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Financial statistics of provincial government

2006/2007

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Key findings

Net change in the stock of cash from the provincial revenue funds and donor funds amounted to R292 million for the 2006/2007 fiscal year

Cash receipts from operating activities amounted to R186 243 million and cash payments for operating activities amounted to R165 721 million, resulting in a net cash inflow from operating activities of R20 522 million for the 2006/2007 fiscal year ending 31 March 2007. Purchases of non-financial assets amounted to R20 340 million for 2006/2007. Sales of non-financial assets amounted to R110 million for the 2006/2007 fiscal year, resulting in a net cash outflow from investments in non-financial assets of R20 230 million. The total net change in the stock of cash from provincial revenue funds and donor funds amounted to R292 million for the 2006/2007 fiscal year (see Table A, p.4).

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

The provincial revenue funds refer to the votes of the provincial governments and fixed statutory appropriations. Economic classification of expenditure is in general a measure of the nature and economic effect of government operations on the economy of a country. Seven main economically classified cash payments for operating activities categories exist and these are compensation of employees; purchases of goods and services; interest; subsidies; grants; social benefits; and other payments.

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

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

Cash receipts from operating activities decreased by 13,6% from R215 542 million in 2005/2006 to R186 243 million in 2006/2007, mainly due to the decrease in grants received.

The largest contributor to total cash receipts from operating activities for the 2006/2007 fiscal year was grants (R178 330 million), followed by taxes (R4 622 million) and other receipts (R3 291 million).

Cash payments for operating activities decreased by 17,7% from R201 450 million in 2005/2006 to R165 721 million in 2006/2007, mainly due to the decrease in social benefits. (The function was transferred to national government.)

The largest contributor to total cash payments for operating activities (economically classified) for the 2006/2007 fiscal year was compensation of employees (R104 281 million), followed by purchases of goods and services (R42 261 million), other payments (R11 262 million), grants (R4 664 million), subsidies (R2 548 million), social benefits (R703 million), and interest (R2 million) (see Table A, p.4 and Figure 1, p.5).

The increase of 24,7% in subsidies from R2 044 million in 2005/2006 to R2 548 million in 2006/2007 was mainly due to increased subsidy payments made by the Eastern Cape and KwaZulu-Natal provincial governments.

The increase of 20,8% in other payments from R9 321 million in 2005/2006 to R11 262 million in 2006/2007 was mainly due to increased capital transfers to households made by the KwaZulu-Natal, Gauteng and Limpopo provincial governments.

The decrease of 98,6% in social benefits from R51 393 million in 2005/2006 to R703 million in 2006/2007 was mainly due to social assistance benefits, which shifted from provincial government to the national government with effect from 1 April 2006.

The largest contributor to purchases of non-financial assets was fixed assets (R20 266 million), followed by non-produced assets (R73 million).

The increase of 49,3% in purchases of non-financial assets from R13 621 million in 2005/2006 to R20 340 million in 2006/2007 was mainly due to increased spending by the Gauteng provincial government on other constructions.

