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IMPROVING LIVES THROUGH DATA ECOSYSTEMS



Contents

Key findings.....	2
Tables	
Table A Economic classification of statement of sources and uses of cash of provincial government for the 2017/2018 and 2018/2019 fiscal years (summary).....	4
Table B Economic classification of cash outflows (purchases) from investment in non-financial assets for the 2017/2018 and 2018/2019 fiscal years (summary).....	7
Table C Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2017/2018 and 2018/2019 fiscal years (summary).....	9
Table 1 Economic classification of revenue cash flows from operating activities for the 2018/2019 fiscal year (summary).....	12
Table 2 Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year (summary).....	13
Table 3 Economic and functional classification of cash outflows (purchases) from investment in non-financial assets for the 2018/2019 fiscal year (summary).....	17
Table 4 Economic classification of cash inflows (sales) from investment in non-financial assets for the 2018/2019 fiscal year (summary).....	21
Table 5 Economic classification of the net acquisition of financial assets other than cash for the 2018/2019 fiscal year (summary).....	21
Table 6 Economic classification of the net incurrence of liabilities for the 2018/2019 fiscal year (summary).....	21
Annexure A Expenditure cash flows for operating activities and purchases of non-financial assets (economically classified) of the individual provincial governments for the 2017/2018 and 2018/2019 fiscal years.....	22
Annexure B Expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2017/2018 and 2018/2019 fiscal years.....	24
Annexure C Information on disaggregated tables is available on the Stats SA website	26
Explanatory notes.....	27
Glossary of selected variables.....	34
Technical enquiries.....	37
General information.....	38

Key findings

The net change in the stock of cash from provincial revenue funds and donor funds amounted to a cash surplus of R2 089 million for the 2018/2019 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 R593 329 million and the expense cash flows amounted to R558 375 million, resulting in a net cash inflow from operating activities of R34 954 million for the 2018/2019 fiscal year ending 31 March 2019. The net cash outflow from transactions in non-financial assets amounted to R32 865 million for the 2018/2019 fiscal year. The cash surplus for 2018/2019 was R2 089 million. The total net change in the stock of cash for the provincial government amounted to R2 089 million (see Table A, p. 4).

The largest contributor to the total expenditure cash flows for operating activities and purchases of non-financial assets (functionally classified) of R591 386 million from the provincial revenue funds and donor funds for the 2018/2019 fiscal year was education (R244 527 million, contributing 41,3%), followed by health (R191 322 million or 32,4%), economic affairs (R59 647 million or 10,1%), general public services (R31 511 million or 5,3%), housing and community amenities (R22 811 million or 3,9%), social protection (R20 115 million or 3,4%), recreation, culture and religion (R10 557 million or 1,8%), public order and safety (R6 715 million or 1,1%) and environmental protection (R4 181 million or 0,7%) (see Table C, p.9 and Figure 3, p.10).

Revenue cash flows from operating activities, the 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 R35 060 million from R558 269 million in 2017/2018 to R593 329 million in 2018/2019. 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 2018/2019 fiscal year was grants (R572 242 million), followed by taxes (R13 894 million) and other receipts (R7 193 million).

Expense cash flows for operating activities increased by R36 687 million from R521 688 million in 2017/2018 to R558 375 million in 2018/2019. The increase was mainly due to increases in compensation of employees and purchases of goods and services.

The largest contributor to total expense cash flows for operating activities for the 2018/2019 fiscal year was compensation of employees (R358 097 million), followed by purchases of goods and services (R135 140 million), other payments (R37 709 million), grants paid (R16 513 million), subsidies (R8 710 million), social benefits (R2 113 million) and interest (R93 million) (see Table A, p.4 and Figure 1, p.5).

The increase of R23 892 million in compensation of employees from R334 205 million in 2017/2018 to R358 097 million in 2018/2019 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R10 488 million in purchases of goods and services from R124 652 million in 2017/2018 to R135 140 million in 2018/2019 was mainly due to increased payments by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R822 million in other payments from R36 887 million in 2017/2018 to R37 709 million in 2018/2019 was mainly due to increased transfers to households made by the Gauteng, Eastern Cape and Limpopo provincial governments.

The increase of R786 million in grants paid from R15 727 million in 2017/2018 to R16 513 million in 2018/2019 was mainly due to increased grants to provincial extra-budgetary accounts and funds by the Western Cape and Gauteng provincial governments.

The increase of R698 million in subsidies from R8 012 million in 2017/2018 to R8 710 million in 2018/2019 was mainly due to increased subsidy payments made by the KwaZulu-Natal and Gauteng provincial governments.

The increase of R2 million in interest paid from R91 million in 2017/2018 to R93 million in 2018/2019 was mainly due to increased interest payments made by the Eastern Cape provincial government.

The decrease of R1 million in social benefits from R2 114 million in 2017/2018 to R2 113 million in 2018/2019 was mainly due to decreased payments for employer social benefits by the Gauteng, Mpumalanga and Eastern Cape provincial governments.

The net cash outflow from investments in non-financial assets decreased by R1 830 million from R34 695 million in 2017/2018 to R32 865 million in 2018/2019. The decrease can mainly be attributed to decreased spending on buildings and other structures by the North West, KwaZulu-Natal and Limpopo provincial governments.

