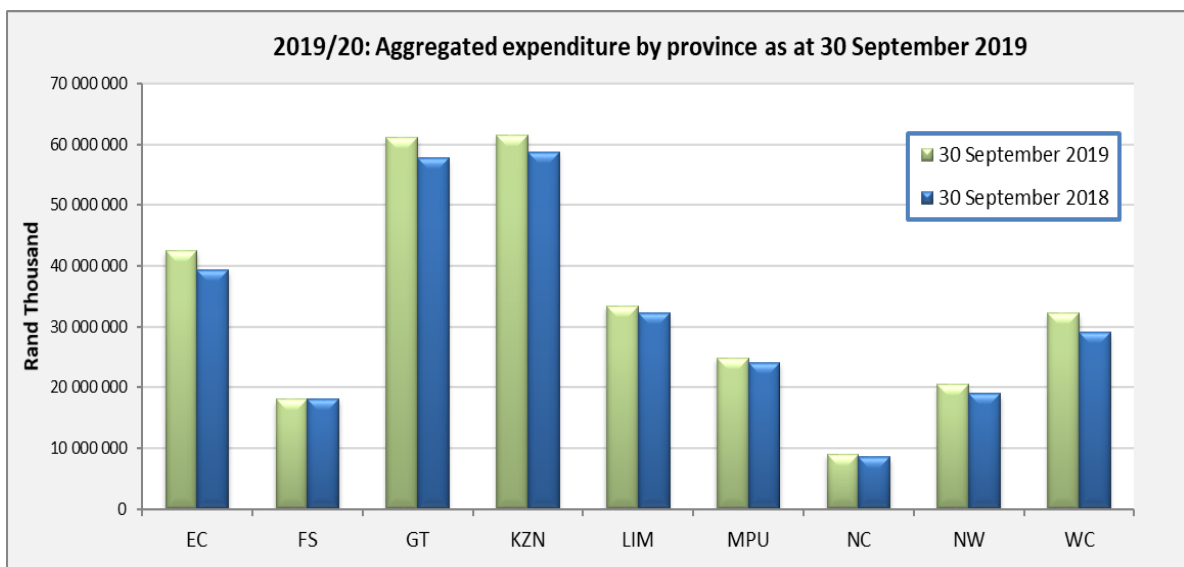




MEDIA STATEMENT

Provincial Budgets: 2019/20 Financial Year

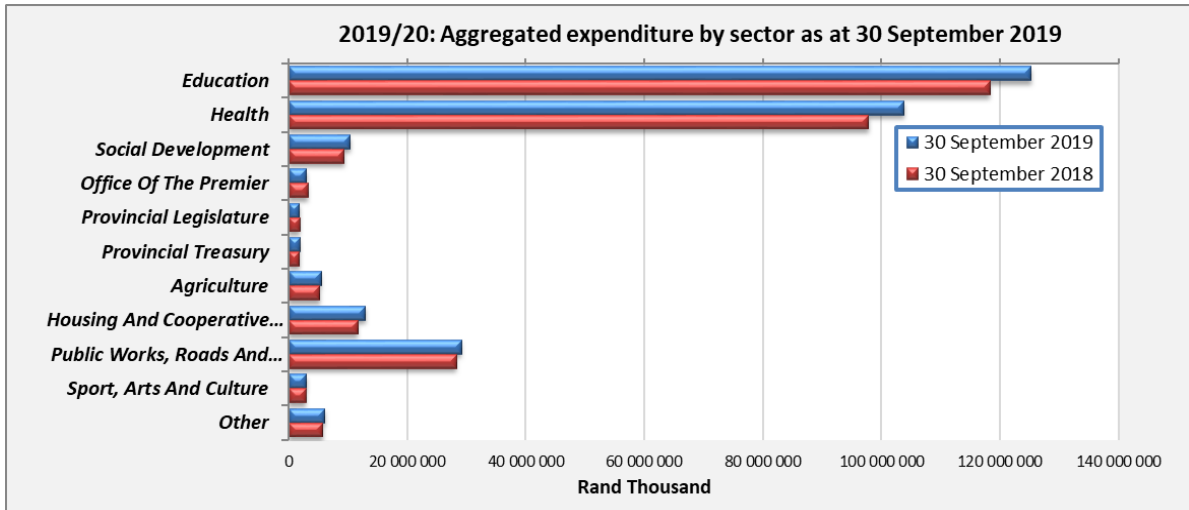
South African provinces increased spending on services in the second quarter. An increase in provincial expenditure suggests that provinces are spending more on areas that will improve the lives of people, such as Health and Education. Provinces spent R303.2 billion or 48 per cent of the total provincial main budget of R632.3 billion at the end of the second quarter for 2019/20. This represents an increase of 5.8 per cent or R16.5 billion compared to the R286.7 billion spent over the same period in 2018/19.