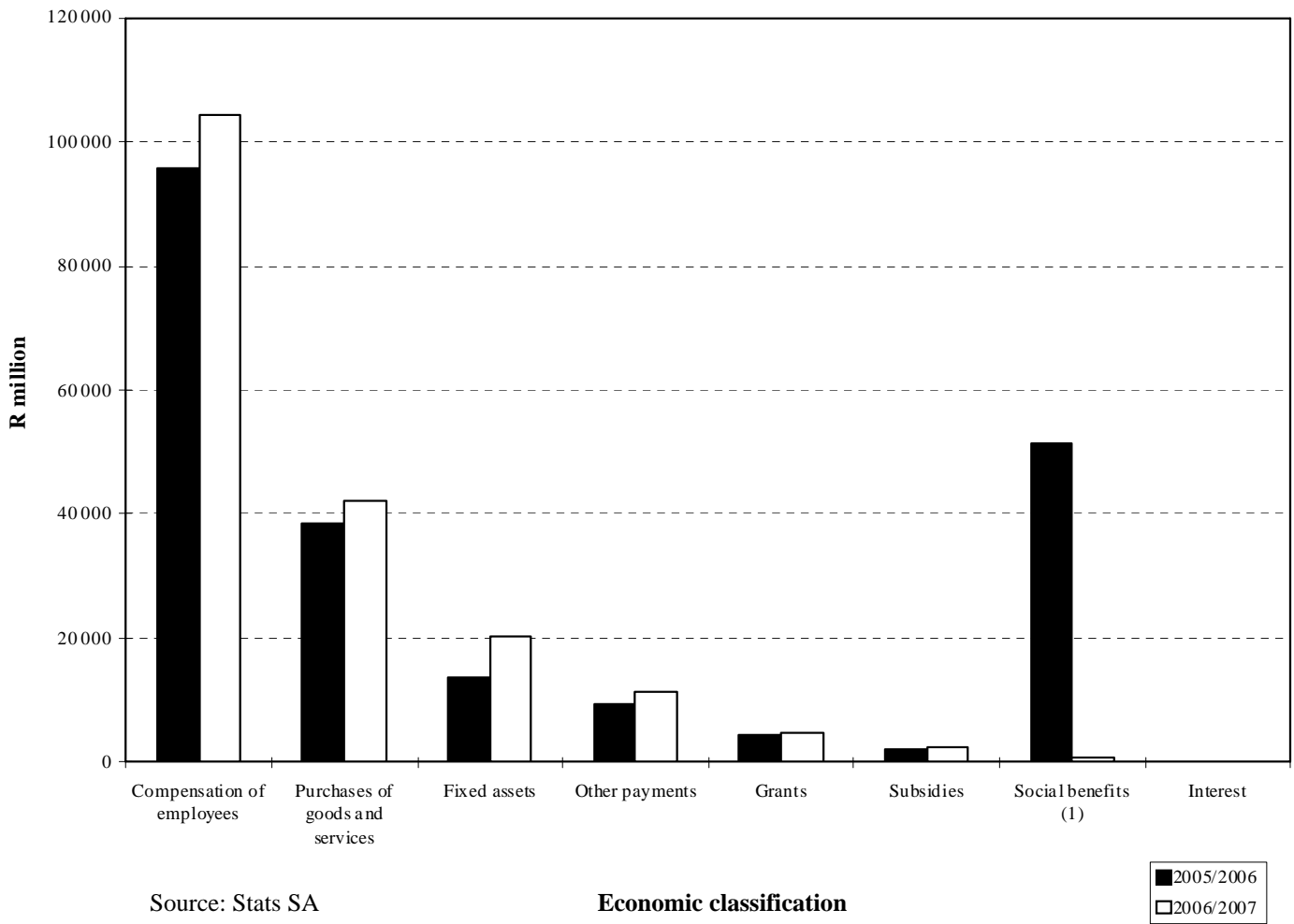
Table A – Economic classification of statement of sources and uses of cash of provincial government for the 2005/2006 and 2006/2007 fiscal years (Summary)¹

		2005/2006	2006/2007	Annual percentage change
		R million	R million	
Cash flows from operating activities:				
Cash receipts from operating activities	a	215 542 *	186 243	-13,6
Taxes		4 061	4 622	13,8
Social contributions		0	0	0,0
Grants		208 280 *	178 330	-14,4
Other receipts		3 201 *	3 291	2,8
Cash payments for operating activities:	b	201 450 *	165 721	-17,7
Compensation of employees		95 693 *	104 281	9,0
Purchases of goods and services		38 534 *	42 261	9,7
Interest		2	2	0,0
Subsidies		2 044	2 548	24,7
Grants		4 463 *	4 664	4,5
Social benefits		51 393	703	-98,6
Other payments		9 321 *	11 262	20,8
<i>Net cash flow from operating activities: (outflow)/inflow</i>	(a-b) = c	<i>14 092 *</i>	<i>20 522</i>	<i>45,6</i>
Cash flows from investments in non-financial assets:				
Purchases of non-financial assets	d	13 621 *	20 340	49,3
Fixed assets		13 412 *	20 266	51,1
Strategic stocks		0	0	0,0
Valuables		1	2	100,0
Non-produced assets		208	73	-64,9
Sales of non-financial assets	e	116	110	-5,2
Fixed assets		76	83	9,2
Strategic stocks		0	0	0,0
Valuables		0	0	0,0
Non-produced assets		40	26	-35,0
<i>Net cash outflow from investments in non-financial assets: (outflow)/inflow</i>	(e-d) = f	<i>-13 505 *</i>	<i>-20 230</i>	<i>-49,8</i>
CASH SURPLUS/(DEFICIT)	(c+f) = g	587 *	292	-50,3
Cash flows from financing activities:				
Net acquisition of financial assets other than cash:				
cash outflow/(inflow)	h	0	0	0,0
Domestic		0	0	0,0
Foreign		0	0	0,0
Net incurrence of liabilities: cash (outflow)/inflow	i	0	0	0,0
Domestic		0	0	0,0
Foreign		0	0	0,0
<i>Net cash inflow from financing activities: (outflow)/inflow</i>	(i-h) = j	<i>0</i>	<i>0</i>	<i>0,0</i>
NET CHANGE IN THE STOCK OF CASH	(g+j) = k	587 *	292	-50,3

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

* 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



(1) Social assistance benefits shifted from provincial government to national government from 1 April 2006.