Table A – Economic classification of statement of sources and uses of cash of provincial government for the 2017/2018 and 2018/2019 fiscal years (summary)¹

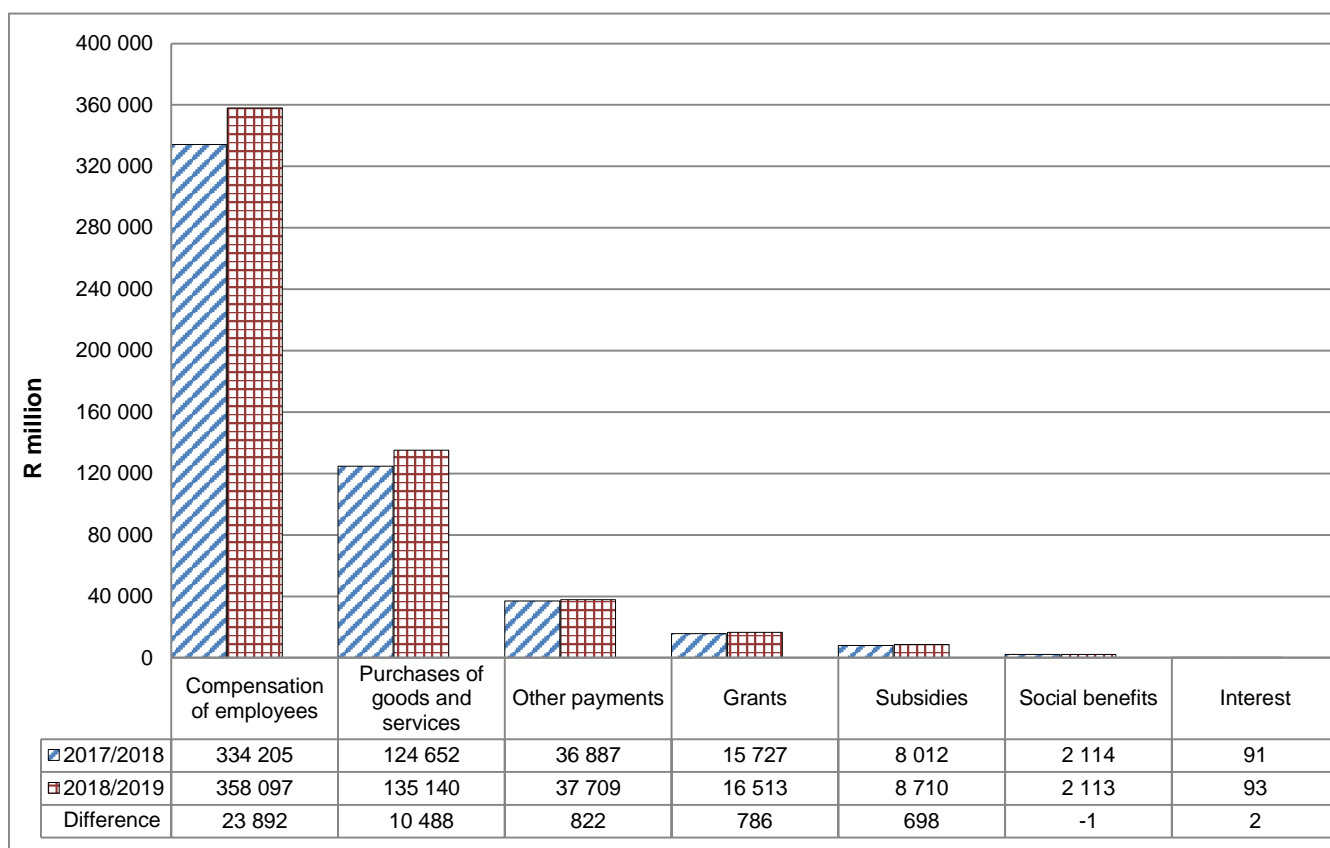
GFS 2014 code	Economic classification of sources and uses of cash	2017/2018 ²	2018/2019	Difference between 2017/2018 and 2018/2019
		R million		
	Cash flows from operating activities:			
	Revenue cash flows a	558 269	593 329	35 060
11	Taxes	13 039	13 894	855
12	Social contributions	0	0	0
13	Grants	538 785	572 242	33 457
14	Other receipts	6 445	7 193	748
	Expense cash flows b	521 688	558 375	36 687
21	Compensation of employees	334 205	358 097	23 892
22	Purchases of goods and services	124 652	135 140	10 488
24	Interest	91	93	2
25	Subsidies	8 012	8 710	698
26	Grants	15 727	16 513	786
27	Social benefits	2 114	2 113	-1
28	Other payments	36 887	37 709	822
	<i>Net cash flow from operating activities: (outflow)/ inflow</i>			
	(a-b)=c	36 581	34 954	-1 627
	Cash flows from transactions in non-financial assets:			
	Net cash outflow from investments in non-financial assets ³ d	34 695	32 865	-1 830
611	Fixed assets	34 650	32 777	-1 873
612	Inventories	0	0	0
613	Valuables	5	14	9
614	Non-produced assets	40	74	34
	<i>Cash surplus/ (deficit)</i> (c-d)=e	1 886	2 089	
	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 1</i>			
	(g-f)=h	0	0	
	NET CHANGE IN THE STOCK OF CASH (h+e)=i	1 886	2 089	

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 (R32 865 million) is equal to purchases of non-financial assets (R33 011 million) minus sales of non-financial assets (R146 million). The total amounts for purchases (see Table B, p. 7) and sales of non-financial assets (see Table 4, p. 21) are shown, respectively, in the disaggregated tables available on the Stats SA website.

Figure 1 – Economic classification of expense cash flows for operating activities for the 2017/2018* and 2018/2019 fiscal years (R million)**

