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## MEDIA STATEMENT

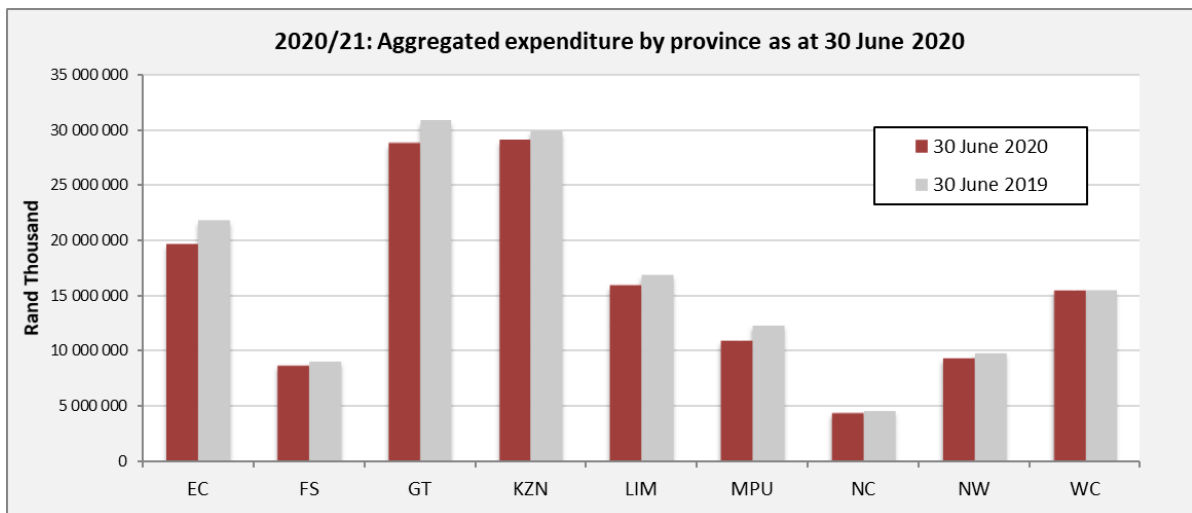
### Provincial Budgets: 2020/21 Financial Year First Quarter Provincial Budgets and Expenditure Report

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#### SUMMARY

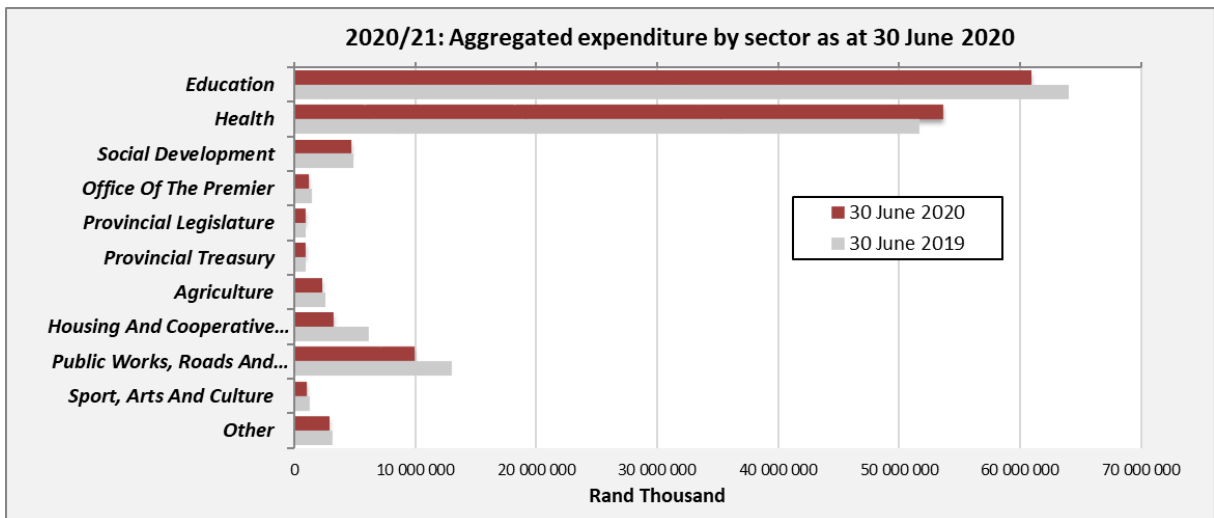
##### *Overall Expenditure Trends – First Quarter: 2020/21 Financial Year*

1. Provinces have spent 21.2 per cent or R141.8 billion of the R670.1 billion of the provincial main budgets. As a share of the main budget, spending has declined by 5.6 per cent (R8.4 billion) compared to the first quarter of the previous financial year 2019/20.

