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Financial statistics of national government

2006/2007

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Key findings

Net change in the stock of cash from the national revenue fund and donor funds amounted to R11 911 million for the 2006/2007 fiscal year

Cash receipts from operating activities amounted to R507 627 million and cash payments for operating activities amounted to R495 238 million resulting in net cash inflow from operating activities of R12 389 million for the 2006/2007 fiscal year ending 31 March 2007. Purchases of non-financial assets amounted to R6 523 million for 2006/2007. Sales of non-financial assets amounted to R39 million for the 2006/2007 fiscal year resulting in net cash outflow from investments in non-financial assets of R6 484 million. Net acquisition of financial assets other than cash amounted to R160 million for the 2006/2007 fiscal year. Net incurrence of liabilities amounted to R6 166 million resulting in net cash inflow of R6 006 million for the 2006/2007 fiscal year. Total net change in the stock of cash for national government amounted to R11 911 million (see Table A, p. 4).

Economic classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund and donor funds received

The National Revenue Fund refers to the votes of the national departments as well as to fixed statutory appropriations and standing appropriations. Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. Seven main economically classified cash payments for operating activity categories exist and these are compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

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

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

Cash receipts from operating activities increased by 18,2% from R429 547 million in 2005/2006 to R507 627 million in 2006/2007 mainly due to the increase in taxes collected.

Cash payments for operating activities increased by 15,6% from R428 479 million in 2005/2006 to R495 238 million in 2006/2007 mainly due to an increase in transfers from national government.

The largest contributor to total cash payments for operating activities (economically classified) for the 2006/2007 fiscal year was grants (R280 096 million), followed by social benefits (R60 290 million), interest (R52 164 million), compensation of employees (R49 619 million), purchases of goods and services (R29 217 million), other payments (R12 754 million) and subsidies (R11 097 million) (see Table A, p. 4).

Social benefits increased by 1 962,6% from R2 923 million in 2005/2006 to R60 290 million in 2006/2007 due to the social assistance function and funding which shifted from provincial government to the national government with effect from 1 April 2006.

Subsidies increased by 38,2% from R8 030 million in 2005/2006 to R11 097 million in 2006/2007 mainly due to increased subsidies towards the Pebble Bed Modular Reactor and the S.A. Rail Commuter Corporation Limited and a subsidy payment to InfraCo in 2006/2007.

Purchases of non-financial assets decreased by 17,1% from R7 866 million in 2005/2006 to R6 523 million in 2006/2007 mainly due to less machinery and equipment purchased by the Department of Correctional Services.

Table A – Economic classification of statement of sources and uses of cash of national government for the 2005/2006 and 2006/2007 fiscal years (Summary)¹

