



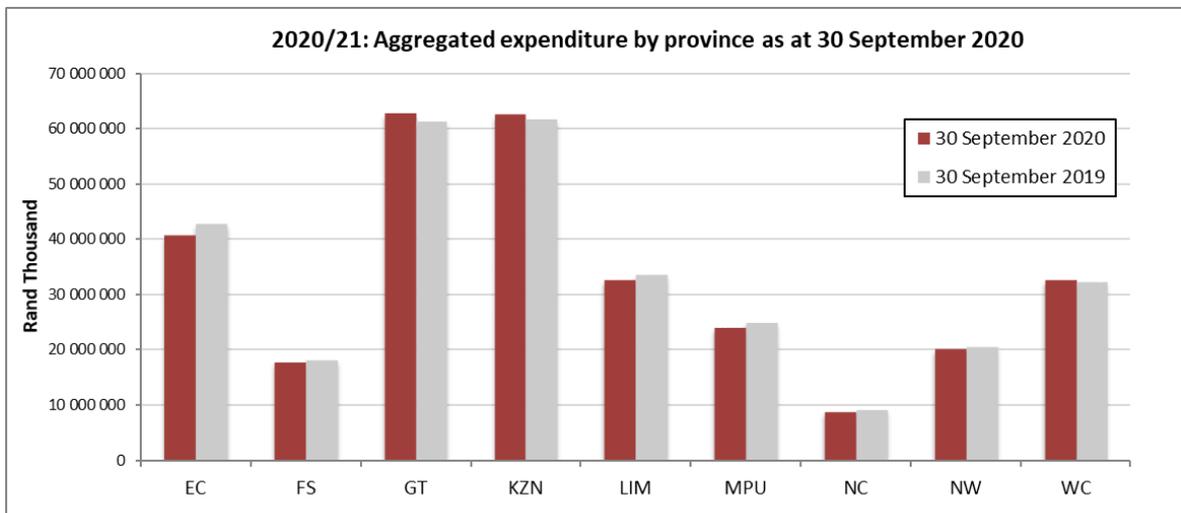
MEDIA STATEMENT

Provincial Budgets: 2020/21 Financial Year Second Quarter Provincial Budgets and Expenditure Report

SUMMARY

Overall Expenditure Trends – Second Quarter: 2020/21 Financial Year

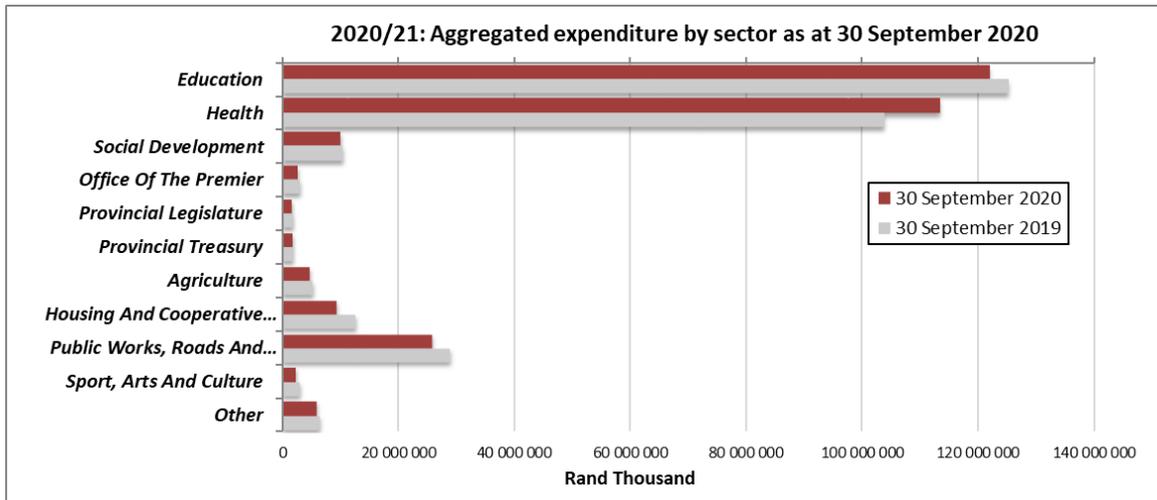
1. A Special Adjustment Budget was tabled by the Minister of Finance in June 2020. Subsequently, provinces tabled their Special Adjusted Budgets in July 2020. The Special Adjustments Budget outlined massive budget reprioritization undertaken by government in order to fund government's response to the Covid-19 pandemic.
2. As at 30 September 2020, provinces have spent 44.7 per cent or R300.8 billion of the R673.2 billion provincial adjusted budget. Spending has declined by 0.8 per cent (R2.4 billion) compared to the same quarter of the previous financial year 2019/20.