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

Functional classification of cash payments for operating activities and non-financial assets measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote government objectives and various services rendered to the community. The functionally classified expenditure categories are indicated in Table B, page 8. There are 10 main groups of categories of functional classification of cash payments for operating activities and purchases of non-financial assets: general public services; defence; public order and safety; economic affairs; environmental protection; housing and community amenities; health; recreation, culture and religion; education; and social protection.

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

Total cash payments for operating activities and purchases of non-financial assets (functionally classified) from the provincial revenue funds and donor funds decreased by 13,5% from R215 071 million in 2005/2006 to R186 061 million in 2006/2007 fiscal year.

The largest contributor to total cash payments for operating activities and purchases of non-financial assets (functionally classified) of R186 061 million from the provincial revenue funds and donor funds for the 2006/2007 fiscal year was education (R80 757 million) contributing 43,4%, followed by health (R52 134 million or 28,0%), total economic affairs (R24 141 million or 13,0%), total general public services (R9 899 million or 5,3%), housing and community amenities (R8 074 million or 4,3%), social protection (R5 458 million or 2,9%), recreation, culture and religion (R2 748 million or 1,5%), public order and safety (R1 748 million or 0,9%) and environmental protection (R1 103 million or 0,6%) (see Table B, p.8, and Figure 2, p.9).

The increase of 53,1% in cash payments on transport from R10 650 million in 2005/2006 to R16 308 million in 2006/2007 was mainly due to increased spending by the Gauteng provincial government on transport.

The increase of 45,8% in cash payments on other industries from R952 million in 2005/2006 to R1 388 million in 2006/2007 was mainly due to increased spending on tourism by the Free State, Limpopo and Mpumalanga provincial governments.

The increase of 26,3% in cash payments on general economic, commercial and labour affairs from R1 598 million in 2005/2006 to R2 019 million in 2006/2007 was mainly due to increased spending on general economic affairs by the KwaZulu-Natal provincial government.

The increase of 26,3% in cash payments on housing and community amenities from R6 395 million in 2005/2006 to R8 074 million in 2006/2007 was mainly due to increased spending on housing by the Western Cape, KwaZulu-Natal, Free State, Limpopo and Gauteng provincial governments.

The increase of 25,9% in cash payments on recreation, culture and religion from R2 183 million in 2005/2006 to R2 748 million in 2006/2007 was mainly due to increased spending on recreation and cultural services by the KwaZulu-Natal, Mpumalanga and North West provincial governments.

The increase of 18,3% in cash payments on public order and safety from R1 477 million in 2005/2006 to R1 748 million in 2006/2007 was mainly due to increased spending on public order and safety services by the KwaZulu-Natal and Limpopo provincial governments.

The increase of 14,3% in cash payments on health from R45 616 million in 2005/2006 to R52 134 million in 2006/2007 was mainly due to increased spending on health services by the Eastern Cape, KwaZulu-Natal and Gauteng provincial governments.

The increase of 11,8% in cash payments on executive and legislative services, financial and fiscal affairs, foreign affairs other than foreign aid from R2 840 million in 2005/2006 to R3 176 million in 2006/2007 was mainly due to increased spending on executive and legislative services by the Eastern Cape, Limpopo and Gauteng provincial governments.

The decrease of 90,7% in cash payments on social protection from R58 383 million in 2005/2006 to R5 458 million in 2006/2007 was mainly due to the social assistance function and funding which shifted from provincial government to the national government with effect from 1 April 2006.