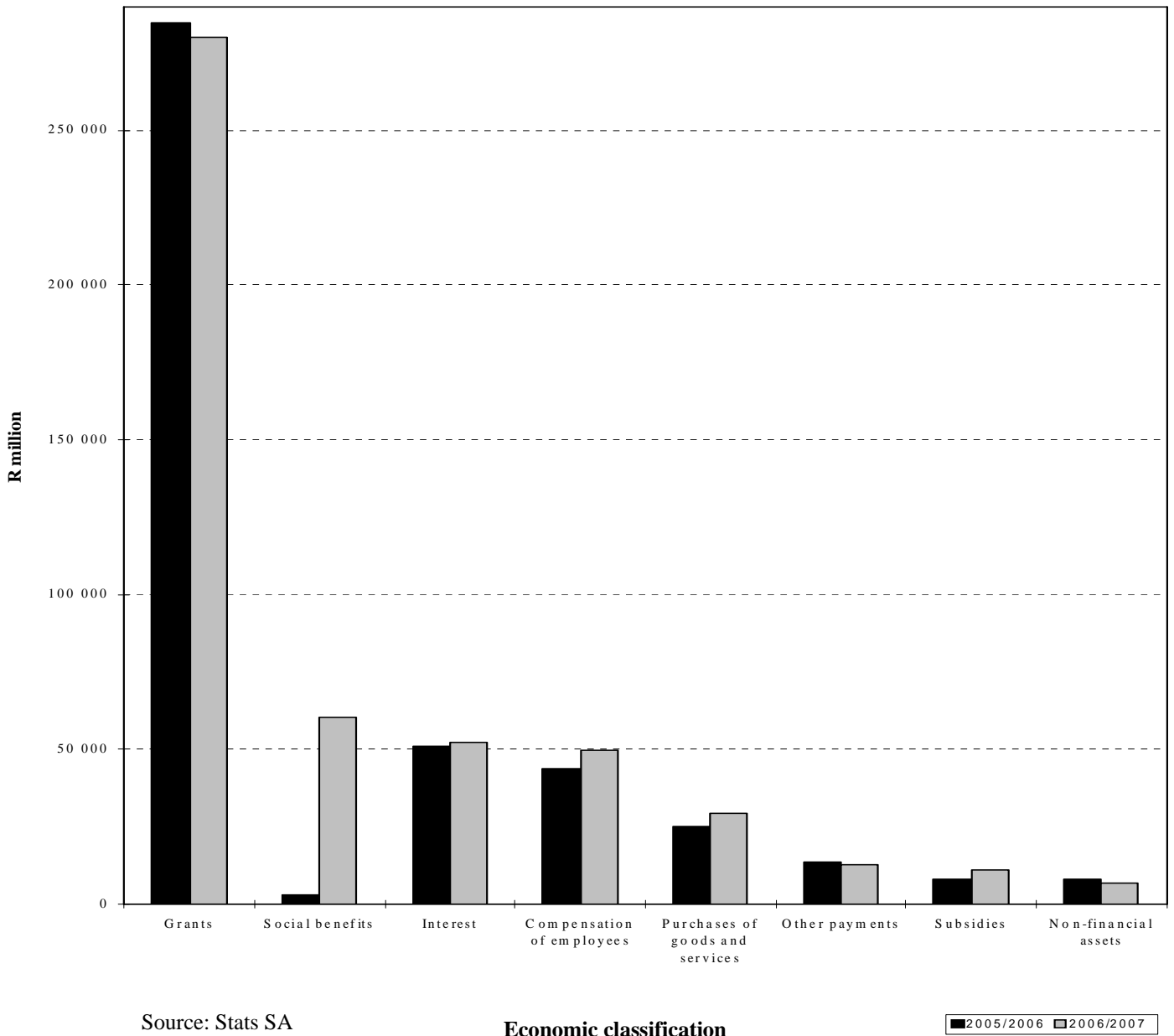
		2005/2006	2006/2007	Annual percentage change
		R million	R million	
Cash flows from operating activities:				
Cash receipts from operating activities	a	429 547	507 627	18,2
Taxes		416 607	494 880	18,8
Social contributions		0	0	0,0
Grants		748	964	28,9
Other receipts		12 192	11 782	-3,4
Cash payments for operating activities:				
Compensation of employees	b	428 479 *	495 238	15,6
Purchases of goods and services		43 827 *	49 619	13,2
Interest		24 722 *	29 217	18,2
Subsidies		50 872 *	52 164	2,5
Grants		8 030 *	11 097	38,2
Social benefits		284 864 *	280 096	-1,7
Other payments		2 923 *	60 290	1 962,6
		13 242 *	12 754	-3,7
<i>Net cash flow from operating activities</i>	(a-b) = c	<i>1 068 *</i>	<i>12 389</i>	<i>1 060,0</i>
Cash flows from investments in non-financial assets:				
Purchases of non-financial assets	d	7 866 *	6 523	-17,1
Fixed assets		7 866 *	6 183	-21,4
Strategic stocks		0	0	0,0
Valuables		1 *	1	0,0
Non-produced assets		0	340	340 ²
Sales of non-financial assets:				
Fixed assets	e	80	39	-51,3
Strategic stocks		29	8	-72,4
Valuables		0	0	0,0
Non-produced assets		0	0	0,0
		51	31	-39,2
<i>Net cash outflow from investments in non-financial assets</i>	(e-d) = f	<i>-7 786 *</i>	<i>-6 484</i>	<i>16,7</i>
CASH SURPLUS/(DEFICIT)	(c+f) = g	-6 718 *	5 905	187,9
Cash flows from financing activities:				
Net acquisition of financial assets other than cash	h	143	160	11,9
Domestic		0	0	0,0
Foreign		143	160	11,9
Net incurrence of liabilities:				
Domestic	i	28 851	6 166	-78,6
Foreign		27 881	4 223	-84,9
		970	1 943	100,3
<i>Net cash inflow from financing activities</i>	(i-h) = j	<i>28 708</i>	<i>6 006</i>	<i>-79,1</i>
NET CHANGE IN THE STOCK OF CASH	(g+j) = k	21 990 *	11 911	-45,8

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

² Nominal value, as the change cannot be calculated meaningfully.

* The figures have been revised.

Figure 1 – Economic classification of the cash payments for operating activities and purchases of non-financial assets for the 2005/2006 and 2006/2007 fiscal years



Functional classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund and donor funds received

Functional classification of expenditure measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote government objectives and various services rendered to the community. The functionally classified expenditure categories are indicated in Table B, page 8. 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.

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

Total cash payments for operating activities and purchases of non-financial assets (functionally classified) from the National Revenue Fund and donor funds increased by 15,0% from R436 345 million in 2005/2006 to R501 762 million in 2006/2007 fiscal year.

The largest contributor to the total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R501 762 million from the National Revenue Fund and donor funds for the 2006/2007 fiscal year was transfers of a general character between different levels of government institutions and funds (R174 308 million) contributing 34,7% (mainly to provincial governments to defray their expenditure on general government services) to total expenditure; followed by total social protection (R63 827 million) contributing 12,7%; interest on state debt (R52 164 million or 10,4%); total public order and safety (R49 149 million or 9,8%); executive and legislative services; financial and fiscal affairs, foreign affairs other than foreign aid (R40 276 million or 8,0%); total economic affairs (R36 091 million or 7,2%); defence (R26 619 million or 5,3%); total housing and community amenities (R17 394 million or 3,5%); total education (R14 545 million or 2,9%); total health (R11 484 million or 2,3%); general services (R8 306 million or 1,7%); total recreation, culture and religion (R2 832 million or 0,6%); basic research (R2 668 million or 0,5%); and total environmental protection (R1 417 million or 0,3%) (see Table B, p. 8, columns 3 and 5, and Figure 2, p. 9).

