Transport	10 579	0	0	0	10 579
7046	Communication	0	0	0	0	0
7047	Other industries	41	0	0	0	41
7048	R&D Economic affairs	24	0	0	0	24
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	171	0	0	0	171
7051	Waste management	2	0	0	0	2
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	4	0	0	0	4
7054	Protection of biodiversity and landscape	164	0	0	0	164
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	1	0	0	0	1
706	HOUSING AND COMMUNITY AMENITIES	271	0	0	0	271
7061	Housing development	203	0	0	0	203
7062	Community development	66	0	0	0	66
7063	Water supply	0	0	0	0	0
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	2	0	0	0	2
7066	Housing and community amenities n.e.c.	0	0	0	0	0

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

Table 3 – Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2017/2018* 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	8 291	0	0	0	8 291
7072	Outpatient services	6	0	0	0	6
70724	Ambulance services	554	0	0	0	554
7073	Hospital services	5 217	0	0	0	5 217
7074	Public health services	2 139	0	0	0	2 139
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	374	0	0	0	374
708	RECREATION, CULTURE AND RELIGION	707	0	5	0	712
7081	Recreational and sporting services	123	0	0	0	123
7082	Cultural services	583	0	5	0	589
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	10 531	0	0	14	10 545
7091	Pre-primary and primary education	849	0	0	0	849
7092	Secondary education	435	0	0	0	435
7093	Post-secondary non-tertiary education (e.g. CET)	57	0	0	0	57
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.	9 191	0	0	14	9 205

* 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 the cash outflows (purchases) from investment in non-financial assets for the 2017/2018* 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	811	0	0	0	811
7101	Sickness and disability	6	0	0	0	6
7102	Old age	21	0	0	0	21
7103	Survivors	0	0	0	0	0
7104	Family and children	194	0	0	0	194
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	188	0	0	0	188
7108	R&D Social protection	5	0	0	0	5
7109	Social protection n.e.c.	397	0	0	0	397

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

Table 4 – Economic classification of the cash inflows (sales) from investment in non-financial assets for the 2017/2018* fiscal year (summary)

GFS 2014 code	Economic classification	R million
31		195
311	Fixed assets	195
312	Inventories	0
313	Valuables	0
314	Non-produced assets	0

* 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 2017/2018* fiscal year (summary)

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

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

Table 6 – Economic classification of the net incurrence of liabilities for the 2017/2018* fiscal year (summary)

GFS 2014 code	Economic classification	R million
33		0
331	Domestic	0
332	Foreign	0

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

Annexure A – Expenditure cash flows for operating activities and purchases of non-financial assets (economically classified) of the individual provincial governments for the 2016/2017 and 2017/2018 fiscal years¹

GFS 2014 code	Economic classification by province	2016/2017 ²	2017/2018
		R million	
21	Total compensation of employees	311 451	334 279
	Eastern Cape	44 014	47 558
	Free State	18 872	20 172
	Gauteng	57 913	62 985
	KwaZulu-Natal	67 391	71 460
	Limpopo	40 123	42 602
	Mpumalanga	24 675	26 582
	North West	20 511	22 147
	Northern Cape	8 508	9 222
	Western Cape	29 445	31 551
22	Total purchases of goods and services	114 740	124 958
	Eastern Cape	14 664	15 468
	Free State	6 536	7 234
	Gauteng	23 612	26 634
	KwaZulu-Natal	24 480	25 844
	Limpopo	9 777	10 853
	Mpumalanga	9 255	10 030
	North West	8 476	9 389
	Northern Cape	4 133	4 619
	Western Cape	13 809	14 885
24	Total interest	43	92
	Eastern Cape	14	6
	Free State	5	30
	Gauteng	4	40
	KwaZulu-Natal	5	6
	Limpopo	0	0
	Mpumalanga	3	1
	North West	6	3
	Northern Cape	6	5
	Western Cape	0	0
25	Total subsidies	7 996	8 012
	Eastern Cape	470	528
	Free State	313	328
	Gauteng	2 976	2 738
	KwaZulu-Natal	1 092	1 195
	Limpopo	807	821
	Mpumalanga	601	631
	North West	684	665
	Northern Cape	81	77
	Western Cape	972	1 030
26	Total grants	15 137	15 724
	Eastern Cape	1 780	1 799
	Free State	279	506
	Gauteng	5 593	4 817
	KwaZulu-Natal	2 727	3 177
	Limpopo	1 757	2 284
	Mpumalanga	512	495
	North West	547	541
	Northern Cape	144	141
	Western Cape	1 799	1 965

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.