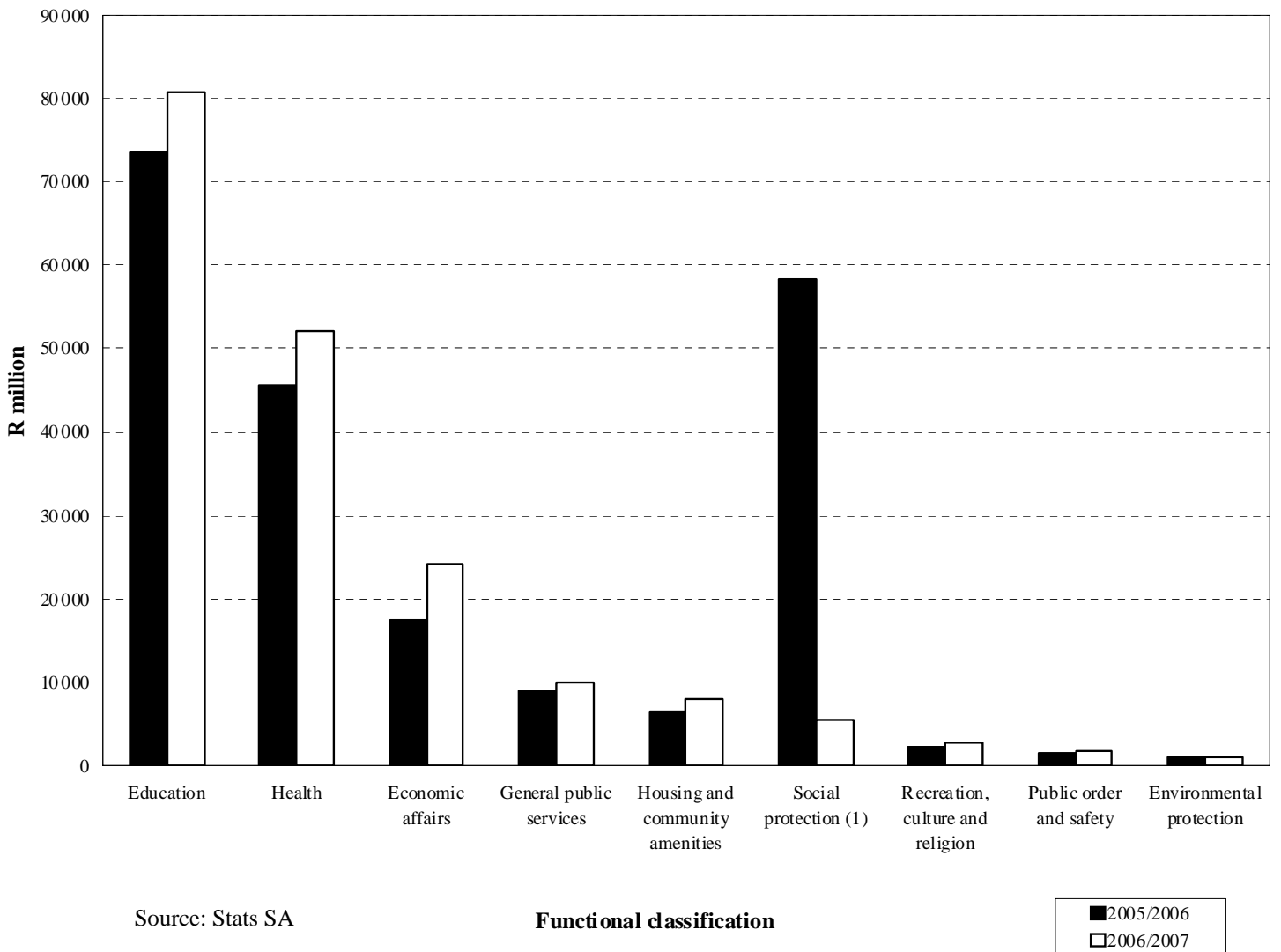
Table B – Functional classification of cash payments for operating activities and purchases of non-financial assets for the 2005/2006 and 2006/2007 fiscal years (Summary) ¹

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	2 840*	3 176	11,8	1,7
Foreign economic aid	0	0	0,0	0,0
General services	5 989*	6 705	12,0	3,6
Basic research	12 *	0	-100,0	0,0
General public services n.e.c.	10 *	18	80,0	0,0
Public debt transactions (mainly interest)	0	0	0,0	0,0
Transfers of a general character between different levels of government	0	0	0,0	0,0
Total general public services a	8 850 *	9 899	11,9	5,3
Defence b	0	0	0,0	0,0
Public order and safety				
Police services	1 477 *	1 748	18,3	0,9
Fire protection services	0	0	0,0	0,0
Law courts	0	0	0,0	0,0
Prisons	0	0	0,0	0,0
Total public order and safety c	1 477 *	1 748	18,3	0,9
Economic affairs				
General economic, commercial and labour affairs	1 598	2 019	26,3	1,1
Agriculture, forestry, fishing and hunting	3 933 *	4 161	5,8	2,2
Fuel and energy	0	0	0,0	0,0
Mining, manufacturing and construction	12	0	-100,0	0,0
Transport	10 650 *	16 308	53,1	8,8
Communication	0	0	0,0	0,0
Other industries	952	1 388	45,8	0,7
Economic affairs n.e.c.	334 *	265	-20,7	0,1
Total economic affairs d	17 479 *	24 141	38,1	13,0
Environmental protection e	1 117 *	1 103	-1,3	0,6
Housing and community amenities f	6 395 *	8 074	26,3	4,3
Health g	45 616 *	52 134	14,3	28,0
Recreation, culture and religion h	2 183 *	2 748	25,9	1,5
Education i	73 570 *	80 757	9,8	43,4
Social protection j	58 383	5 458	-90,7	2,9
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	215 071 *	186 061	-13,5	100,0

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

* Revised.