The increase of 173,5% in cash payments on foreign economic aid from R245 million in 2005/2006 to R670 million in 2006/2007 was mainly due to transfer payments to international institutions.

The increase of 113,0% in cash payments on total communication from R792 million in 2005/2006 to R1 687 million in 2006/2007 was mainly due to a subsidy to InfraCo.

The increase of 46,8% in cash payments on total executive and legislative and fiscal affairs from R27 431 million in 2005/2006 to R40 276 million in 2006/2007 was mainly due to increase in payments to the Southern African Customs Union.

The increase of 36,4% in cash payments on total recreation, culture and religion from R2 077 million in 2005/2006 to R2 832 million in 2006/2007 was mainly due to grant payments to municipalities.

The increase of 28,0% in cash payments on basic research from R2 085 million in 2005/2006 to R2 668 million in 2006/2007 was mainly due to increased cash payments by the Department of Science and Technology.

The increase of 26,5% in cash payments on total economic affairs from R28 541 million in 2005/2006 to R36 091 million in 2006/2007 was mainly due to an increase in transfers by the Department of Transport.

The increase of 17,9% in cash payments on transfers of a general character between different levels of government from R147 828 million in 2005/2006 to R174 308 million in 2006/2007 was mainly due to grants to provincial governments.

The decrease of 3,9% in cash payments on defence from R27 701 million in 2005/2006 to R26 619 million in 2006/2007 was mainly due to less transfer payments to Denel.

Table B – Functional classification of the cash payments for operating activities and purchases of non-financial assets for the 2005/2006 and 2006/2007 fiscal year (Summary) ¹

Type of service	2005/2006	2006/2007	Annual percentage change	Percentage of total cash payments
	R million	R million		2006/2007
General government services				
General public services				
Executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid	27 431	40 276	46,8	8,0
Foreign economic aid	245	670	173,5	0,1
General services	7 694 *	8 306	8,0	1,7
Basic research	2 085	2 668	28,0	0,5
General public services n.e.c.	10 *	13	30,0	0,0
Public debt transactions (mainly interest)	50 866 *	52 164	2,6	10,4
Transfers of a general character between different levels of government	147 828	174 308	17,9	34,7
Total general public services a	236 158 *	278 405	17,9	55,5
Defence b	27 701	26 619	-3,9	5,3
Public order and safety				
Police	29 642	32 748	10,5	6,5
Fire protection services	0	0	0,0	0,0
Prisons	9 510	9 254	-2,7	1,8
Law courts	6 313	7 147	13,2	1,4
Total public order and safety c	45 465	49 149	8,1	9,8
Economic affairs				
General economic, commercial and labour affairs	4 447 *	5 218	17,3	1,0
Agriculture, forestry, fishing and hunting	5 047 *	6 171	22,3	1,2
Fuel and energy	2 269	3 238	42,7	0,6
Mining, manufacturing and construction	3 595	4 141	15,2	0,8
Transport	10 628	13 534	27,3	2,7
Communications	792	1 687	113,0	0,3
Other industries	970	1 173	20,9	0,2
Economic affairs n.e.c.	793 *	929	17,2	0,2
Total economic affairs d	28 541	36 091	26,5	7,2
Environmental protection e	1 417	1 417	0,0	0,3
Housing and community amenities f	14 264	17 394	21,9	3,5
Health g	9 921	11 484	15,8	2,3
Recreation, culture and religion h	2 077 *	2 832	36,4	0,6
Education i	12 777 *	14 545	13,8	2,9
Social protection j	58 024 *	63 827	10,0	12,7
Total general government cash payments for operating activities and purchases of non-financial assets (k=a+b+c+d+e+f+g+h+i+j) k	436 345	501 762	15,0	100,0

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

* The figures have been revised.

Figure 2 – Functional classification of the cash payments for operating activities and purchases of non-financial assets from the National Revenue Fund and donor funds received for the 2005/2006 and 2006/2007 fiscal years