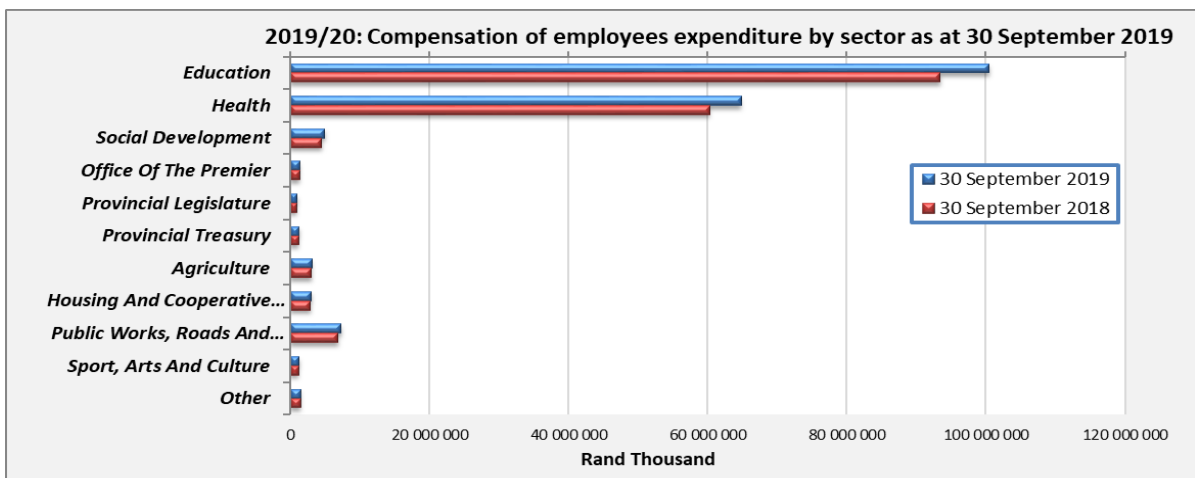
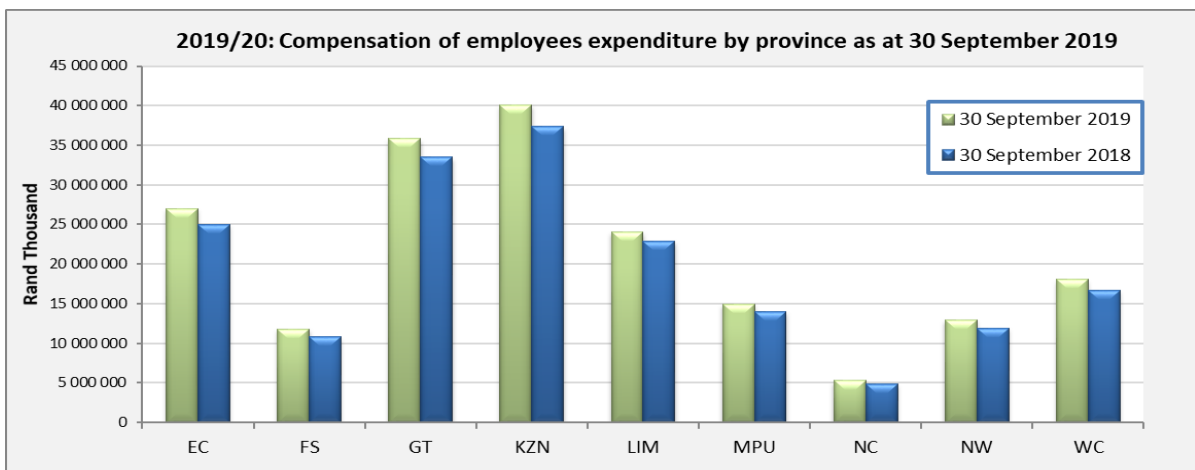
Spending on **education** amounted to R125.3 billion or 48.8 per cent of the R256.9 billion main budgets. This represents an increase of 5.9 per cent or R7 billion compared to the same period of the previous financial year. Education remains the largest item of expenditure on provincial budgets (40.6 per cent). Spending on education is expected to increase further since it normally accelerates in the third quarter as payments for learner and teacher support materials are made.

Health expenditure amounted to R103.8 billion, or 49.5 per cent, of the R209.5 billion main budgets for the first six months of 2019/20. This represents an increase of 6.1 per cent or R6 billion compared to the same period of the 2018/19 financial year. This makes Health the second largest item of expenditure on provincial budgets (33.1 per cent). Part of the increase is due to a notable acceleration on infrastructure projects.