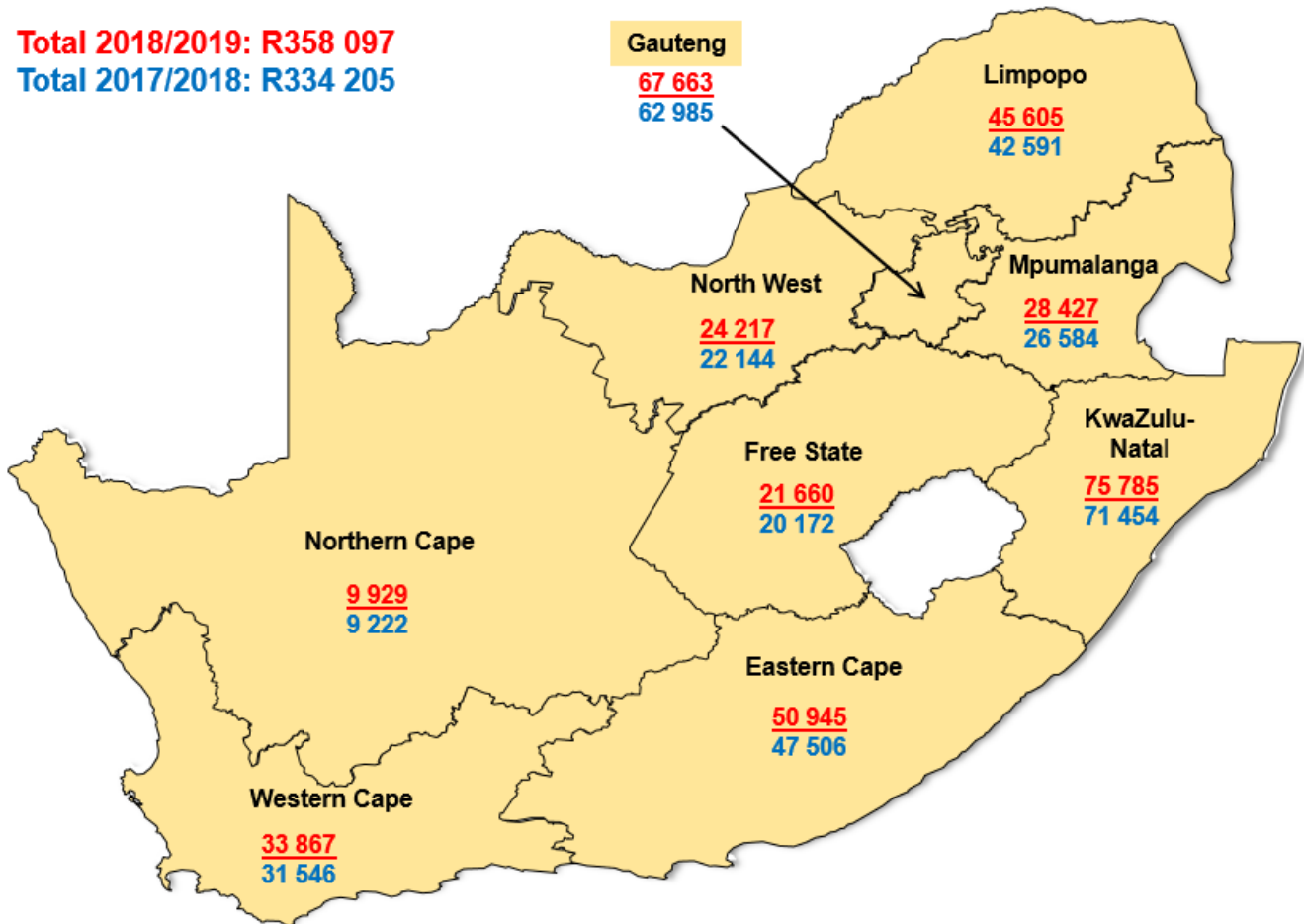


* Some of the figures have been revised since the previous publication.

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

Figure 1 shows the economic classification of expense cash flows for operating activities for the 2017/2018 and 2018/2019 fiscal years. In 2018/2019, compensation of employees accounted for the largest proportion of the expense cash flows (R358 097 million), followed by purchases of goods and services (R135 140 million), other payments (R37 709 million) and grants (R16 513 million).

Figure 2 – Compensation of employees of the individual provincial governments for the 2017/2018* and 2018/2019 fiscal years (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 2018/2019 fiscal year was R358 097 million. Figure 2 shows that the KwaZulu-Natal provincial government accounted for the largest proportion of the total (R75 785 million), followed by Gauteng (R67 663 million) and Eastern Cape (R50 945 million). The Northern Cape provincial government's compensation of employees was the lowest (R9 929 million) (see Annexure A, p. 22).

Table B – Economic classification of cash outflows (purchases) from investment in non-financial assets for the 2017/2018 and 2018/2019 fiscal years summary)¹

GFS 2014 code	Cash flows from transactions in non-financial assets	2017/2018 ²	2018/2019	Difference between 2017/2018 and 2018/2019
		R million		
	Cash flows from investments in non-financial assets			
	(b+r+s+t)=a	34 890	33 011	-1 879
611	Fixed assets (c+d+i+q)=b	34 845	32 919	-1 926
6111	Buildings and structures c	28 997	27 176	-1 821
61111	Dwellings	396	158	-238
61112	Buildings other than dwellings	15 055	14 131	-924
61113	Other structures	13 545	12 888	-657
61114	Land improvements	0	0	0
6112	Machinery and equipment (e+f)=d	5 616	5 569	-47
61121	Transport equipment e	1 920	1 663	-257
61122	Machinery and equipment other than transport equipment (g+h)=f	3 695	3 906	211
611221	Information, computer and telecommunications equipment g	730	765	35
611222	Machinery and equipment not elsewhere classified h	2 965	3 141	176
6112221	Office furniture (and domestic furniture)	117	118	1
6112222	Other machinery and equipment	2 847	3 023	176
6112223	Books	1	0	-1
6113	Other fixed assets (j+k)=i	232	174	-58
61131	Cultivated biological resources j	21	12	-9
611311	Animal resources yielding repeat products	21	12	-9
611312	Tree, crop, and plant resources yielding repeat products	0	0	0
61132	Intellectual property products (l+m+n+o+p)=k	211	162	-49
611321	Research and development l	0	0	0
611322	Mineral exploration and evaluation m	0	0	0
611323	Computer software and databases n	191	123	-68
6113231	Computer software	191	123	-68
6113232	Databases	0	0	0
611324	Entertainment, literary, and artistic originals o	0	0	0
611325	Other intellectual property products p	20	39	19
6114	Weapons systems q	0	0	0
612	Inventories r	0	0	0
613	Valuables s	5	14	9
614	Non-produced assets t	40	77	37

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 (R27 176 million), followed by machinery and equipment (R5 569 million), other fixed assets (R174 million), non-produced assets (R77 million) and valuables (R14 million) for the 2018/2019 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 9. 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 R34 808 million from R556 578 million in 2017/2018 to R591 386 million in the 2018/2019 fiscal year (see Table C, p.9).