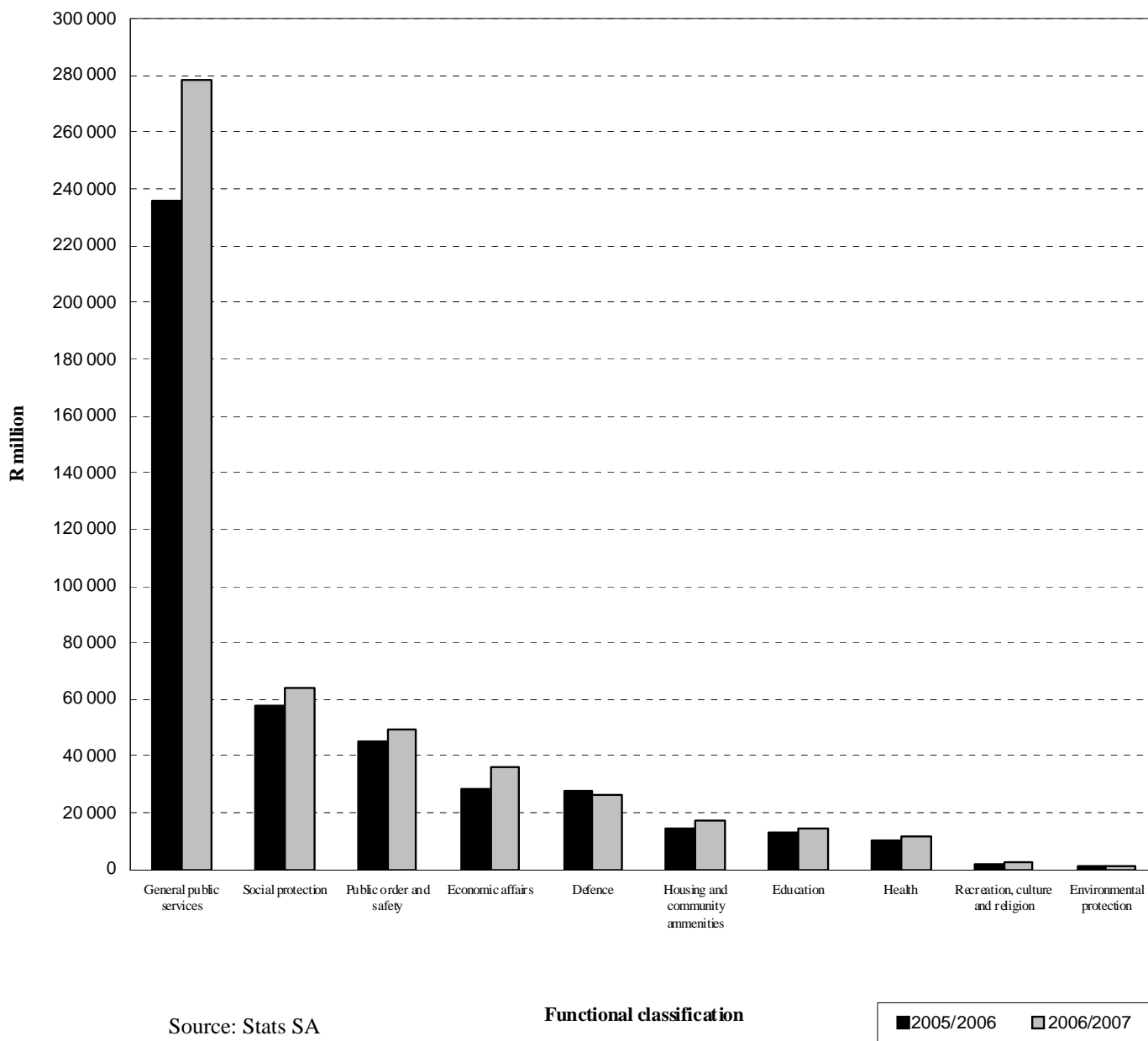


Table C - Transactions from the National Revenue Fund and donor funds for the 2005/2006 and 2006/2007 fiscal years*

Transactions	2005/2006 R' 000	2006/2007 R' 000
Vote expenditure	224 889 008	260 488 330
Fixed statutory appropriations	191 749 581	209 573 608
Standing appropriations		
International Development Association	21 584	55 395
Donor funds**	890 757	1 111 720
SACU payments	14 144 921	25 194 939
Other amounts appropriated		
Exchange rate loss	14 779	871 792
Premium paid on Government Debt Portfolio	0	2 622
Losses on the Gold and Foreign Exchange Contingency Reserve Account	4 539 207	0
Other expenditure	238 769	380 202
Direct Exchequer payments Saambou Agreement	0	3 777 957
Restructuring on government debt portfolio	0	418 911
Direct Exchequer payments: DBSA Loans granted to TBVC	0	6 687
Recovery of criminal assets in terms of Section S68	0	40 100
Total expenditure	436 488 606¹	501 922 263¹

* Sources: Auditor-General and National Treasury.

** Sources: Auditor-General and the RDP Fund 2006/2007. This amount includes surrender of donor funds to foreign donors.

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

Remarks on certain items in Table C

Fixed statutory appropriations consist of amounts forming a direct charge on the National Revenue Fund, including transfers to provincial governments by the National Treasury, commitments in respect of state debt and loans by community councils, salaries of the President and the Deputy President, salaries and allowances of office bearers and other members of the National Assembly and the National Council of Provinces, and judges' salaries and allowances.

Notes

Forthcoming issues	Issue	Expected release date
	Financial statistics of national government for 2007/2008	30 June 2009
Purpose of this statistical release	This statistical release provides financial statistics of cash transactions of national government. Cash payments defrayed from the National Revenue Fund for operating activities and purchases of non-financial assets for the 2006/2007 fiscal year were classified economically and functionally.	
Expected changes in next issue	No changes are expected.	