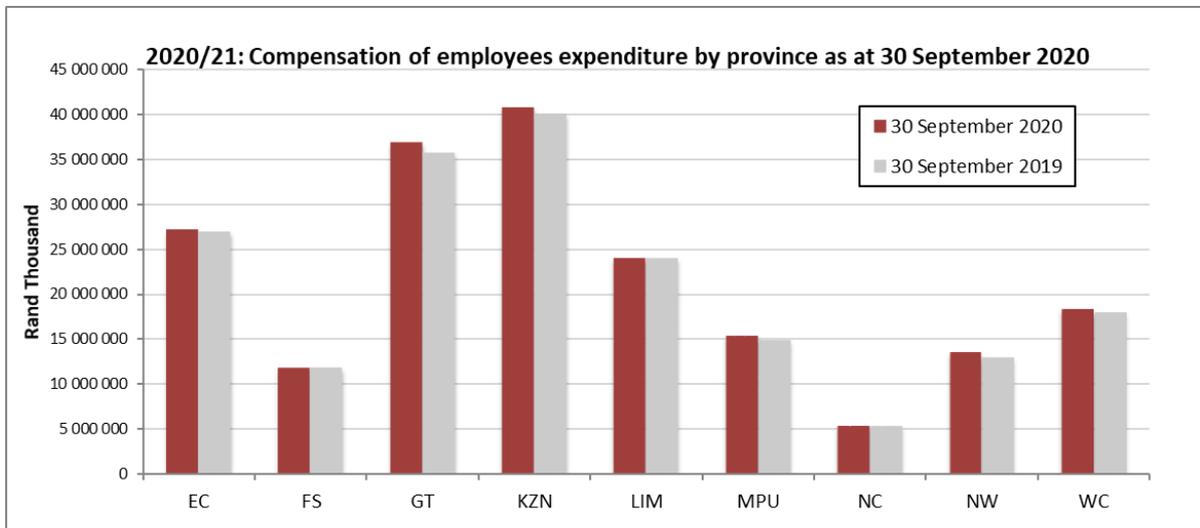
3. The provincial **education** budget was revised down by R1.4 billion. Downwards revisions are noted mostly on conditional grants. Spending on education amounts to R122.1 billion or 45.1 per cent of the provincial education adjusted budget of R270.9 billion. Spending is R3.1 billion (2.5 per cent) lower compared to the same period of the previous financial year.
4. Provincial **health** budgets were revised up by an aggregate of R16.8 billion. Provincial health departments spent R113.4 billion against an adjusted budget of R242.1 billion providing health services during the second quarter of 2020/21. Spending is R9.6 billion