The increase of R14 526 million in cash payments for health from R176 796 million in 2017/2018 to R191 322 million in 2018/2019 was mainly due to increased spending on hospitals and public health services by the Gauteng, KwaZulu-Natal, Eastern Cape, Western Cape and Limpopo provincial governments.

The increase of R14 224 million in cash payments for education from R230 303 million in 2017/2018 to R244 527 million in 2018/2019 was mainly due to increased spending on education by the Gauteng, Eastern Cape, KwaZulu-Natal and Limpopo provincial governments.

The increase of R3 182 million in cash payments for economic affairs from R56 465 million in 2017/2018 to R59 647 million in 2018/2019 was mainly due to increased spending on transport by the Gauteng, KwaZulu-Natal and Mpumalanga provincial governments.

The increase of R1 838 million in cash payments for general public services from R29 673 million in 2017/2018 to R31 511 million in 2018/2019 was mainly due to increased spending on general public services by the Gauteng, KwaZulu-Natal and Eastern Cape provincial governments.

The increase of R952 million in cash payments for social protection from R19 163 million in 2017/2018 to R20 115 million in 2018/2019 was mainly due to increased spending on social protection services by the KwaZulu-Natal, Limpopo and Eastern Cape provincial governments.

The increase of R689 million in cash payments for recreation, culture and religion from R9 868 million in 2017/2018 to R10 557 million in 2018/2019 was mainly due to increased spending on cultural services by the Free State, Gauteng and Limpopo provincial governments.

The increase of R297 million in cash payments for environmental protection from R3 884 million in 2017/2018 to R4 181 million in 2018/2019 was mainly due to increased spending on the protection of biodiversity and landscape by the Eastern Cape, KwaZulu-Natal and Free State provincial governments.

The increase of R250 million in cash payments for public order and safety from R6 465 million in 2017/2018 to R6 715 million in 2018/2019 was mainly due to increased spending on public order and safety services by the Limpopo, Free State and Western Cape provincial governments.

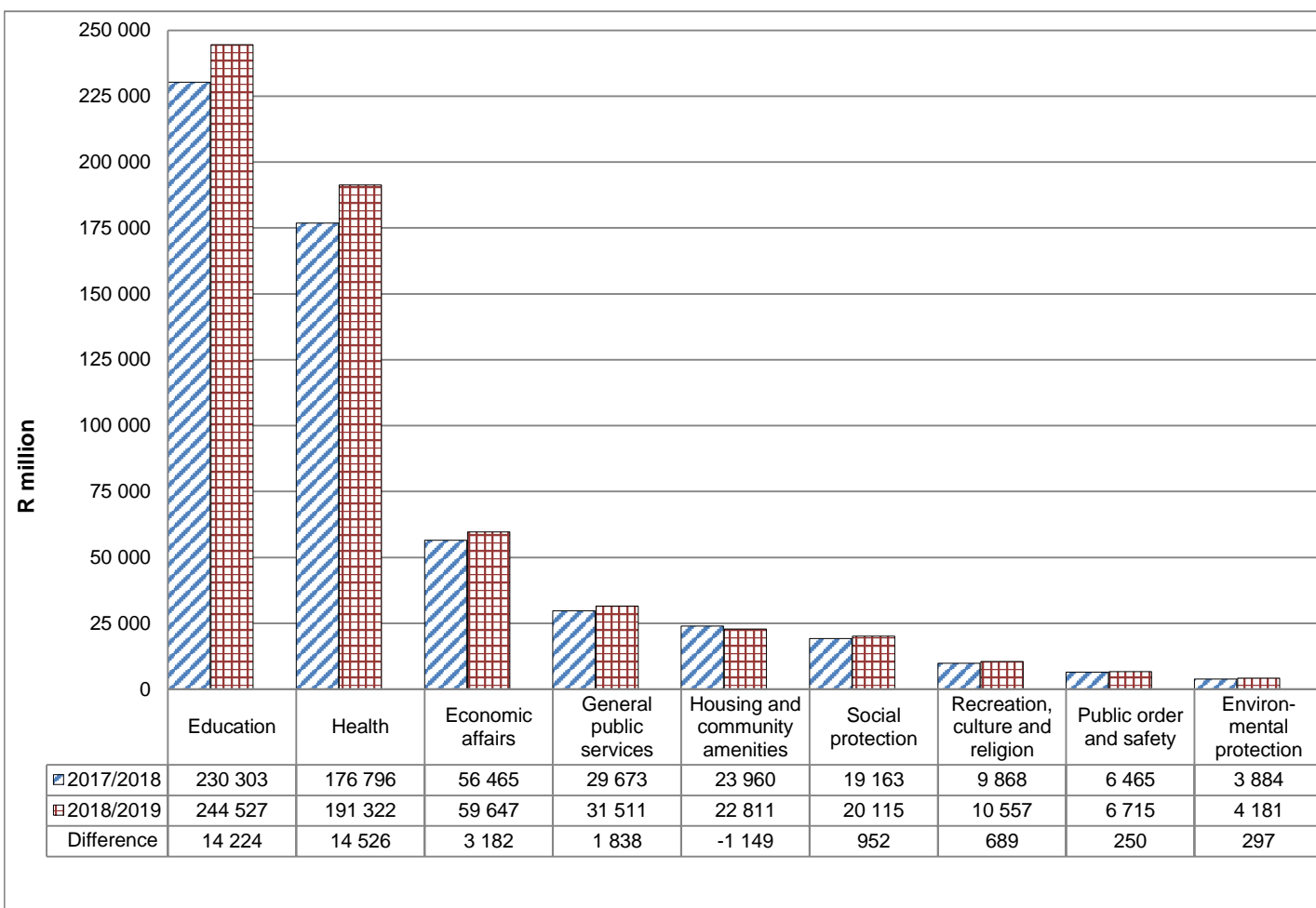
The decrease of R1 149 million in cash payments for housing and community amenities from R23 960 million in 2017/2018 to R22 811 million in 2018/2019 was mainly due to decreased spending on housing development by the Eastern Cape, Western Cape and KwaZulu-Natal provincial governments.