P J Lehohla
Statistician-General

Table D - Statement of sources and uses of cash from the year 2006/2007

	R '000
Table 1 Cash receipts from operating activities	507 626 628
11 Taxes	494 880 200
12 Social contributions	0
13 Grants	964 194
14 Other receipts	11 782 234

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 2 Cash payments for operating activities							TOTAL (21 - 28) R '000
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
		R '000	R '000	R '000	R '000	R '000	R '000	R '000	
70	GENERAL GOVERNMENT SERVICES	49 619 364	29 217 428	52 163 573	11 097 424	280 096 369	60 290 359	12 753 952	495 238 469
701	GENERAL PUBLIC SERVICES	4 211 232	4 863 181	52 163 573	336 409	208 755 431	397 282	6 396 775	277 123 883
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	1 899 550	1 975 699	0	3 101	30 538 797	388 905	5 235 377	40 041 429
7012	Foreign economic aid	0	0	0	258 308	411 734	0	0	670 042
7013	General services	2 225 829	2 786 910	0	75 000	1 494 875	8 377	814 366	7 405 357
7014	Basic research	83 743	89 772	0	0	2 002 000	0	347 028	2 522 543
7015	R&D General public services	2 110	10 800	0	0	0	0	4	12 914
7016	General public services n.e.c.	0	0	0	0	0	0	0	0
7017	Public debt transactions (mainly interest)	0	0	52 163 573	0	0	0	0	52 163 573
7018	Transfers of a general character between different levels of government	0	0	0	0	174 308 025	0	0	174 308 025
702	DEFENCE	9 038 766	5 472 976	0	396 286	10 511 544	191 374	573 719	26 184 665
7021	Military defence	9 038 766	5 296 256	0	396 286	8 288 458	191 374	573 719	23 784 859
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	165 480	0	0	0	0	0	165 480
7025	Defence n.e.c.	0	11 240	0	0	2 223 086	0	0	2 234 326
703	PUBLIC ORDER AND SAFETY	31 993 323	12 001 749	0	0	904 254	188 337	186 922	45 274 585
7031	Police services	22 691 466	7 376 318	0	0	101 239	122 381	153 493	30 444 897
7032	Fire protection services	0	0	0	0	0	0	0	0
7033	Law courts	3 695 235	1 961 635	0	0	799 833	48 563	10 152	6 515 418
7034	Prisons	5 606 622	2 663 796	0	0	3 182	17 393	23 277	8 314 270
7035	R&D Public order and safety	0	0	0	0	0	0	0	0
7036	Public order and safety n.e.c.	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 2 Cash payments for operating activities							TOTAL (21 - 28)
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
Functional classification		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	2 400 746	3 392 309	0	10 010 957	14 720 795	161 058	4 864 776	35 550 641
7041	General economic, commercial and labour affairs	760 784	1 144 604	0	635 440	2 498 475	2 113	122 217	5 163 633
7042	Agriculture, forestry, fishing and hunting	1 117 617	1 144 008	0	245 177	623 904	8 034	2 568 038	5 706 778
7043	Fuel and energy	48 221	75 963	0	1 727 543	490 901	225	893 805	3 236 658
7044	Mining, manufacturing and construction	240 824	236 265	0	981 759	2 665 720	2 094	5 992	4 132 654
7045	Transport	95 354	500 494	0	5 302 059	6 412 168	487	1 221 103	13 531 665
7046	Communication	70 134	160 265	0	1 118 479	320 825	0	10 940	1 680 643
7047	Other industries	25 209	37 913	0	500	917 906	148 048	42 191	1 171 767
7048	R&D Economic affairs	42 603	92 797	0	0	790 896	57	490	926 843
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	252 118	302 074	0	0	590 801	257 153	3 176	1 405 322
7051	Waste management	45 071	47 344	0	0	115 265	125 059	654	333 393
7052	Waste water management	5 388	17 994	0	0	0	0	4	23 386
7053	Pollution abatement	14 432	31 806	0	0	138	355	460	47 191
7054	Protection of biodiversity and landscape	167 694	177 123	0	0	467 047	131 717	1 403	944 984
7055	R&D Environmental protection	0	0	0	0	0	0	0	0
7056	Environmental protection n.e.c.	19 533	27 807	0	0	8 351	22	655	56 368
706	HOUSING AND COMMUNITY AMENITIES	1 050 285	1 811 892	0	118 897	14 174 852	21 515	125 269	17 302 710
7061	Housing development	75 066	176 116	0	35 000	6 851 419	0	50 305	7 187 906
7062	Community development	39 096	48 866	0	0	5 951 812	224	540	6 040 538
7063	Water supply	934 715	1 585 673	0	83 897	1 371 621	21 291	74 423	4 071 620
7064	Street lighting	0	0	0	0	0	0	0	0
7065	R&D Housing and community amenities	1 408	1 237	0	0	0	0	1	2 646
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 2 Cash payments for operating activities							TOTAL (21 - 28)
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
Functional classification		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
707	HEALTH	231 730	454 170	0	0	10 588 201	697	139 745	11 414 543
7072	Outpatient services	0	0	0	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0	0	0	0
7073	Hospital services	9 162	7 274	0	0	8 028 652	136	7	8 045 231
7074	Public health services	125 222	302 997	0	0	1 616 214	393	117 000	2 161 826
7075	R&D Health	0	0	0	0	261 670	0	0	261 670
7076	Health n.e.c.	97 346	143 899	0	0	681 665	168	22 738	945 816
708	RECREATION, CULTURE AND RELIGION	116 700	234 603	0	234 875	1 648 303	561	392 288	2 627 330
7081	Recreational and sporting services	30 085	79 371	0	0	725 830	246	49 260	884 792
7082	Cultural services	65 566	119 129	0	0	700 707	193	184 019	1 069 614
7083	Broadcasting and publishing services	3 960	5 441	0	234 875	201 538	43	134	445 991
7084	Religious and other community services	0	0	0	0	20 228	0	0	20 228
7085	R&D Recreation, cultural and religion	0	0	0	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	17 089	30 662	0	0	0	79	158 875	206 705
709	EDUCATION	207 019	479 019	0	0	13 826 485	5 546	21 258	14 539 327
7091	Pre-primary and primary education	2 167	399	0	0	1 098 036	0	2	1 100 604
7092	Secondary education	0	0	0	0	0	0	0	0
7093	Post-secondary non-tertiary education (e.g. ABET)	0	0	0	0	0	0	0	0
7094	Tertiary education	0	0	0	0	10 985 688	0	0	10 985 688
7095	Education not definable by level	0	0	0	0	123 508	0	0	123 508
7096	Subsidiary services to education	0	0	0	0	0	0	0	0
7097	R&D Education	0	0	0	0	0	0	0	0
7098	Education n.e.c.	204 852	478 620	0	0	1 619 253	5 546	21 256	2 329 527