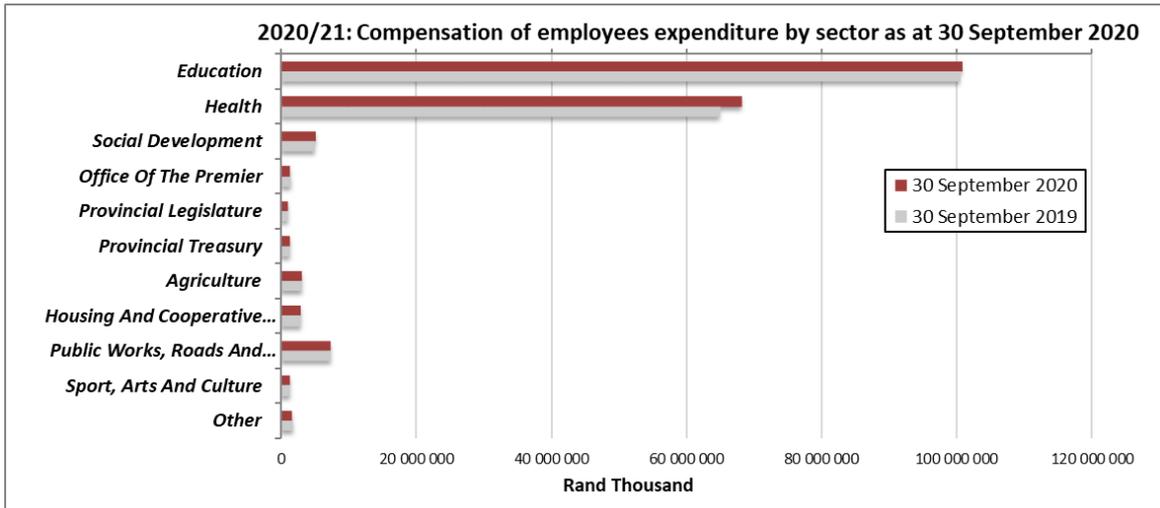
(9.2 per cent) higher than the spending recorded over the same period in 2019/20 as provincial health departments ramp up public health services in response to the Covid-19 pandemic.

5. Provinces have spent 42.8 per cent or R10.1 billion of the total provincial **social development** adjusted budget of R23.7 billion. This represents a decline of 2.9 per cent or R305 million compared to the same period in 2019/20.

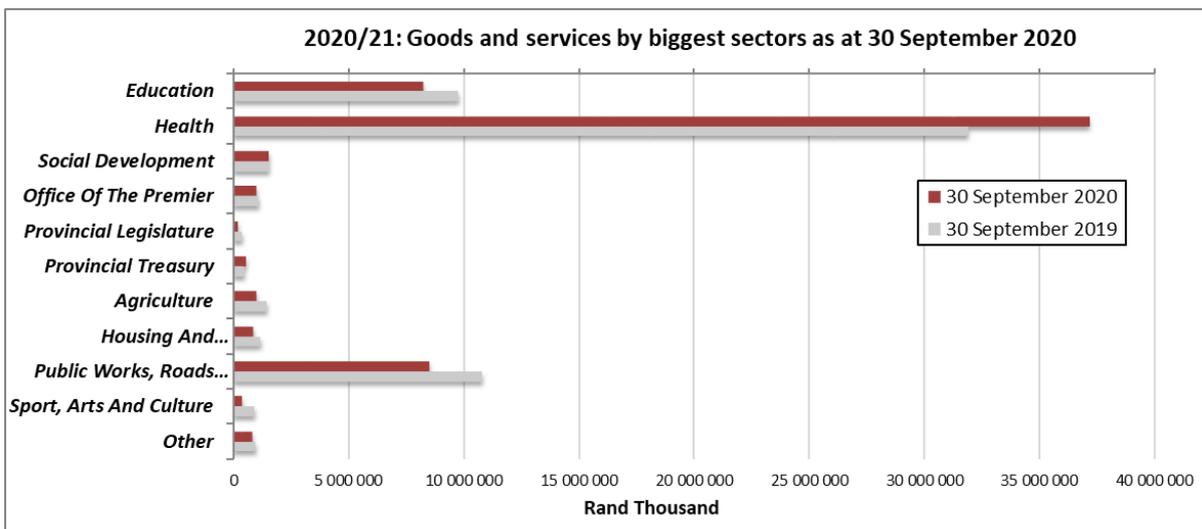
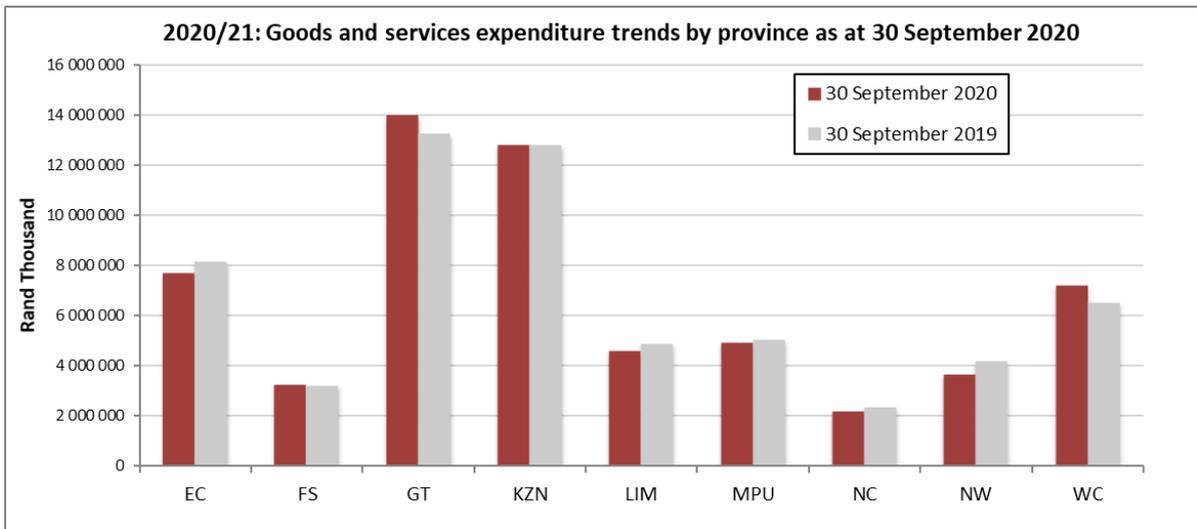