Table C – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2017/2018 and 2018/2019 fiscal years (summary)¹

GFS 2014 code	Functional classification	2017/2018 ²	2018/2019	Difference between 2017/2018 and 2018/2019	% of total cash payments 2018/2019
		R million			%
701	General public services				
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	9 382	10 139	757	1,7
7012	Foreign economic aid	0	0	0	0,0
7013	General services	20 051	21 129	1 078	3,6
7014	Basic research	0	0	0	0,0
7015	Research and development general public services	185	184	-1	0,0
7016	General public services n.e.c.	55	59	4	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	29 673	31 511	1 838	5,3
702	Defence b	0	0	0	0,0
703	Public order and safety				
7031	Police	6 433	6 674	241	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	Research and development public order and safety	32	41	9	0,0
7036	Public order and safety n.e.c.	0	0	0	0,0
	Total public order and safety c	6 465	6 715	250	1,1
704	Economic affairs				
7041	General economic, commercial and labour affairs	4 979	5 384	405	0,9
7042	Agriculture, forestry, fishing and hunting	9 594	10 676	1 082	1,8
7043	Fuel and energy	0	0	0	0,0
7044	Mining, manufacturing and construction	149	142	-7	0,0
7045	Transport	38 950	40 607	1 657	6,9
7046	Communications	0	0	0	0,0
7047	Other industries	1 875	1 889	14	0,3
7048	Research and development economic affairs	918	948	30	0,2
	Total economic affairs d	56 465	59 647	3 182	10,1
705	Environmental protection e	3 884	4 181	297	0,7
706	Housing and community amenities f	23 960	22 811	-1 149	3,9
707	Health g	176 796	191 322	14 526	32,4
708	Recreation, culture and religion h	9 868	10 557	689	1,8
709	Education i	230 303	244 527	14 224	41,3
710	Social protection j	19 163	20 115	952	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	556 578	591 386	34 808	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 3 – Functional classification of expenditure cash flows for operating activities and purchases of non-financial assets for the 2017/2018* and 2018/2019 fiscal years (R million)**

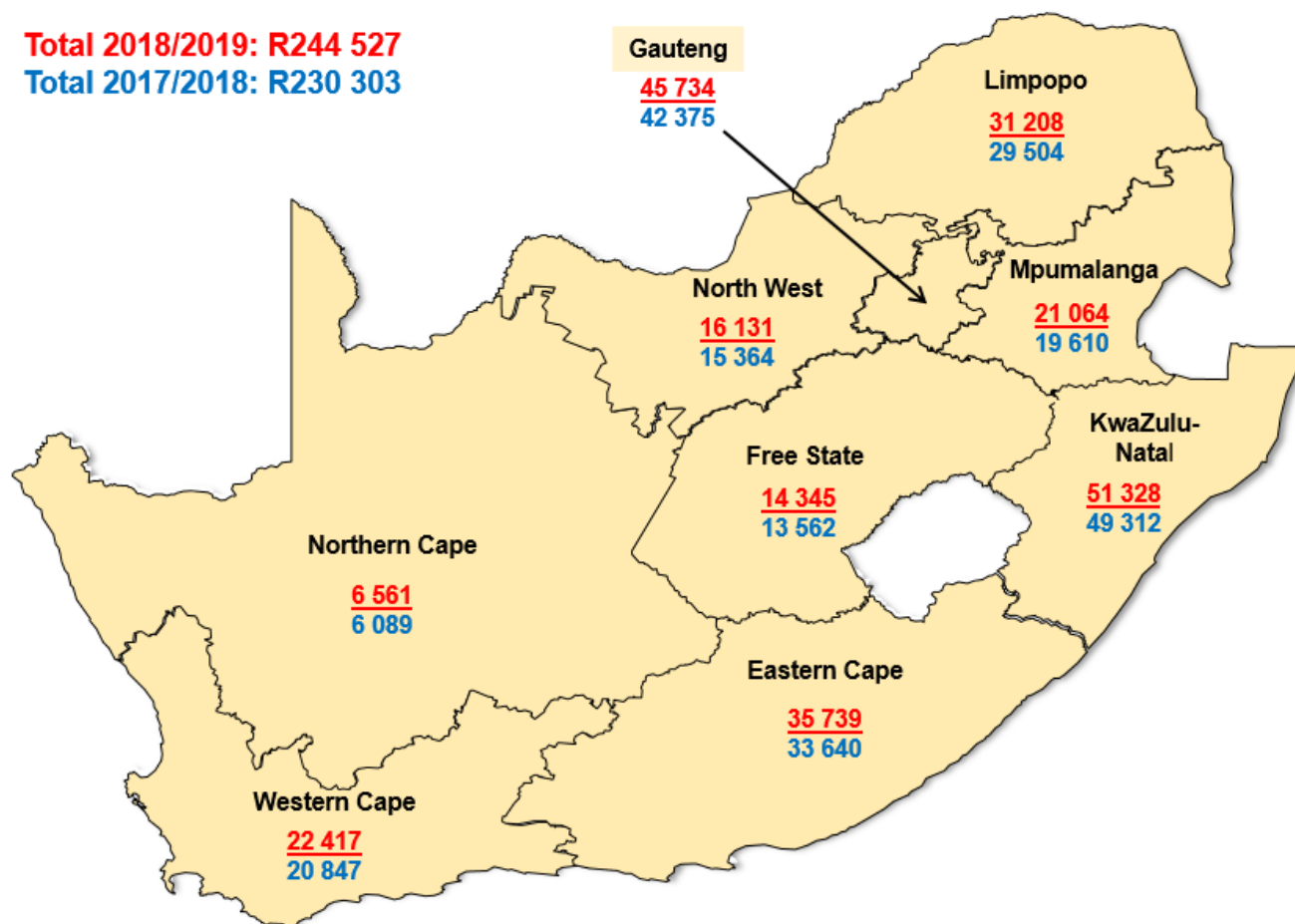


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** The breakdown can be found in the disaggregated tables available on the Stats SA website.