Annexure A – Expenditure cash flows for operating activities and purchases of non-financial assets (economically classified) of the individual provincial governments for the 2016/2017 and 2017/2018 fiscal years¹ (concluded)

GFS 2014 code	Economic classification by province	2016/2017 ²	2017/2018
		R million	
27	Total social benefits	2 137	2 113
	Eastern Cape	494	440
	Free State	133	125
	Gauteng	306	315
	KwaZulu-Natal	368	341
	Limpopo	323	383
	Mpumalanga	135	169
	North West	161	137
	Northern Cape	55	40
	Western Cape	162	164
28	Total other payments	34 920	36 595
	Eastern Cape	3 501	4 300
	Free State	2 544	2 314
	Gauteng	7 938	8 404
	KwaZulu-Natal	5 718	6 434
	Limpopo	3 332	2 825
	Mpumalanga	3 293	3 167
	North West	3 248	3 240
	Northern Cape	924	967
	Western Cape	4 422	4 944
61	Total purchases of non-financial assets	34 333	34 856
	Eastern Cape	4 559	4 723
	Free State	2 258	2 343
	Gauteng	6 156	5 074
	KwaZulu-Natal	7 911	7 927
	Limpopo	1 899	2 285
	Mpumalanga	2 954	3 644
	North West	2 351	2 526
	Northern Cape	1 327	1 525
	Western Cape	4 918	4 808
	Total provincial government expenditure	520 759	556 630
	Eastern Cape	69 495	74 822
	Free State	30 941	33 052
	Gauteng	104 498	111 008
	KwaZulu-Natal	109 690	116 385
	Limpopo	58 019	62 052
	Mpumalanga	41 427	44 719
	North West	35 983	38 648
	Northern Cape	15 179	16 596
	Western Cape	55 526	59 347

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.

Annexure B – Expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2016/2017 and 2017/2018 fiscal years¹

GFS 2014 code	Functional classification by province	2016/2017 ²	2017/2018
		R million	
701	Total general public services	27 326	29 675
	Eastern Cape	4 046	4 672
	Free State	2 511	2 565
	Gauteng	5 721	6 297
	KwaZulu-Natal	3 288	3 553
	Limpopo	2 320	2 407
	Mpumalanga	1 974	2 064
	North West	2 656	3 015
	Northern Cape	1 124	1 134
	Western Cape	3 686	3 968
703	Total public order and safety	5 900	6 459
	Eastern Cape	568	584
	Free State	342	430
	Gauteng	633	731
	KwaZulu-Natal	892	1 045
	Limpopo	1 038	1 106
	Mpumalanga	1 051	1 028
	North West	628	705
	Northern Cape	169	176
	Western Cape	579	652
704	Total economic affairs	55 369	56 516
	Eastern Cape	6 600	6 799
	Free State	3 196	3 222
	Gauteng	9 498	8 560
	KwaZulu-Natal	12 586	12 523
	Limpopo	5 297	5 851
	Mpumalanga	5 582	5 968
	North West	4 068	4 448
	Northern Cape	2 229	2 663
	Western Cape	6 312	6 481
705	Total environmental protection	3 712	3 884
	Eastern Cape	434	416
	Free State	237	228
	Gauteng	323	315
	KwaZulu-Natal	1 024	1 107
	Limpopo	606	678
	Mpumalanga	110	128
	North West	310	327
	Northern Cape	133	140
	Western Cape	534	546
706	Total housing and community amenities	22 906	23 960
	Eastern Cape	2 505	2 957
	Free State	1 425	1 516
	Gauteng	6 024	6 004
	KwaZulu-Natal	4 037	4 490
	Limpopo	1 779	1 522
	Mpumalanga	2 089	1 902
	North West	2 305	2 270
	Northern Cape	490	609
	Western Cape	2 252	2 691

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.