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



(1) Social assistance benefits shifted from provincial government to national government from 1 April 2006.

Notes

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

PJ Lehohla
Statistician-General

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

	R '000
Table 1 Cash receipts from operating activities	186 243 101
11 Taxes	4 622 287
12 Social contributions	0
13 Grants	178 330 104
14 Other receipts	3 290 710

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

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
70	GENERAL GOVERNMENT SERVICES	104 281 119	42 261 026	1 749	2 547 532	4 664 285	702 777	11 262 435	165 720 923
701	GENERAL PUBLIC SERVICES	3 873 933	4 128 243	737	100	505 990	231 299	173 405	8 913 707
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	1 433 528	1 409 097	2	0	2 816	8 705	71 608	2 925 756
7012	Foreign economic aid	0	0	0	0	0	0	0	0
7013	General services	2 428 556	2 713 431	735	100	503 174	222 594	101 646	5 970 236
7014	Basic research	0	0	0	0	0	0	0	0
7015	R&D General public services	11 849	5 715	0	0	0	0	151	17 715
7016	General public services n.e.c.	0	0	0	0	0	0	0	0
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	1 024 410	570 518	6	0	8 458	8 674	44 015	1 656 081
7031	Police services	1 019 481	568 185	6	0	8 458	8 674	43 738	1 648 542
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	4 929	2 333	0	0	0	0	277	7 539
7036	Public order and safety n.e.c.	0	0	0	0	0	0	0	0

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

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	4 332 841	4 874 627	445	1 990 145	1 978 513	53 456	687 674	13 917 701
7041	General economic, commercial and labour affairs	223 035	319 959	353	1 118 284	163 166	170	176 278	2 001 245
7042	Agriculture, forestry, fishing and hunting	1 990 529	1 182 835	5	201 273	5 011	31 485	206 312	3 617 450
7043	Fuel and energy	0	0	0	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0	0	0	0
7045	Transport	1 735 606	2 951 811	2	644 448	1 233 715	20 183	127 500	6 713 265
7046	Communication	0	0	0	0	0	0	0	0
7047	Other industries	238 585	340 566	85	22 581	549 939	115	176 723	1 328 594
7048	R&D Economic affairs	145 086	79 456	0	3 559	26 682	1 503	861	257 147
7049	Economic affairs n.e.c.	0	0	0	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	337 176	252 410	0	59	469 402	451	3 810	1 063 308
7051	Waste management	53 545	39 248	0	7	27	188	1 301	94 316
7052	Waste water management	0	0	0	0	0	0	0	0
7053	Pollution abatement	5 650	3 367	0	0	0	0	45	9 062
7054	Protection of biodiversity and landscape	266 482	201 749	0	52	469 375	263	2 189	940 110
7055	R&D Environmental protection	0	0	0	0	0	0	0	0
7056	Environmental protection n.e.c.	11 499	8 046	0	0	0	0	275	19 820
706	HOUSING AND COMMUNITY AMENITIES	694 345	517 848	0	14 667	268 996	6 376	6 487 495	7 989 727
7061	Housing development	348 865	260 376	0	14 667	107 928	3 090	6 161 872	6 896 798
7062	Community development	273 288	208 844	0	0	156 568	2 701	321 329	962 730
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	72 192	48 628	0	0	4 500	585	4 294	130 199
7066	Housing and community amenities n.e.c.	0	0	0	0	0	0	0	0