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 2 Cash payments for operating activities							TOTAL (21 - 28)
		21 Compensation of employees	22 Purchases of goods and services	24 Interest	25 Subsidies	26 Grants	27 Social benefits	28 Other payments	
Functional classification		R '000	R '000	R '000	R '000	R '000	R '000	R '000	R '000
710	SOCIAL PROTECTION	117 445	205 455	0	0	4 375 703	59 066 836	50 024	63 815 463
7101	Sickness and disability	2 204	5 936	0	0	52 488	14 254 177	563	14 315 368
7102	Old age	1 680	28 853	0	0	1 688	22 101 228	751	22 134 200
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	7 888	6 309	0	0	0	20 410 436	105	20 424 738
7105	Unemployment	0	0	0	0	0	0	0	0
7106	Housing	0	0	0	0	0	0	0	0
7107	Social exclusion n.e.c.	2 342	3 436	0	0	0	0	1	5 779
7108	R&D Social protection	4 075	5 411	0	0	375	0	102	9 963
7109	Social protection n.e.c.	99 256	155 510	0	0	4 321 152	2 300 995	48 502	6 925 415

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
70	GENERAL GOVERNMENT SERVICES	6 182 921	0	569	339 970	6 523 460
701	GENERAL PUBLIC SERVICES	1 280 500	0	454	0	1 280 954
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	233 758	0	454	0	234 212
7012	Foreign economic aid	0	0	0	0	0
7013	General services	901 040	0	0	0	901 040
7014	Basic research	145 606	0	0	0	145 606
7015	R&D General public services	96	0	0	0	96
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	434 245	0	0	0	434 245
7021	Military defence	415 414	0	0	0	415 414
7022	Civil defence	0	0	0	0	0
7023	Foreign military aid	0	0	0	0	0
7024	R&D Defence	18 831	0	0	0	18 831
7025	Defence n.e.c.	0	0	0	0	0
703	PUBLIC ORDER AND SAFETY	3 874 613	0	115	0	3 874 728
7031	Police services	2 303 378	0	0	0	2 303 378
7032	Fire protection services	0	0	0	0	0
7033	Law courts	631 865	0	115	0	631 980
7034	Prisons	939 370	0	0	0	939 370
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

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	200 101	0	0	339 970	540 071
7041	General economic, commercial and labour affairs	54 211	0	0	0	54 211
7042	Agriculture, forestry, fishing and hunting	124 352	0	0	339 742	464 094
7043	Fuel and energy	1 642	0	0	45	1 687
7044	Mining, manufacturing and construction	7 783	0	0	183	7 966
7045	Transport	2 453	0	0	0	2 453
7046	Communication	6 568	0	0	0	6 568
7047	Other industries	1 152	0	0	0	1 152
7048	R&D Economic affairs	1 940	0	0	0	1 940
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	11 363	0	0	0	11 363
7051	Waste management	2 479	0	0	0	2 479
7052	Waste water management	220	0	0	0	220
7053	Pollution abatement	2 642	0	0	0	2 642
7054	Protection of biodiversity and landscape	4 262	0	0	0	4 262
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	1 760	0	0	0	1 760
706	HOUSING AND COMMUNITY AMENITIES	91 523	0	0	0	91 523
7061	Housing development	4 040	0	0	0	4 040
7062	Community development	2 155	0	0	0	2 155
7063	Water supply	85 162	0	0	0	85 162
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	166	0	0	0	166
7066	Housing and community amenities n.e.c.	0	0	0	0	0

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification Functional classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
707	HEALTH	69 297	0	0	0	69 297
7072	Outpatient services	0	0	0	0	0
70724	Ambulance services	0	0	0	0	0
7073	Hospital services	1 397	0	0	0	1 397
7074	Public health services	8 527	0	0	0	8 527
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	59 373	0	0	0	59 373
708	RECREATION, CULTURE AND RELIGION	204 443	0	0	0	204 443
7081	Recreational and sporting services	1 756	0	0	0	1 756
7082	Cultural services	201 942	0	0	0	201 942
7083	Broadcasting and publishing services	280	0	0	0	280
7084	Religious and other community services	0	0	0	0	0
7085	R&D Recreation, cultural and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	465	0	0	0	465
709	EDUCATION	5 458	0	0	0	5 458
7091	Pre-primary and primary education	0	0	0	0	0
7092	Secondary education	0	0	0	0	0
7093	Post-secondary non-tertiary education (e.g. ABET)	0	0	0	0	0
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.	5 458	0	0	0	5 458