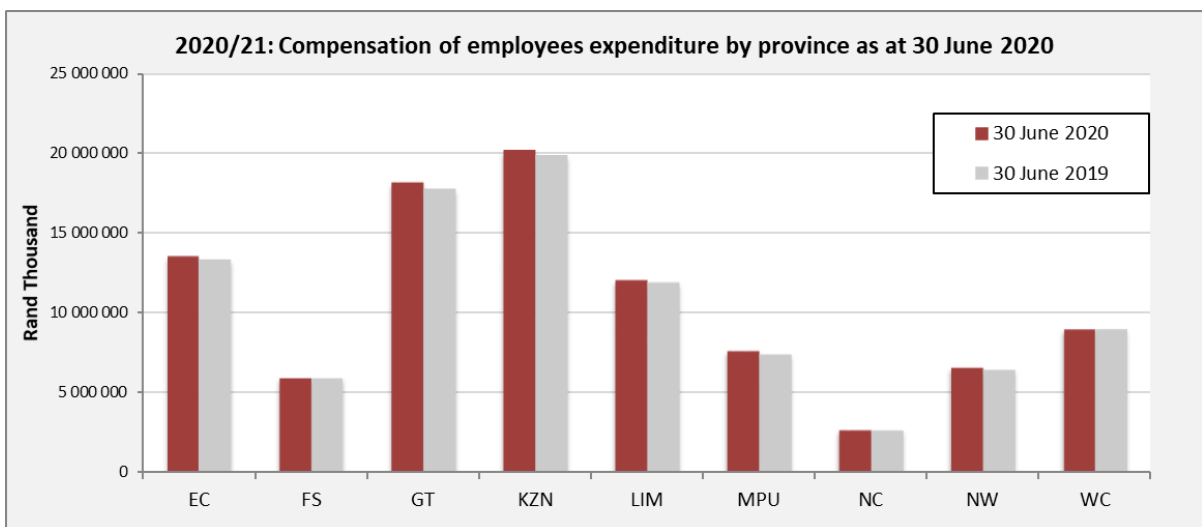


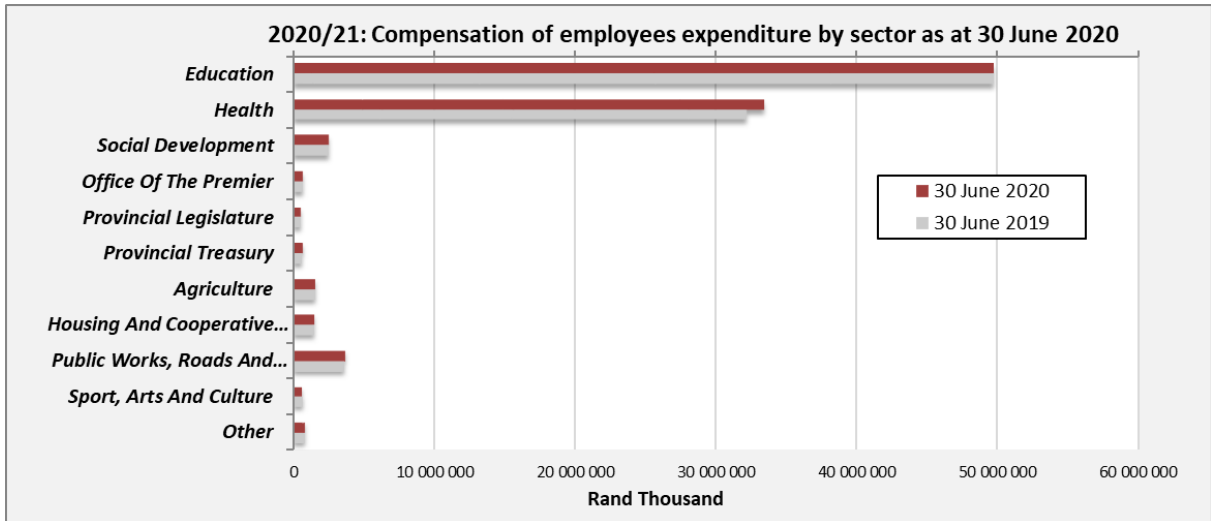
2. Spending on **education** amounts to R60.9 billion or 22.3 per cent of the provincial education's main budget of R272.6 billion. Spending is R3.1 billion (4.9 per cent) lower compared to the same period of the previous financial year. Education remains the largest item of expenditure on provincial budgets (40.7 per cent).
3. Provinces spent R53.7 billion against a main budget of R224.9 billion providing **health** services during the first quarter of 2020/21. Spending is R2 billion (3.8 per cent) higher than the spending recorded over the same period in 