Figure 3 shows that the largest proportion of provincial government spending according to functional classification for the 2018/2019 fiscal year was on education (R244 527 million), followed by health (R191 322 million), economic affairs (R59 647 million), general public services (R31 511 million) and housing and community amenities (R22 811 million).

Figure 4 – Spending on education by the individual provincial governments for the 2017/2018* and 2018/2019 fiscal years (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 2018/2019 fiscal year was R244 527 million. Figure 4 shows that the KwaZulu-Natal provincial government was the highest contributor (R51 328 million), followed by Gauteng (R45 734 million) and Eastern Cape (R35 739 million). The Northern Cape provincial government expenditure was the lowest (R6 561 million) (see Annexure B, p. 25).

Risenga Maluleke
Statistician-General

Table 1 – Economic classification of revenue cash flows from operating activities for the 2018/2019* fiscal year (summary)

GFS 2014 code	Economic classification	R million
1		593 329
11	Taxes	13 894
12	Social contributions	0
13	Grants	572 242
14	Other receipts	7 193

* 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 2018/2019* 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	358 097	135 140	93	8 710	16 513	2 113	37 709	558 375
701	GENERAL PUBLIC SERVICES	13 774	10 912	5	0	569	95	4 565	29 920
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	6 069	2 775	1	0	324	32	619	9 821
7012	Foreign economic aid	0	0	0	0	0	0	0	0
7013	General services	7 694	7 963	4	0	186	63	3 945	19 855
7014	Basic research	0	0	0	0	0	0	0	0
7015	R&D General public services	10	174	0	0	0	0	0	184
7016	General public services n.e.c.	0	0	0	0	59	0	0	59
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	4 202	2 168	1	0	23	27	62	6 484
7031	Police services	4 177	2 153	1	0	23	27	62	6 443
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	25	16	0	0	0	0	0	41
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 2018/2019* 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	11 938	18 904	20	7 358	8 627	161	1 567	48 576
7041	General economic, commercial and labour affairs	1 021	716	0	14	2 530	5	779	5 066
7042	Agriculture, forestry, fishing and hunting	5 188	3 173	0	34	668	78	645	9 787
7043	Fuel and energy	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	135	0	7	142
7045	Transport	5 016	14 501	19	7 310	3 747	74	129	30 797
7046	Communication	0	0	0	0	0	0	0	0
7047	Other industries	222	126	0	0	1 505	1	1	1 855
7048	R&D Economic affairs	491	387	0	0	41	3	6	929
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	1 709	764	0	0	1 510	11	40	4 034
7051	Waste management	80	30	0	0	0	0	0	111
7052	Waste water management	0	0	0	0	0	0	0	0
7053	Pollution abatement	45	13	0	0	0	0	0	59
7054	Protection of biodiversity and landscape	1 550	688	0	0	1 438	10	39	3 725
7055	R&D Environmental protection	17	28	0	0	72	0	0	117
7056	Environmental protection n.e.c.	17	6	0	0	0	0	0	23
706	HOUSING AND COMMUNITY AMENITIES	2 575	1 077	0	0	1 604	17	17 431	22 704
7061	Housing development	1 967	794	0	0	1 286	12	17 367	21 426
7062	Community development	510	234	0	0	318	5	25	1 091
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	98	48	0	0	0	1	39	186
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 2018/2019* 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	117 825	57 844	57	0	1 629	497	4 767	182 620
7072	Outpatient services	83	52	0	0	0	0	0	135
70724	Ambulance services	5 143	1 861	7	0	339	10	28	7 388
7073	Hospital services	77 832	30 297	44	0	0	322	2 210	110 705
7074	Public health services	33 859	24 148	6	0	1 167	163	2 500	61 843
7075	R&D Health	0	18	0	0	0	0	0	18
7076	Health n.e.c.	907	1 467	0	0	124	2	29	2 530
708	RECREATION, CULTURE AND RELIGION	3 992	2 806	0	0	1 683	30	1 297	9 808
7081	Recreational and sporting services	553	608	0	0	545	3	262	1 973
7082	Cultural services	3 438	2 147	0	0	1 005	27	356	6 973
7083	Broadcasting and publishing services	0	0	0	0	131	0	0	131
7084	Religious and other community services	0	40	0	0	2	0	679	720
7085	R&D Recreation, culture and religion	0	11	0	0	0	0	0	11
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0
709	EDUCATION	192 684	37 413	9	1 351	782	1 235	1 392	234 866
7091	Pre-primary and primary education	96 220	10 859	0	828	0	648	69	108 624
7092	Secondary education	71 919	9 772	0	523	0	397	18	82 629
7093	Post-secondary non-tertiary education (e.g. CET)	3 225	518	0	0	0	15	295	4 054
7094	Tertiary education	0	0	0	0	432	0	57	489
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.	21 319	16 221	9	0	350	174	953	39 027

* 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 2018/2019* fiscal year (summary) (concluded)