Table D - Statement of sources and uses of cash for the year 2006/2007

Economic classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
710	SOCIAL PROTECTION	11 378	0	0	0	11 378
7101	Sickness and disability	84	0	0	0	84
7102	Old age	52	0	0	0	52
7103	Survivors	0	0	0	0	0
7104	Family and children	98	0	0	0	98
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	13	0	0	0	13
7108	R&D Social protection	134	0	0	0	134
7109	Social protection n.e.c.	10 997	0	0	0	10 997

Table D - Statement of sources and uses of cash for the year 2006/2007

	R '000
Table 4 Sale of non-financial assets	38 815
311 Fixed assets	7 536
312 Strategic stocks	0
313 Valuables	0
314 Non-produced assets	31 279

Table D - Statement of sources and uses of cash for the year 2006/2007

	R '000
Table 5 Net acquisition of financial assets other than cash	160 334
321 Domestic	0
322 Foreign	160 334

Table D - Statement of sources and uses of cash for the year 2006/2007

	R '000
Table 6 Net incurrence of liabilities	6 165 799
331 Domestic	4 223 263
332 Foreign	1 942 536

Annexure A: Information on disaggregated tables available on the Stats SA website**Tables**

Table 1	Economic classification of cash receipts from operating activities for the 2006/2007 fiscal year
Table 2	Economic and functional classification of cash payments for operating activities for the 2006/2007 fiscal year
Table 3	Economic and functional classification of the purchases of non-financial assets for the 2006/2007 fiscal year
Table 4	Economic classification of the sales of non-financial assets for the 2006/2007 fiscal year
Table 5	Economic classification of the net acquisition of financial assets other than cash for 2006/2007 fiscal year
Table 6	Economic classification of the net incurrence of liabilities for the 2006/2007 fiscal year
Table 7	Economic and functional classification of cash payments from operating activities for the 2006/2007 fiscal year: Government consumption cash payments divided between individual and collective services
Table 8	Economic and functional classification of cash payments from operating activities for the 2006/2007 fiscal year: Subsidies paid divided between subsidies on products and subsidies on production

Explanatory notes

Introduction

This statistical release includes economic and functional classifications of the cash payments from the National Revenue Fund and donor funds for the 2006/2007 fiscal year.

The National Revenue Fund refers to the votes of the national departments as well as fixed statutory appropriations and standing appropriations.

Donor funds mainly consist of donations from other countries and foreign institutions.

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

Methodology

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

The information is processed from the bookkeeping systems of national departments. The total expenditure of each department corresponds with the totals published by the Auditor-General.

The transactions between the national departments have not been eliminated but are shown as transfers to national departments. These kinds of transactions consist mainly of state attorney services rendered by the Department of Justice.

Donor funding not used and surrendered back to the donor was shown as surrender of donor funds to foreign countries (transfer to foreign countries).

Scope of the financial statistics of national departments

The cash payment transactions of the following votes (including fixed statutory appropriations and standing appropriations) have been classified economically and functionally.

The cash payments of the following votes have been included in the tables:

- Agriculture
- Arts and Culture
- Communication
- Correctional Services
- Defence
- Education
- Environmental Affairs and Tourism
- Foreign Affairs
- Government Communication and Information System
- Health
- Home Affairs
- Housing
- Independent Complaints Directorate

- Justice and Constitutional Development
- Labour
- Land Affairs
- Minerals and Energy
- National Treasury
- Parliament
- Presidency
- Provincial and Local Government
- Public Enterprises
- Public Service and Administration
- Public Service Commission
- Public Works
- Safety and Security
- Science and Technology
- Social Development
- SA Management Development Institute
- Sport and Recreation
- Statistics South Africa
- Trade and Industry
- Transport
- Water Affairs and Forestry

Classification

Cash payments for operating activities and non-financial assets in this statistical release are classified economically and functionally according to the standard classification of the 2001 GFS manual of the International Monetary Fund.

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

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

- **Cash receipts from operating activities**

Taxes
Social contributions
Grants
Other receipts

- **Cash payments for operating activities**

Compensation of employees (excluding capitalised remuneration)
Purchases of goods and services
Interest
Subsidies
Grants
Social benefits
Other payments

- **Purchases of non-financial assets (including capitalised remuneration)**

- Fixed assets
- Strategic stocks
- Valuables
- Non-produced assets

- **Sales of non-financial assets**

- Fixed assets
- Strategic stocks
- Valuables
- Non-produced assets

- **Net acquisition of financial assets other than cash**

- Domestic
- Foreign

- **Net incurrence of liabilities**

- Domestic
- Foreign

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

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

- **General public services**

- Executive and legislative services, financial and fiscal affairs, external affairs
- Foreign economic aid
- General services
- Basic research
- R&D General public services
- General public services n.e.c.
- Public debts transactions
- Transfers of a general character between different levels of government

- **Defence**

- Military defence
- Civil defence
- Foreign military aid
- R&D defence
- Defence n.e.c.

- **Public order and safety**

- Police services
- Fire protection services
- Law courts
- Prisons
- R&D Public order and safety
- Public order and safety n.e.c.