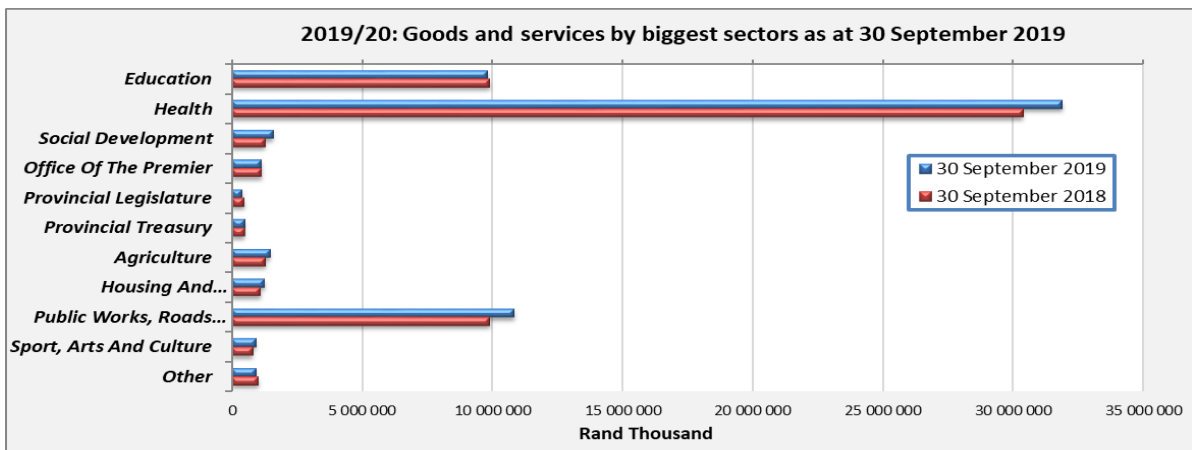
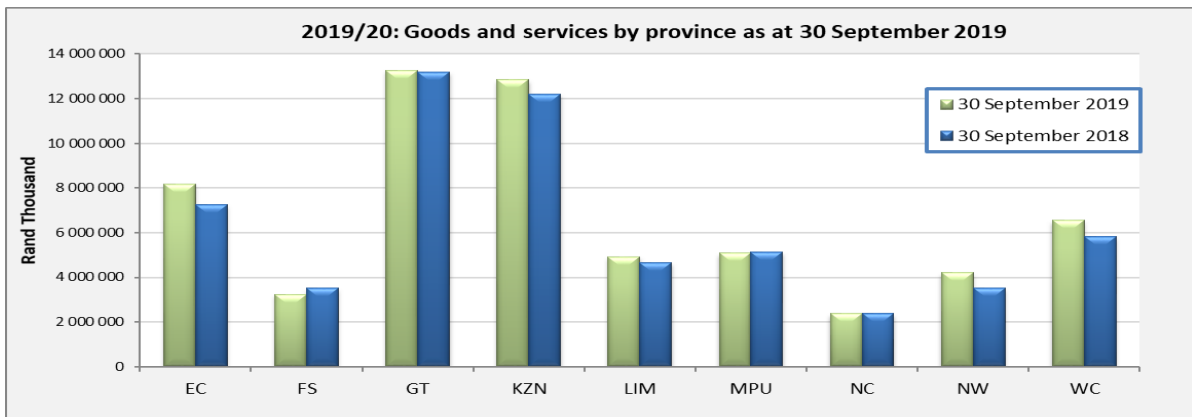
Social Development expenditure amounted to R10.4 billion or 46.6 per cent of the R22.4 billion main budgets. This represents an increase of 11.1 per cent or R1 billion compared to the R9.4 billion spent over the same period in the previous financial year.



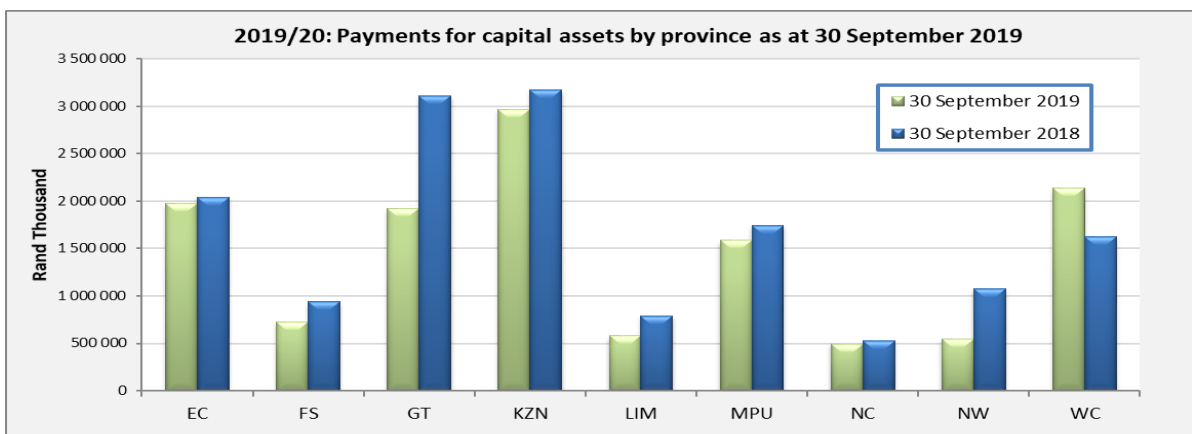
Personnel expenditure (compensation of employees) amounted to R190.2 billion or 48.8 per cent of the R389.6 billion main budgets as at 30 September 2019. This represents an increase of 7.4 per cent or R13 billion compared to the same period of the 2018/19 financial year.