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

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	27 731 911	17 465 750	117	0	905 098	125 561	1 143 140	47 371 577
7072	Outpatient services	21 684	38 308	1	0	1	7	66	60 067
70724	Ambulance services	1 051 848	612 658	5	0	220 783	11 896	19 169	1 916 359
7073	Hospital services	13 652 262	8 407 956	37	0	561	48 443	274 732	22 383 991
7074	Public health services	12 828 733	7 770 538	73	0	677 664	64 754	848 010	22 189 772
7075	R&D Health	0	0	0	0	0	0	0	0
7076	Health n.e.c.	177 384	636 290	1	0	6 089	461	1 163	821 388
708	RECREATION, CULTURE AND RELIGION	1 025 023	998 681	0	2 577	347 705	3 792	208 650	2 586 428
7081	Recreational and sporting services	200 639	296 057	0	0	144 360	612	46 534	688 202
7082	Cultural services	770 581	660 592	0	2 577	161 083	3 161	81 139	1 679 133
7083	Broadcasting and publishing services	0	0	0	0	14 100	0	0	14 100
7084	Religious and other community services	53 803	42 032	0	0	28 162	19	80 977	204 993
7085	R&D Recreation, cultural and religion	0	0	0	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0	0	0	0
709	EDUCATION	63 650 462	12 414 329	444	398 039	72 716	261 140	249 843	77 046 973
7091	Pre-primary and primary education	30 760 286	4 662 610	0	213 521	15 870	110 310	47 261	35 809 858
7092	Secondary education	23 929 394	2 760 722	0	184 518	246	89 972	22 135	26 986 987
7093	Post-secondary non-tertiary education (e.g. ABET)	2 734 380	1 306 855	4	0	2 099	7 699	45 425	4 096 462
7094	Tertiary education	0	0	0	0	20 038	0	0	20 038
7095	Education not definable by level	0	0	0	0	0	0	9 530	9 530
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.	6 226 402	3 684 142	440	0	34 463	53 159	125 492	10 124 098

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

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	1 611 018	1 038 620	0	141 945	107 407	12 028	2 264 403	5 175 421
7101	Sickness and disability	18 960	6 067	0	0	3 853	36	181 533	210 449
7102	Old age	54 217	16 914	0	0	0	190	421 342	492 663
7103	Survivors	0	0	0	0	0	0	0	0
7104	Family and children	149 742	85 527	0	0	0	4 457	894 512	1 134 238
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.	119 422	74 456	0	0	0	302	146 998	341 178
7108	R&D Social protection	6 507	6 067	0	0	0	0	4	12 578
7109	Social protection n.e.c.	1 262 170	849 589	0	141 945	103 554	7 043	620 014	2 984 315

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

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
70	GENERAL GOVERNMENT SERVICES	20 265 745	0	1 574	72 658	20 339 977
701	GENERAL PUBLIC SERVICES	952 538	0	1 473	31 763	985 774
7011	Executive and legislative services, financial and fiscal affairs, other than foreign aid	248 811	0	1 462	0	250 273
7012	Foreign economic aid	0	0	0	0	0
7013	General services	703 364	0	11	31 763	735 138
7014	Basic research	0	0	0	0	0
7015	R&D General public services	363	0	0	0	363
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	91 821	0	67	0	91 888
7031	Police services	91 821	0	67	0	91 888
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

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

Economic classification		Table 3 Purchases of non-financial assets				
		611	612	613	614	TOTAL
		Fixed assets	Inventories	Valuables	Non-produced assets	(611 - 614)
Functional classification		R '000	R '000	R '000	R '000	R '000
704	ECONOMIC AFFAIRS	10 195 021	0	27	27 955	10 223 003
7041	General economic, commercial and labour affairs	17 426	0	0	0	17 426
7042	Agriculture, forestry, fishing and hunting	525 098	0	5	18 015	543 118
7043	Fuel and energy	0	0	0	0	0
7044	Mining, manufacturing and construction	0	0	0	0	0
7045	Transport	9 584 463	0	21	9 940	9 594 424
7046	Communication	0	0	0	0	0
7047	Other industries	59 710	0	0	0	59 710
7048	R&D Economic affairs	8 324	0	1	0	8 325
7049	Economic affairs n.e.c.	0	0	0	0	0
705	ENVIRONMENTAL PROTECTION	39 920	0	0	0	39 920
7051	Waste management	3 629	0	0	0	3 629
7052	Waste water management	0	0	0	0	0
7053	Pollution abatement	2 424	0	0	0	2 424
7054	Protection of biodiversity and landscape	31 732	0	0	0	31 732
7055	R&D Environmental protection	0	0	0	0	0
7056	Environmental protection n.e.c.	2 135	0	0	0	2 135
706	HOUSING AND COMMUNITY AMENITIES	83 815	0	0	0	83 815
7061	Housing development	51 878	0	0	0	51 878
7062	Community development	27 519	0	0	0	27 519
7063	Water supply	0	0	0	0	0
7064	Street lighting	0	0	0	0	0
7065	R&D Housing and community amenities	4 418	0	0	0	4 418
7066	Housing and community amenities n.e.c.	0	0	0	0	0