- **Economic affairs**

- General economic, commercial and labour affairs
- Agriculture, forestry, fishing and hunting
- Fuel and energy
- Mining, manufacturing and construction
- Transport
- Communication
- Other industries
- R&D Economic affairs
- Economic affairs n.e.c.

- **Environmental protection**

- Waste management
- Waste water management
- Pollution abatement
- Protection of biodiversity and landscape
- R&D Environmental protection
- Environmental protection n.e.c.

- **Housing and community amenities**

- Housing development
- Community development
- Water supply
- Street lighting
- R&D Housing and community amenities
- Housing and community amenities n.e.c.

- **Health**

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

- **Recreation, culture and religion**

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

- **Education**

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

- **Social protection**

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

Individual and collective services

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

Comparability with previous year

For the first time this statistical release includes annual percentage changes from the previous year (2005/2006) for the categories of cash flows from operating activities, cash flows from investments in non-financial assets and cash flows from financing activities. Annual percentage changes for the functional classifications are also provided.

Related publications

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

- P9101 *Capital expenditure by the public sector;*
- P9102 *Financial statistics of extra-budgetary accounts and funds;*
- P9103.1 *Financial statistics of higher education institutions*
- P9114 *Financial census of municipalities;*
- P9121 *Financial statistics of provincial government;*
- P9119.4 *Financial statistics of consolidated general government.*

Symbols and abbreviations

GFS	Government Finance Statistics, 2001
IMF	International Monetary Fund
NPISH	Non-profit institutions serving households
RDP	Reconstruction and Development Programme
SA	South Africa
SARS	South African Revenue Service
SDR	Special Drawing Rights
SITA	State Information Technology Agency
SNA	System of National Accounts, 1993
Stats SA	Statistics South Africa

Glossary

Accrual basis of recording	Accrual basis of recording means that flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
Annual percentage change	The annual percentage change is the difference between the amount of a specific item for the current year and the previous year expressed as a percentage of the amount of the same item for the previous year.
Cash basis of recording	Cash basis of recording means that transactions are captured when cash is received or when cash payments are made.
Collective services	Collective services refer to the services provided collectively to the community and are particularly applicable on services such as general administration, public order and safety and economic services.
Compensation of employees	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except for work connected with own account capital formation. It includes both wages and salaries and social contributions.
Economic classification	Economic classification is a measure of the nature and economic effect of government operations on the economy of the country.
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, monetary gold and Special Drawing Rights (SDRs) allocated by the International Monetary Fund (IMF).
Financial institutions	Financial institutions are units primarily engaged in both incurring liabilities and acquiring financial assets in the market. Financial institutions may be entirely or mainly owned and/or controlled by government in which case they are regarded as public financial institutions. It is the prime function of financial institutions to act as intermediaries.
Functional classification	Functional classification of expenditure measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote various services and objectives rendered to the community.
GFS Manual (2001)	The manual describes a specialized macroeconomic statistical system (Government Finance Statistics system) designed to support fiscal analysis.
Grants	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation.
Household	Household may be defined as individuals or a small group of persons who share the same living accommodation.

Individual services	Individual services refer to services rendered to individuals or a small group of persons. This category applies particularly to community and social services for example education, health and welfare.
Liabilities	Liabilities are obligations to provide economic benefits to the units holding the corresponding financial claims.
Machinery and equipment	Machinery and equipment include motor vehicles, ships, aircraft, equipment and furniture.
Non-financial public corporations	Non-financial public corporations are government owned and/or controlled units, which sell industrial or commercial goods and services to the public on a large scale.
Non-produced assets	Non-produced assets consist of tangible, natural occurring assets over which ownership is enforced. Natural occurring assets include land, subsoil assets and other naturally occurring assets.
Non-profit institutions serving households (NPISH)	NPISH are non-profit institutions which are mainly engaged in non-market production and serve households.
Non-residential buildings	Non-residential buildings are buildings other than residential buildings and include hospitals, offices and office blocks, warehouses, laboratories, workshops, etc.
Residential buildings	Residential buildings are buildings that are used entirely or primarily as residences and include flats, hostels and nursing homes.
Social benefits	Social benefits are defined as transfers to protect the entire population or specific segments of the population against certain social risks.
Standing appropriations	Standing appropriations are government's expenditure obligations that do not require a vote or statutory provisions, including contractual guarantee commitments and international agreements.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Subsidies are current unrequited payments that government units pay to enterprises on the basis of the quantities or values of the goods and services, which they produce, sell or import.
Subsidies on production	Subsidies on production are payments which resident enterprises may receive as a consequence of engaging in production.
Subsidies on products	Subsidies on products are payments made per unit of good or service.
Tax revenue (taxes)	Tax revenue is composed of compulsory transfers to the general government sector. Certain compulsory transfers, such as fines and penalties, are excluded from tax revenue.
Valuables	Valuables are produced goods of considerable value acquired and held primarily as store of value and not used primarily for purposes of production or consumption.

Vote	Vote is an appropriation voted by parliament.
Wages and salaries	Wages and salaries include primarily basic wages, salaries, services and other bonuses, allowances (including car allowances), overtime payments and housing subsidies.

General information

Stats SA publishes approximately 300 different releases each year. It is not economically viable to produce them in more than one of South Africa's eleven official languages. Since the releases are used extensively, not only locally but also by international economic and social-scientific communities, Stats SA releases are published in English only.

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