Annexure B – Expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2016/2017 and 2017/2018 fiscal years¹ (concluded)

GFS 2014 code	Functional classification by province	2016/2017 ²	2017/2018
		R million	
707	Total health	162 072	176 794
	Eastern Cape	19 914	21 679
	Free State	8 894	9 531
	Gauteng	36 595	41 151
	KwaZulu-Natal	36 115	38 946
	Limpopo	16 844	18 009
	Mpumalanga	10 267	11 783
	North West	9 312	9 928
	Northern Cape	4 299	4 511
	Western Cape	19 832	21 256
708	Total recreation, culture and religion	9 395	9 868
	Eastern Cape	1 446	1 539
	Free State	919	843
	Gauteng	1 018	1 029
	KwaZulu-Natal	2 156	2 438
	Limpopo	1 105	1 151
	Mpumalanga	792	752
	North West	837	936
	Northern Cape	392	437
	Western Cape	732	743
709	Total education	216 079	230 303
	Eastern Cape	31 599	33 640
	Free State	12 312	13 562
	Gauteng	40 354	42 375
	KwaZulu-Natal	46 624	49 312
	Limpopo	27 358	29 504
	Mpumalanga	18 152	19 610
	North West	14 474	15 364
	Northern Cape	5 616	6 089
	Western Cape	19 590	20 847
710	Total social protection	18 000	19 171
	Eastern Cape	2 381	2 535
	Free State	1 105	1 155
	Gauteng	4 333	4 545
	KwaZulu-Natal	2 968	2 971
	Limpopo	1 671	1 825
	Mpumalanga	1 409	1 484
	North West	1 395	1 656
	Northern Cape	728	838
	Western Cape	2 010	2 161
	Total provincial government expenditure	520 759	556 630
	Eastern Cape	69 495	74 822
	Free State	30 941	33 052
	Gauteng	104 498	111 008
	KwaZulu-Natal	109 690	116 385
	Limpopo	58 019	62 052
	Mpumalanga	41 427	44 719
	North West	35 983	38 648
	Northern Cape	15 179	16 596
	Western Cape	55 526	59 347

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.

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

Tables

Table 1	Economic classification of revenue cash flows from operating activities for the 2017/2018 fiscal year
Table 2	Economic and functional classification of expense cash flows for operating activities for the 2017/2018 fiscal year
Table 3	Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2017/2018 fiscal year
Table 4	Economic classification of the cash inflows (sales) from investment in non-financial assets for the 2017/2018 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for the 2017/2018 fiscal year
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Table 7	Economic and functional classification of expense cash flows for operating activities for the 2017/2018 fiscal year: Government consumption cash payments divided between individual and collective services
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Explanatory notes

Introduction

This statistical release includes economic and functional classifications of the sources and uses of cash from the provincial revenue fund and donor funds for the 2017/2018 fiscal year based on the GFSM 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 (2017/2018 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 nine provinces comprised 123 departments for the 2017/2018 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) Office of the Premier

- 22) Police, Roads and Transport
- 23) Provincial Legislature
- 24) Provincial Treasury
- 25) Public Works and Infrastructure
- 26) Social Development
- 27) Sport, Arts, Culture and Recreation

Gauteng (15 departments)