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

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	4 762 393	0	3	0	4 762 396
7072	Outpatient services	1 453	0	0	0	1 453
70724	Ambulance services	239 528	0	0	0	239 528
7073	Hospital services	2 053 912	0	0	0	2 053 912
7074	Public health services	2 369 719	0	0	0	2 369 719
7075	R&D Health	0	0	0	0	0
7076	Health n.e.c.	97 781	0	3	0	97 784
708	RECREATION, CULTURE AND RELIGION	161 360	0	0	0	161 360
7081	Recreational and sporting services	50 897	0	0	0	50 897
7082	Cultural services	109 352	0	0	0	109 352
7083	Broadcasting and publishing services	0	0	0	0	0
7084	Religious and other community services	1 111	0	0	0	1 111
7085	R&D Recreation, cultural and religion	0	0	0	0	0
7086	Recreation, culture and religion n.e.c.	0	0	0	0	0
709	EDUCATION	3 696 593	0	4	12 940	3 709 537
7091	Pre-primary and primary education	1 192 415	0	0	0	1 192 415
7092	Secondary education	1 190 420	0	0	12 940	1 203 360
7093	Post-secondary non-tertiary education (e.g. ABET)	73 250	0	0	0	73 250
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.	1 240 508	0	4	0	1 240 512

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

Economic classification		Table 3 Purchases of non-financial assets				
		611 Fixed assets	612 Inventories	613 Valuables	614 Non-produced assets	TOTAL (611 - 614)
		R '000	R '000	R '000	R '000	R '000
710	SOCIAL PROTECTION	282 284	0	0	0	282 284
7101	Sickness and disability	142	0	0	0	142
7102	Old age	256	0	0	0	256
7103	Survivors	0	0	0	0	0
7104	Family and children	1 330	0	0	0	1 330
7105	Unemployment	0	0	0	0	0
7106	Housing	0	0	0	0	0
7107	Social exclusion n.e.c.	10 170	0	0	0	10 170
7108	R&D Social protection	256	0	0	0	256
7109	Social protection n.e.c.	270 130	0	0	0	270 130

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

	R '000
Table 4 Sales of non-financial assets	109 785
311 Fixed assets	83 315
312 Strategic stocks	0
313 Valuables	0
314 Non-produced assets	26 470

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

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

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

	R '000
Table 6 Net incurrence of liabilities	0
331 Domestic	0
332 Foreign	0

Annexure A

Cash payments for operating activities and purchases of non-financial assets (economically classified) of the individual provincial governments for the 2006/2007 fiscal year

R '000

Economic classification Provincial government	Compensation of employees	Purchases of goods and services	Interest	Subsidies	Grants	Social benefits	Other payments	Purchases of non-financial assets	Total
Western Cape	9 731 932	5 163 400	0	74 931	547 403	44 182	1 599 607	1 726 008	18 887 463
Eastern Cape	16 530 457	5 787 730	562	558 198	825 110	137 632	1 232 963	1 884 455	26 957 107
Northern Cape	2 407 474	1 227 056	0	44 773	129 440	9 066	208 954	582 155	4 608 918
Free State	7 213 415	2 898 225	0	54 105	130 370	27 424	910 715	1 074 942	12 309 196
KwaZulu-Natal	21 626 162	8 599 415	367	605 003	891 640	110 056	1 629 473	3 480 075	36 942 191
North West	8 593 411	3 255 965	737	418 973	278 076	38 221	888 294	1 549 995	15 023 672
Gauteng	15 879 798	7 667 860	83	214 630	535 580	244 475	3 098 924	7 115 348	34 756 698
Mpumalanga	7 478 052	3 130 636	0	154 237	196 640	23 777	632 238	1 070 351	12 685 931
Limpopo	14 820 418	4 530 739	0	422 682	1 130 026	67 944	1 061 267	1 856 648	23 889 724
Total	104 281 119	42 261 026	1 749	2 547 532	4 664 285	702 777	11 262 435	20 339 977	186 060 900

Annexure B

Cash payments for operating activities and purchases of non-financial assets (functionally classified) of the individual provincial governments for the 2006/2007 fiscal year

R '000

Functional classification Provincial Government	General public services	Defence	Public order and safety	Economic affairs	Environmental protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection	Total
Western Cape	959 784	0	182 205	2 192 650	183 725	878 574	6 413 528	203 570	7 024 893	848 534	18 887 463
Eastern Cape	1 162 543	0	163 417	3 224 665	166 516	792 048	6 900 205	498 315	13 286 541	762 857	26 957 107
Northern Cape	413 135	0	75 389	534 450	45 930	144 182	1 373 319	109 979	1 687 442	225 092	4 608 918
Free State	712 213	0	149 360	1 333 191	36 192	614 137	3 384 229	197 219	5 431 509	451 146	12 309 196
KwaZulu-Natal	1 371 967	0	315 583	3 879 491	403 795	1 466 019	11 284 638	619 574	16 634 289	966 835	36 942 191
North West	1 030 629	0	221 169	2 013 647	61 732	811 089	3 365 236	330 661	6 798 665	390 844	15 023 672
Gauteng	1 978 527	0	205 022	6 135 811	110 177	2 155 521	10 875 383	305 679	11 926 546	1 064 032	34 756 698
Mpumalanga	662 351	0	160 978	1 542 368	66 491	440 929	2 939 319	207 275	6 345 995	320 225	12 685 931
Limpopo	1 608 332	0	274 846	3 284 431	28 670	771 043	5 598 116	275 516	11 620 630	428 140	23 889 724
Total	9 899 481	0	1 747 969	24 140 704	1 103 228	8 073 542	52 133 973	2 747 788	80 756 510	5 457 705	186 060 900