Spending on **goods and services** amounted to R60.7 billion or 47.6 per cent of the R127.6 billion main budgets. This reflects an increase of 5.2 per cent or R3 billion compared to the same period of the 2018/19 financial year.



In aggregate, expenditure on **capital** (payments for capital assets) amounted to R12.9 billion or 35.9 per cent of the main budgets of R36 billion. This reflects a decrease of 14 per cent compared to the R15 billion spent over the same period in the previous financial year.

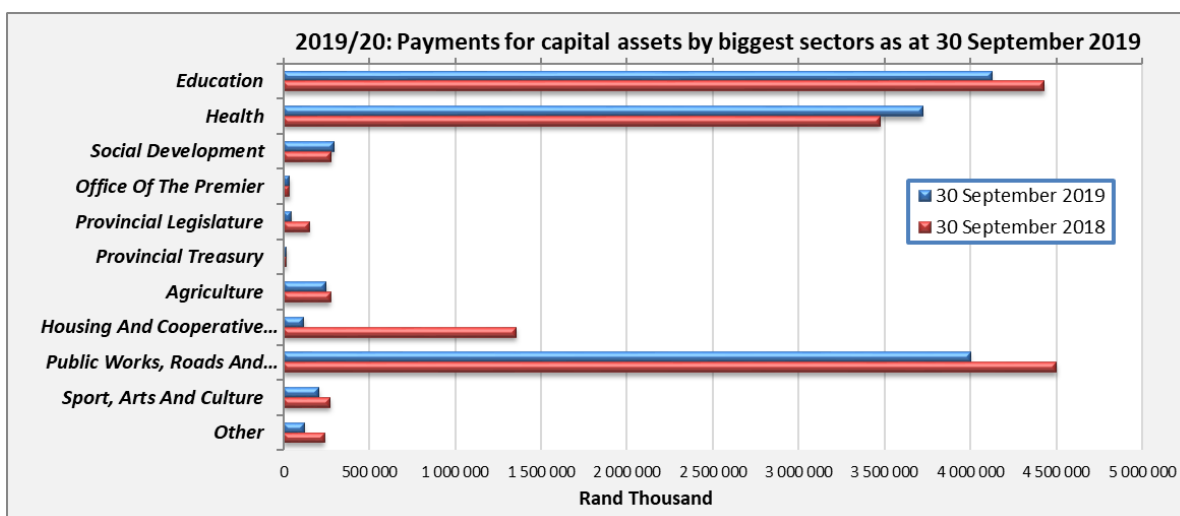


Capital expenditure by provincial education departments amounted to R4.1 billion or 39.9 per cent of the R10.3 billion main budgets. This is R304.5 million or 6.9 per cent less than the R4.4 billion spent over the same period in the previous financial year.

Capital expenditure by provincial health departments amounted to R3.7 billion or 37.7 per cent of the main budgets of R9.9 billion. This represents an increase of R244.7 million or 7 per cent compared to the R3.5 billion spent over the same period in 2018/19.



The biggest share of provincial capital budgets is for public works, roads and transport (33.3 per cent). For the first six months of 2019/20, spending amounts to R4 billion or 33.4 per cent of the R12 billion main budgets.



Provincial own revenue collected at the end of the second quarter amounts to R10.8 billion or 54.5 per cent of the R19.9 billion own revenue budgets. By the end of the second quarter, national government had transferred R252.8 billion of the equitable shares and R55.4 billion of conditional grants to provinces.

The budgeted figures for provinces are based on the 2019 *Estimates of Provincial Revenue and Expenditure* documents which were presented to the provincial legislatures during March 2019.

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 second quarter and year to date (April to September 2019) of the 2019/20 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 therefore, in the first instance, be referred to the heads of the relevant provincial departments, and in the second instance to the head of the relevant provincial treasury. Queries on conditional grants may be referred to the head of the national department that administers the grant.
- The budgeted figures in this publication take into account the 2019 *Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during March 2019. It includes the amounts allocated through the *Appropriation Act, 2019 and Division of Revenue Act, 2019*.

Issued by National Treasury

Date: November 2019