6. Spending on personnel (compensation of employees) amounts to R193.5 billion of the R416.6 billion adjusted budget as at 30 September 2020. Compared to the same period in 2019/20, spending on personnel has increased by 1.8 per cent or R3.4 billion.

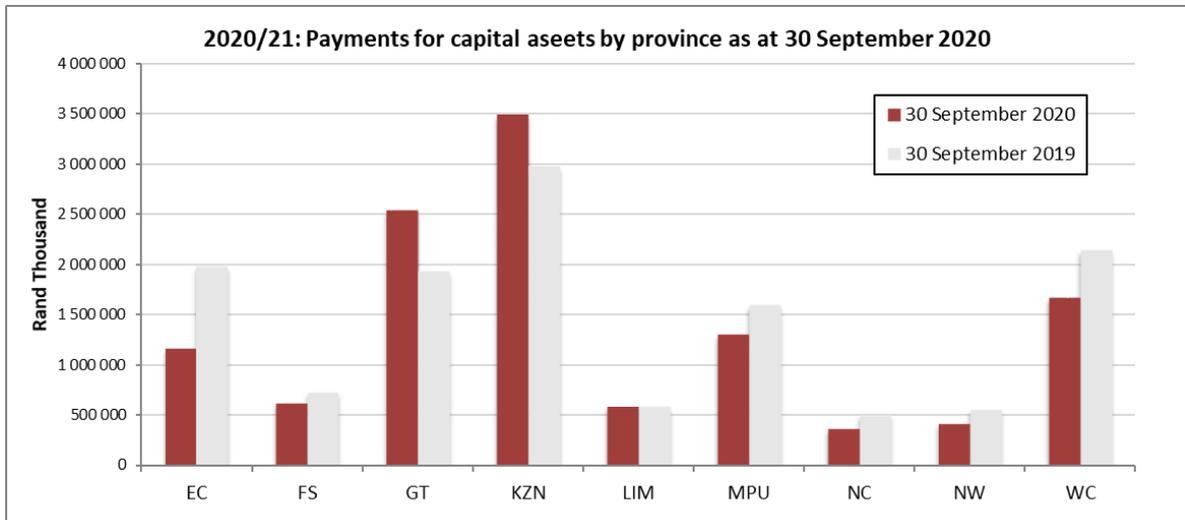




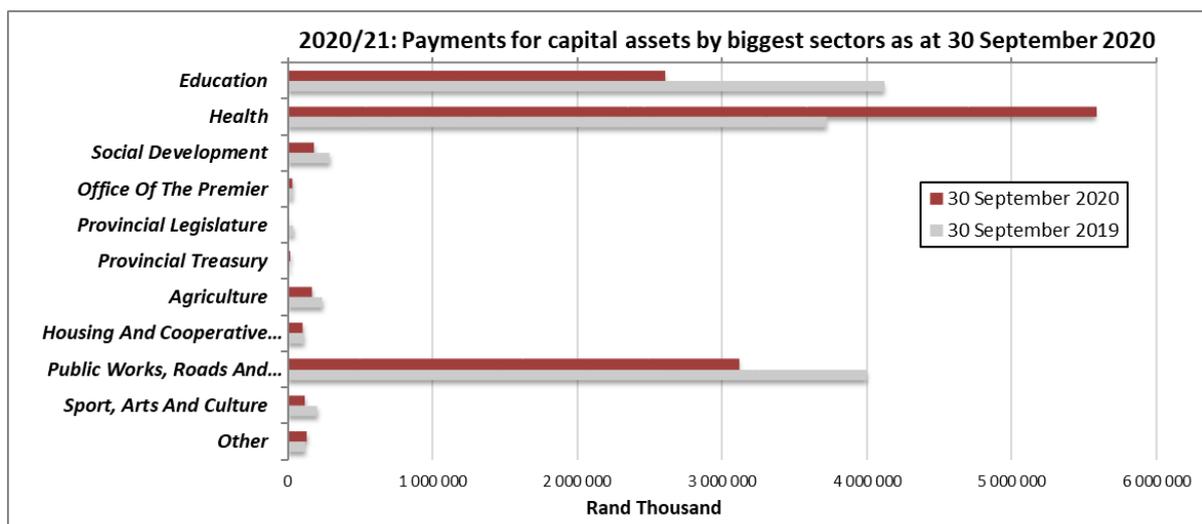
7. Provinces have spent R60.6 billion or 42.3 per cent of the R143.4 billion adjusted goods and services budget. This is 0.2 per cent or R119 million lower than the R60.7 billion spent over the same period in 2019/20.



8. For the year to date, payments for capital assets (capital) spending amounts to R12.1 billion or 35.7 per cent of the R35.4 billion provincial payments for capital assets main budgets. The spending rate has declined by 6.4 per cent or R828 million compared to the same period in the previous financial year.



9. Education capital expenditure was revised down significantly by R2.9 billion. Spending has slowed during the second quarter of 2020/21 and amounts to R2.6 billion. This largely reflects slower capital activity as a direct result of the lockdown.
10. Health capital spending amounts to R5.6 billion or 36.9 per cent of the upwardly revised R15.1 billion health capital adjusted budget. This is an increase of almost 50 per cent or R1.9 billion compared to the same period in 2019/20. Provincial health departments are creating additional bed capacity through building field hospitals and additional wards to existing hospitals.
11. Public works, roads and transport departments have spent R3.1 billion or 32.2 per cent of their capital budgets. This represents a spending rate that has declined by 19.5 per cent or R752.6 million compared to the same period in the previous financial year.



