



MEDIA STATEMENT

Provincial Budgets: 2018/19 Financial Year Second Quarter Provincial Budgets and Expenditure Report

SUMMARY

Overall Expenditure Trends – Second Quarter: 2018/19 Financial Year

1. In aggregate, provincial spending at the end of the second quarter of 2018/19 amounts to R286.7 billion, or 48.5 per cent, of the total provincial budget of R591.6 billion. This represents an increase of 5.7 per cent or R15.4 billion compared to the R271.3 billion spent over the same period in the previous financial year.
2. Education expenditure at the end of the second quarter of 2018/19 amounts to R118.4 billion or 49.1 per cent of the R240.9 billion budget. This represents an increase of 6.8 per cent or R7.6 billion compared to the second quarter of the previous financial year. Education remains the largest item on provincial budgets (40.7 per cent).
3. Health expenditure amounts to R97.8 billion, or 50.3 per cent, of the R194.6 billion budget, and is the second largest item on provincial budgets (32.9 per cent). This represents an increase of 6.7 per cent or R6.1 billion compared to same period in the 2017/18 financial year.
4. Social development expenditure at the end of the second quarter of 2018/19 amounts to R9.4 billion or 45.7 per cent of the R20.6 billion budget. This represents an increase of 6.9 per cent or R607.4 million compared to the R8.8 billion spent over the same period in the previous financial year.
5. Personnel expenditure (compensation of employees) amounts to R177.2 billion or 49.1 per cent of the budgeted R361.2 billion as at 30 September 2018. This represents an increase of 6.7 per cent or R11.1 billion compared to same period in the 2017/18 financial year.
6. Spending on goods and services amounts to R57.7 billion or 48.5 per cent of the R119 billion budget. This represents an increase of 9 per cent or R4.8 billion compared to same period in the 2017/18 financial year.
7. In aggregate, expenditure on capital (payments for capital assets) amounts to R15 billion or 37.9 per cent of the budgeted R39.7 billion. This is a decrease of 10.3 per cent compared to the R16.8 billion spent over the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounts to R4.4 billion or 44.9 per cent of the budgeted R9.9 billion. This is R109.4 million or 2.4 per cent less than the R4.5 billion spent over the same period in the previous financial year.
9. Capital expenditure by provincial health departments amounts to R3.5 billion or 35.9 per cent of the budgeted R9.7 billion. This represents a decline of R217.7 million or 5.9 per cent compared to the R3.7 billion spent over the same period in 2017/18.
10. The biggest share of provincial capital budgets is for the public works, roads and transport departments (29.5 per cent), whose expenditure amounts to R4.5 billion or 38.5 per cent of the R11.7 billion budget.
11. Provincial own revenue collected for the second quarter amounts to R10.2 billion or 53.7 per cent of the budgeted own revenue of R18.9 billion. By the end of the second quarter, national government had transferred R235.1 billion of the equitable share and R52.6 billion of conditional grants to provinces.
12. The provincial budget statement of receipts and payments was published by the National Treasury in terms of Section 32 of the Public Finance Management Act (PFMA) and covers spending for the second quarter (1 April to 30 September 2018) of the 2018/19 financial year. The statement is available on the treasury website on <http://www.treasury.gov.za/publications/PiP/default.aspx>.
13. The budgeted figures for the second quarter of 2018/19 are based on the 2018 Estimates of Provincial Revenue and Expenditure documents which were presented to the provincial legislatures during March 2018.

Issued by National Treasury

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