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

Tables

Table 1 Economic classification of cash receipts from operating activities for the 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 purchases of non-financial assets for the 2006/2007 fiscal year.....

Table 4 Economic classification of sales of non-financial assets for the 2006/2007 fiscal year....

Table 5 Economic classification of net acquisition of financial assets other than cash for the 2006/2007 fiscal year.....

Table 6 Economic classification of 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 transactions of provincial governments from the provincial revenue funds and donor funds received for the 2006/2007 fiscal year, ended 31 March 2007.

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

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

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

Methodology

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

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

Scope of the financial statistics of provincial governments:

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

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

Classification

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

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

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

- **Cash receipts from operating activities**

- Taxes
- Social contributions
- Grants
- Other receipts

- **Cash payments for operating activities**

- Compensation of employees (excluding capitalised remuneration)
- Purchases of goods and services
- Interest
- Subsidies
- 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 (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 and non-tertiary education
- Tertiary education
- Education not defined by level
- Subsidiary services to education
- R&D Education
- Education n.e.c.

- **Social protection**

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

Individual and collective services

The **Disaggregated data** (Tables 1 to 8) also include tables in which government consumption expenditure is broken down into individual and collective services (see Table 7 as listed in Annexure C, p.25). The breakdown of subsidies into subsidies on products and subsidies on production is provided (see Table 8 as listed in Annexure C, p.25). These categories are recommended by the 1993 System of National Accounts (SNA) of the United Nations.

Comparability with the previous year

For the first time this statistical release includes 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.

The following information is also considered relevant:

For the first time this statistical release includes donor funding. Previously only voted funds were included. This statistical release now includes all receipts and all payments of provincial government from voted funds and donor funds. Comparative figures for 2005/2006 were also included this year.

The 2005/2006 and 2006/2007 fiscal years are generally comparable, but users should take note that social assistance benefits shifted from provincial government to national government from 1 April 2006. This shift has an effect on the social protection function of provinces for 2006/2007 and is also reflected in social benefits (see Table A, p.4).

Related publications

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

- P0441 *Gross Domestic Product;*
- 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;*
- P9119.3 *Financial statistics of national government;*
- P9119.4 *Financial statistics of consolidated general government.*

Symbols and abbreviations

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

Glossary

Accrual basis of recording	Accrual basis of recording means that flows are recorded at the time economic value is created, transformed, exchanged, transferred, or extinguished.
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 to services such as general administration, public order and safety and economic services.
Compensation of employees	Compensation of employees is the total remuneration, in cash or in kind, payable to a government employee in return for work done during the accounting period, except for work connected with own account capital formation. It includes both wages and salaries and social contributions.
Economic classification	Economic classification is a measure of the nature and economic effect of government operations on the economy of the country.
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 cash payments for operating activities and non-financial assets measures the purpose for which transactions are undertaken. It is generally used to measure the allocation of resources by government in order to promote various services and objectives rendered to the community.
GFS Manual (2001)	The manual describes a specialised macroeconomic statistical system (Government Finance Statistics system) designed to support fiscal analysis.
Grants	Grants are non-compulsory current or capital transfers from one government unit to another government unit or an international organisation.
Household	A group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone.
Individual services	Individual services refer to services rendered to individuals or a small group of persons. This category applies particularly to community and social services, e.g. education, health and welfare.

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.
Social contributions	Social contributions are actual receipts from either employers on behalf of their employees or from employees, self-employed, or non-employed persons on their own behalf that secure entitlement to social benefits for their contributors, their dependants or their survivors.
Standing appropriations	Standing appropriations are government's expenditure obligations that do not require a vote or statutory provisions, including contractual guarantee commitments and international agreements.
Statutory appropriations	Statutory appropriations are amounts appropriated to be spent in terms of statutes and not requiring appropriation by vote.
Subsidies	Subsidies are current unrequited payments that government units pay to enterprises on the basis of the quantities or values of the goods and services, which they produce, sell or import.
Subsidies on 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

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