Functional classification		Economic classification							(21-28)
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
		R million							TOTAL
710	SOCIAL PROTECTION	9 399	3 252	0	0	86	39	6 588	19 365
7101	Sickness and disability	284	93	0	0	0	0	484	861
7102	Old age	412	113	0	0	0	1	854	1 381
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	3 008	568	0	0	0	13	3 682	7 271
7105	Unemployment	0	0	0	0	10	0	0	10
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	1 331	565	0	0	0	2	637	2 534
7108	R&D Social protection	253	75	0	0	0	0	1	329
7109	Social protection n.e.c.	4 111	1 839	0	0	76	23	930	6 979

* 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 2018/2019* 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	32 919	0	14	77	33 011
701	GENERAL PUBLIC SERVICES	1 558	0	0	33	1 591
7011	Executive and legislative organs, financial and fiscal affairs, external affairs	318	0	0	0	318
7012	Foreign economic aid	0	0	0	0	0
7013	General services	1 241	0	0	33	1 274
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	231	0	0	0	231
7031	Police services	231	0	0	0	231
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 2018/2019* 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	11 071	0	0	0	11 071
7041	General economic, commercial and labour affairs	318	0	0	0	318
7042	Agriculture, forestry, fishing and hunting	889	0	0	0	889
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0
7045	Transport	9 810	0	0	0	9 810
7046	Communication	0	0	0	0	0
7047	Other industries	34	0	0	0	34
7048	R&D Economic affairs	20	0	0	0	20
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	148	0	0	0	148
7051	Waste management	1	0	0	0	1
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	2	0	0	0	2
7054	Protection of biodiversity and landscape	143	0	0	0	143
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	108	0	0	0	108
7061	Housing development	41	0	0	0	41
7062	Community development	64	0	0	0	64
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 2018/2019* 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	8 702	0	0	0	8 702
7072	Outpatient services	8	0	0	0	8
70724	Ambulance services	505	0	0	0	505
7073	Hospital services	5 538	0	0	0	5 538
7074	Public health services	2 130	0	0	0	2 130
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	520	0	0	0	520
708	RECREATION, CULTURE AND RELIGION	736	0	14	0	750
7081	Recreational and sporting services	159	0	0	0	159
7082	Cultural services	577	0	14	0	591
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	9 617	0	0	44	9 661
7091	Pre-primary and primary education	888	0	0	0	888
7092	Secondary education	878	0	0	0	878
7093	Post-secondary non-tertiary education (e.g. CET)	62	0	0	0	62
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.	7 789	0	0	44	7 833

* 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 2018/2019* 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	750	0	0	0	750
7101	Sickness and disability	4	0	0	0	4
7102	Old age	5	0	0	0	5
7103	Survivors	0	0	0	0	0
7104	Family and children	157	0	0	0	157
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	98	0	0	0	98
7108	R&D Social protection	6	0	0	0	6
7109	Social protection n.e.c.	480	0	0	0	480

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

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

GFS 2014 code	Economic classification	R million
31		146
311	Fixed assets	143
312	Inventories	0
313	Valuables	0
314	Non-produced assets	3

* 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 2018/2019* 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 2018/2019* 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 2017/2018 and 2018/2019 fiscal years¹

GFS 2014 code	Economic classification by province	2017/2018 ²	2018/2019
		R million	
21	Total compensation of employees	334 205	358 097
	Eastern Cape	47 506	50 945
	Free State	20 172	21 660
	Gauteng	62 985	67 663
	KwaZulu-Natal	71 454	75 785
	Limpopo	42 591	45 605
	Mpumalanga	26 584	28 427
	North West	22 144	24 217
	Northern Cape	9 222	9 929
	Western Cape	31 546	33 867
22	Total purchases of goods and services	124 652	135 140
	Eastern Cape	15 343	16 552
	Free State	7 121	7 589
	Gauteng	26 623	29 616
	KwaZulu-Natal	26 050	27 956
	Limpopo	10 866	12 005
	Mpumalanga	9 813	10 873
	North West	9 316	9 914
	Northern Cape	4 632	5 017
	Western Cape	14 888	15 618
24	Total interest	91	93
	Eastern Cape	5	36
	Free State	30	10
	Gauteng	40	23
	KwaZulu-Natal	6	9
	Limpopo	0	1
	Mpumalanga	1	1
	North West	3	7
	Northern Cape	5	6
	Western Cape	0	0
25	Total subsidies	8 012	8 710
	Eastern Cape	528	574
	Free State	328	366
	Gauteng	2 738	2 971
	KwaZulu-Natal	1 195	1 474
	Limpopo	821	825
	Mpumalanga	631	649
	North West	665	707
	Northern Cape	77	77
	Western Cape	1 030	1 066
26	Total grants	15 727	16 513
	Eastern Cape	1 799	1 644
	Free State	506	635
	Gauteng	4 817	5 175
	KwaZulu-Natal	3 177	3 199
	Limpopo	2 284	2 395
	Mpumalanga	495	542
	North West	541	593
	Northern Cape	141	147
	Western Cape	1 967	2 183

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 2017/2018 and 2018/2019 fiscal years¹ (concluded)

GFS 2014 code	Economic classification by province	2017/2018 ²	2018/2019
		R million	
27	Total social benefits	2 114	2 113
	Eastern Cape	440	429
	Free State	125	116
	Gauteng	315	285
	KwaZulu-Natal	341	384
	Limpopo	383	387
	Mpumalanga	169	156
	North West	137	151
	Northern Cape	40	45
	Western Cape	164	161
28	Total other payments	36 887	37 709
	Eastern Cape	4 475	4 473
	Free State	2 426	2 537
	Gauteng	8 404	9 244
	KwaZulu-Natal	6 420	6 240
	Limpopo	2 775	2 883
	Mpumalanga	3 243	3 314
	North West	3 233	3 170
	Northern Cape	967	1 033
	Western Cape	4 944	4 816
61	Total purchases of non-financial assets	34 890	33 011
	Eastern Cape	4 722	4 397
	Free State	2 344	2 066
	Gauteng	5 085	4 695
	KwaZulu-Natal	7 740	7 283
	Limpopo	2 325	1 878
	Mpumalanga	3 748	4 048
	North West	2 593	2 107
	Northern Cape	1 525	1 260
	Western Cape	4 808	5 277
	Total provincial government expenditure	556 578	591 386
	Eastern Cape	74 819	79 051
	Free State	33 052	34 981
	Gauteng	111 008	119 672
	KwaZulu-Natal	116 384	122 329
	Limpopo	62 044	65 979
	Mpumalanga	44 682	48 008
	North West	38 633	40 865
	Northern Cape	16 609	17 515
	Western Cape	59 347	62 988