2019/20. This makes Health the second largest item of expenditure on provincial budgets (33.6 per cent). Provincial health departments are projected to overspend by R13.8 billion as provinces face pressures to ramp up health services to adequately respond to the current Covid-19 health crisis.
4. **Social development** expenditure at the end of the first quarter of 2020/21 amounted to R4.7 billion of the total provincial social development's main budgets of R24.1 billion. This

represents a decline of 3.7 per cent or R180 million compared to the same period in 2019/20.

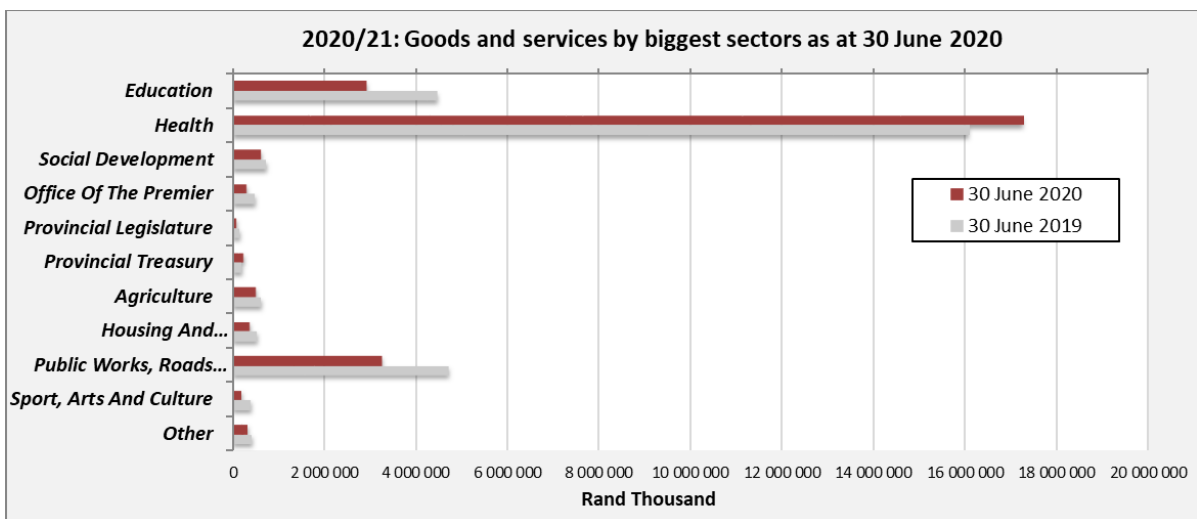
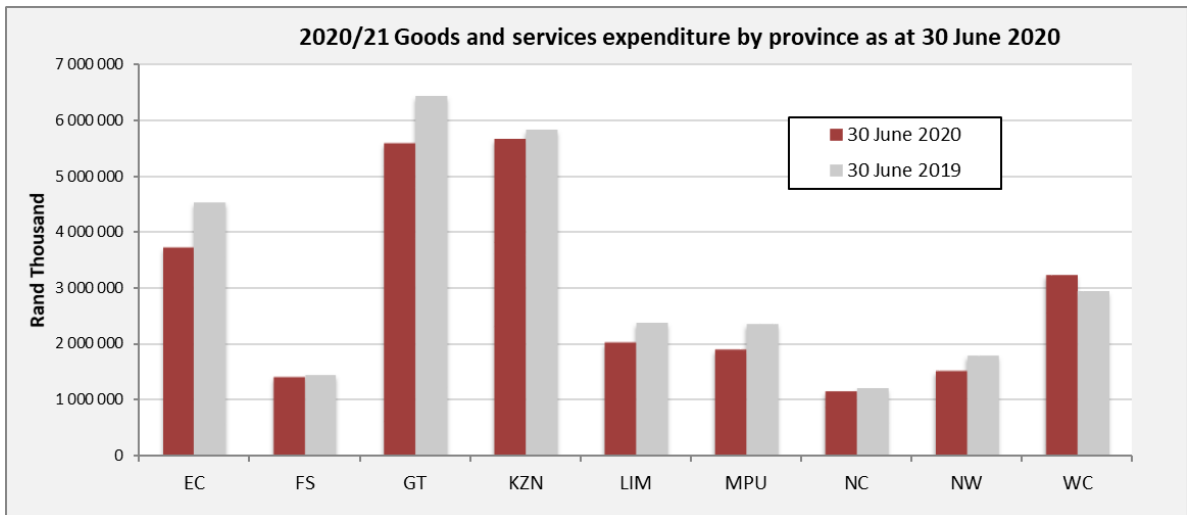