- 28) Agriculture and Rural Development
- 29) Community Safety
- 30) Co-operative Governance and Traditional Affairs
- 31) e-Government
- 32) Economic Development
- 33) Education
- 34) Health
- 35) Human Settlements
- 36) Infrastructure Development
- 37) Office of the Premier
- 38) Provincial Legislature
- 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) Community Safety
- 60) Co-operative Governance, Human Settlement and Traditional Affairs
- 61) Economic Development, Environmental and Tourism
- 62) Education
- 63) Health
- 64) Office of the Premier
- 65) Provincial Legislature
- 66) Provincial Treasury
- 67) Public Works, Roads and Infrastructure
- 68) Social Development
- 69) Sports, Arts and Culture
- 70) Transport

Mpumalanga (13 departments)

- 71) Agriculture, Rural Development, Land and Environmental Affairs

- 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) Health
- 78) Human Settlements
- 79) Office of the Premier
- 80) Provincial Legislature
- 81) Provincial Treasury
- 82) Public Works, Roads and Transport
- 83) Social Development

North West (13 departments)

- 84) Community Safety and Transport Management
- 85) Culture, Arts and Traditional Affairs
- 86) Economy and Enterprise Development
- 87) Education and Sports Development
- 88) Finance
- 89) Health
- 90) Local Government and Human Settlements
- 91) Office of the Premier
- 92) Provincial Legislature
- 93) Public Works and Roads
- 94) Rural, Environment and Agriculture Development
- 95) Social Development
- 96) Tourism

Northern Cape (13 departments)

- 97) Agriculture, Land Reform and Rural Development
- 98) Co-operate Governance, Human Settlements and Traditional Affairs
- 99) Economic Development and Tourism
- 100) Education
- 101) Environment and Nature Conservation
- 102) Health
- 103) Office of the Premier
- 104) Provincial Legislature
- 105) Provincial Treasury
- 106) Roads and Public Works
- 107) Social Development
- 108) Sports, Arts and Culture
- 109) Transport, Safety and Liaison

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 GFSM 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, cash flows from 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

- **Cash outflows (purchases) from investment in non-financial assets (including capitalised goods and services)**

Fixed assets
Inventories
Valuables
Non-produced assets

- **Cash inflows (sales) from investment in 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 GFSM 2014 of the IMF.

Expenditure 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
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 non-tertiary education
Tertiary education
Education not definable 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 exclusion 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.27). 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.27). These categories are recommended by the 2008 System of National Accounts (SNA).

Comparability with the previous year	The 2016/2017 classified information is generally comparable with the 2017/2018 information. Additional detail in terms of the GFSM 2014 is available on the Stats SA website (or on request).	
The Public Sector Classification Committee (PSCC)	The Public Sector Classification Committee (PSCC) consists of the South African Reserve Bank (SARB), National Treasury (NT) and Statistics South Africa (Stats SA). The purpose of the PSCC is to coordinate the economic institutional classification of the public-sector units and subsectors for purposes of reporting to national and international stakeholders. The classification lists are made public by the SARB to inform stakeholders of the scope of the public sector and sub-sectors. Classification of public-sector institutions that have taken place for the year ended 31 March 2017. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2018.	
Related publications	<p>Statistics South Africa also publishes information on the transactions of the following levels of the general government in statistical releases:</p> <p>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></p>	
Symbols and abbreviations	CET GFSM IMF n.e.c. NPISH NT PSCC R&D SA SARB SNA Stats SA	Community Education and Training Government Finance Statistics Manual, 2014 International Monetary Fund Not elsewhere classified Non-Profit Institutions Serving Households National Treasury Public Sector Classification Committee Research and Development South Africa South African Reserve Bank System of National Accounts, 2008 Statistics South Africa
Revisions	<p>Figures for 2017/2018 should be regarded as preliminary, and may be revised. Revisions to 2016/2017 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.</p>	

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), including tertiary education as contemplated in schedule 4 of the Constitution.
Higher education institutions	Any institution that provides higher education on a full-time or part-time basis, and which is established or deemed to be established as a public higher education institution under the Higher Education Act, 1997; and declared as a public higher education institution under the Higher Education Act, 1997.
Households	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.
Modified cash basis accounting	This method recognize revenues in the period they become available and measurable, and recognize expenditures in the period the associated liability is incurred.
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 2018/2019	September 2020

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