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 2017/2018 and 2018/2019 fiscal years¹

GFS 2014 code	Functional classification by province	2017/2018 ²	2018/2019
		R million	
701	Total general public services	29 673	31 511
	Eastern Cape	4 672	4 989
	Free State	2 565	2 782
	Gauteng	6 297	6 828
	KwaZulu-Natal	3 553	3 909
	Limpopo	2 406	2 587
	Mpumalanga	2 064	2 346
	North West	3 015	2 834
	Northern Cape	1 134	1 160
	Western Cape	3 968	4 076
703	Total public order and safety	6 465	6 715
	Eastern Cape	584	587
	Free State	430	486
	Gauteng	731	738
	KwaZulu-Natal	1 045	1 047
	Limpopo	1 106	1 168
	Mpumalanga	1 028	1 077
	North West	705	699
	Northern Cape	183	206
	Western Cape	652	706
704	Total economic affairs	56 465	59 647
	Eastern Cape	6 796	6 608
	Free State	3 222	3 343
	Gauteng	8 560	9 547
	KwaZulu-Natal	12 523	13 243
	Limpopo	5 850	6 189
	Mpumalanga	5 931	6 333
	North West	4 433	4 714
	Northern Cape	2 669	2 672
	Western Cape	6 481	6 997
705	Total environmental protection	3 884	4 181
	Eastern Cape	416	474
	Free State	228	278
	Gauteng	315	341
	KwaZulu-Natal	1 107	1 161
	Limpopo	678	699
	Mpumalanga	128	153
	North West	327	359
	Northern Cape	140	141
	Western Cape	546	576
706	Total housing and community amenities	23 960	22 811
	Eastern Cape	2 957	2 481
	Free State	1 516	1 414
	Gauteng	6 004	5 875
	KwaZulu-Natal	4 490	4 185
	Limpopo	1 522	1 504
	Mpumalanga	1 902	1 955
	North West	2 270	2 374
	Northern Cape	609	655
	Western Cape	2 691	2 368

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 2017/2018 and 2018/2019 fiscal years¹ (concluded)

GFS 2014 code	Functional classification by province	2017/2018 ²	2018/2019
		R million	
707	Total health	176 796	191 322
	Eastern Cape	21 680	23 830
	Free State	9 531	10 009
	Gauteng	41 151	45 097
	KwaZulu-Natal	38 946	41 627
	Limpopo	18 009	19 328
	Mpumalanga	11 783	12 755
	North West	9 928	11 137
	Northern Cape	4 511	4 757
	Western Cape	21 258	22 781
708	Total recreation, culture and religion	9 868	10 557
	Eastern Cape	1 539	1 598
	Free State	843	1 062
	Gauteng	1 029	1 157
	KwaZulu-Natal	2 438	2 481
	Limpopo	1 151	1 253
	Mpumalanga	752	790
	North West	936	949
	Northern Cape	437	503
	Western Cape	743	765
709	Total education	230 303	244 527
	Eastern Cape	33 640	35 739
	Free State	13 562	14 345
	Gauteng	42 375	45 734
	KwaZulu-Natal	49 312	51 328
	Limpopo	29 504	31 208
	Mpumalanga	19 610	21 064
	North West	15 364	16 131
	Northern Cape	6 089	6 561
	Western Cape	20 847	22 417
710	Total social protection	19 163	20 115
	Eastern Cape	2 535	2 743
	Free State	1 155	1 263
	Gauteng	4 545	4 355
	KwaZulu-Natal	2 971	3 348
	Limpopo	1 819	2 043
	Mpumalanga	1 484	1 534
	North West	1 656	1 667
	Northern Cape	838	859
	Western Cape	2 159	2 301
	Total provincial government expenditure	556 578	591 386
	Eastern Cape	74 819	79 051
	Free State	33 052	34 981
	Gauteng	111 008	119 672
	KwaZulu-Natal	116 384	122 329
	Limpopo	62 044	65 979
	Mpumalanga	44 682	48 008
	North West	38 633	40 865
	Northern Cape	16 609	17 515
	Western Cape	59 347	62 988

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 2018/2019 fiscal year
Table 2	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year
Table 3	Economic and functional classification of the cash outflows (purchases) from investment in non-financial assets for the 2018/2019 fiscal year
Table 4	Economic classification of the cash inflows (sales) from investment in non-financial assets for the 2018/2019 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for the 2018/2019 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2018/2019 fiscal year
Table 7	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 fiscal year: Government consumption cash payments divided between individual and collective services
Table 8	Economic and functional classification of expense cash flows for operating activities for the 2018/2019 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 sources and uses of cash from the provincial revenue fund and donor funds for the 2018/2019 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 (2018/2019 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 2018/2019 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) 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.

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
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.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 2017/2018 classified information is generally comparable with the 2018/2019 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 2018. Currently the PSCC is classifying the public-sector institutions for the year ended 31 March 2019.	
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	<p>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</p>	
Revisions	<p>Figures for 2018/2019 should be regarded as preliminary, and may be revised. Revisions to 2017/2018 data are indicated by footnotes in Tables A, B and C. Revisions are due to improved classification of data and additional information becoming available after initial publication.</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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	Financial statistics of provincial government for 2019/2020	September 2021

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