12. Projected own revenue collections have been revised down to R19.1 billion as provinces ability to collect revenue has been affected by the lockdown. Provinces have collected R7.2 billion or 35.1 per cent of the adjusted budgeted own revenue of R19.1 billion.
13. The adjusted budget figures are based on the 2020 Special Adjusted Estimates of Provincial Revenue and Expenditure documents which were presented to Provincial Legislatures during July 2020.

Notes to editors

- Published by the National Treasury in terms of Section 32 of the Public Finance Management Act (PFMA). This statement of provincial receipts and payments covers the first quarter (April to September 2020) of the 2020/21 financial year. The statement is also available on the Treasury website at www.treasury.gov.za.
- The information in the statement comes from Section 40(4) PFMA reports submitted by heads of provincial departments to provincial treasuries, who in turn, submitted the information to the National Treasury. Queries on spending or budget numbers should in the first instance be referred to the heads of the relevant provincial departments, and in the second instance to the head of relevant provincial treasury. Queries on conditional grants should be referred to the head of the national department that administers the grant.
- The adjusted budget figures in this publication takes into account the *2020 Special Adjusted Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during July 2020. It includes the amounts allocated through the *Adjusted Appropriation Act, 2020 and Division of Revenue Amendment Act, 2020*.

Issued by National Treasury

Date: November 2020