5. **Personnel** expenditure (compensation of employees) amounted to R95.6 billion or 22.9 per cent of the R417.2 billion main budgets as at 30 June 2020. This represents an increase of 1.4 per cent or R1.4 billion compared to the same period of the 2019/20 financial year.

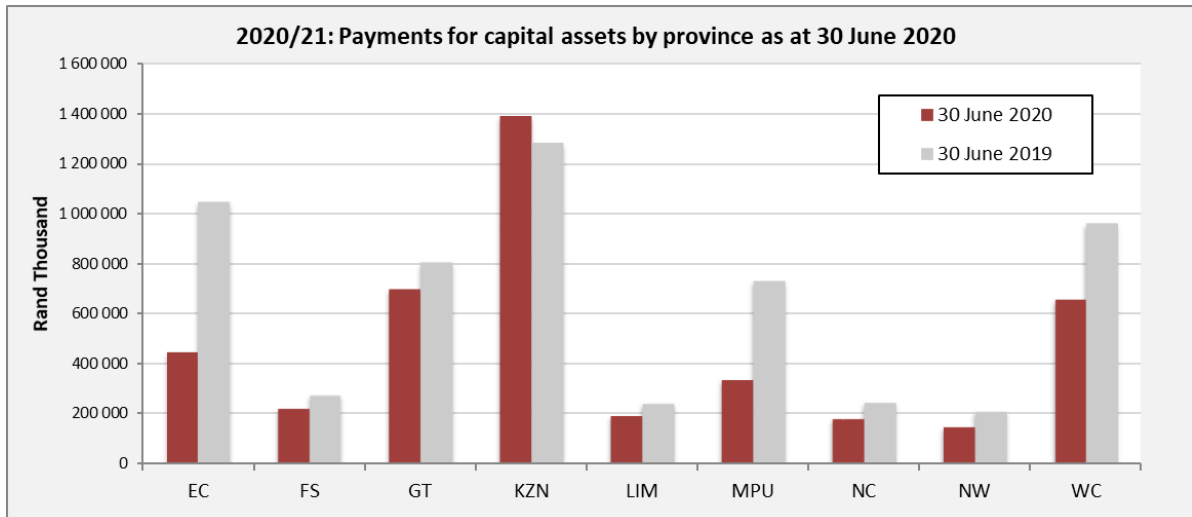




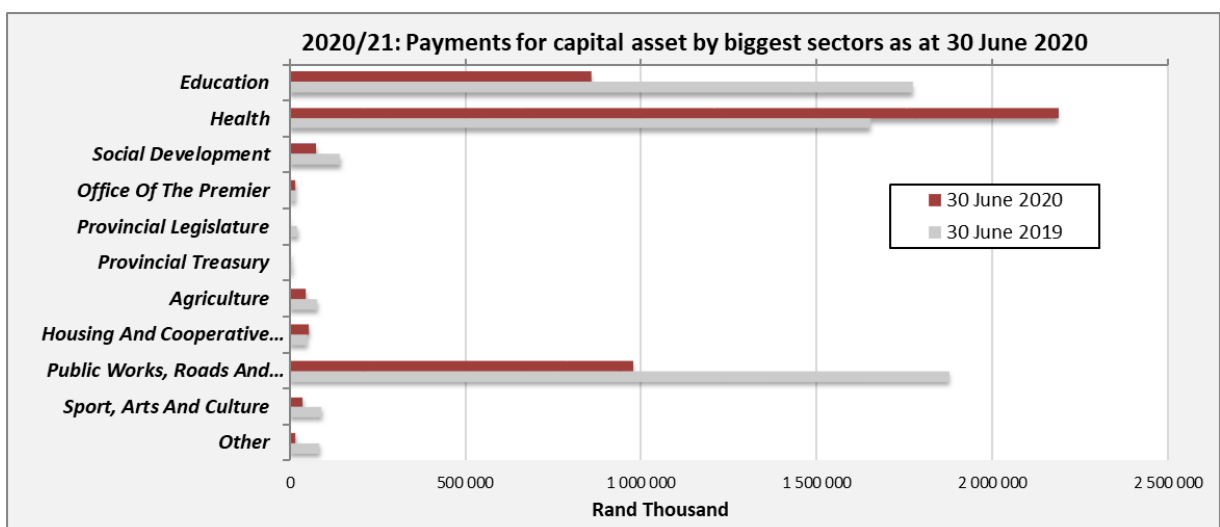
6. Spending on **goods and services** in aggregate amounts to R26.2 billion or 19.4 per cent of the R134.9 billion main budgets. This is 9.3 per cent or R2.7 billion lower than the R28.9 billion spent over the same period in 2019/20.



7. For the year to date, payments for capital assets (**capital**) spending amounts to R4.3 billion or 11.8 per cent of the R36.2 billion provincial payments for capital assets main budgets. The spending rate has declined by 26.3 per cent or R1.5 billion compared to the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounted to R858.3 million or 8.9 per cent of the R9.6 billion main budgets. This is R917 million or 51.7 per cent less than the R1.8 billion spent over the same period in the previous financial year.
9. Capital expenditure by provincial health departments amounted to R2.2 billion or 20.7 per cent of the main budgets of R10.6 billion. This represents an increase of R532 million or 32.2 per cent compared to the R1.7 billion spent over the same period in 2019/20.
10. As the biggest share of the capital budget, public works, roads and transport departments have spent R977.5 million or 7.8 per cent of their capital budgets. This represents a declined spending rate by 46.2 per cent or R839.1 million compared to the same period in the previous financial year.



11. Provinces have collected R1.9 billion or 9.6 per cent of the budgeted own revenue of R20.2 billion. Own revenue collections are significantly low by R3.1 billion compared to the same period in the previous financial year. This largely reflects the impact of the nationwide lockdown announced in March 2020 that hampered provinces revenue raising capabilities.
12. The budgeted figures for the first quarter of 2020/21 are based on the 2020 *Estimates of Provincial Revenue and Expenditure* documents, which were presented to the provincial legislatures during March 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 June 2020) of the 2020/21 financial year. The statement is also available on the Treasury website at [www.treasury.gov.za](http://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 budgeted figures in this publication takes into account the 2020 *Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during March 2020. It includes the amounts allocated through the *Appropriation Act, 2020 and Division of Revenue Act, 2020*.
- Following the Supplementary Budget tabled by the Minister of Finance on 24 June 2020, provinces tabled their respective supplementary budgets during July 2020.

**Issued by National Treasury**  
**Date: 19 August 2020**

