



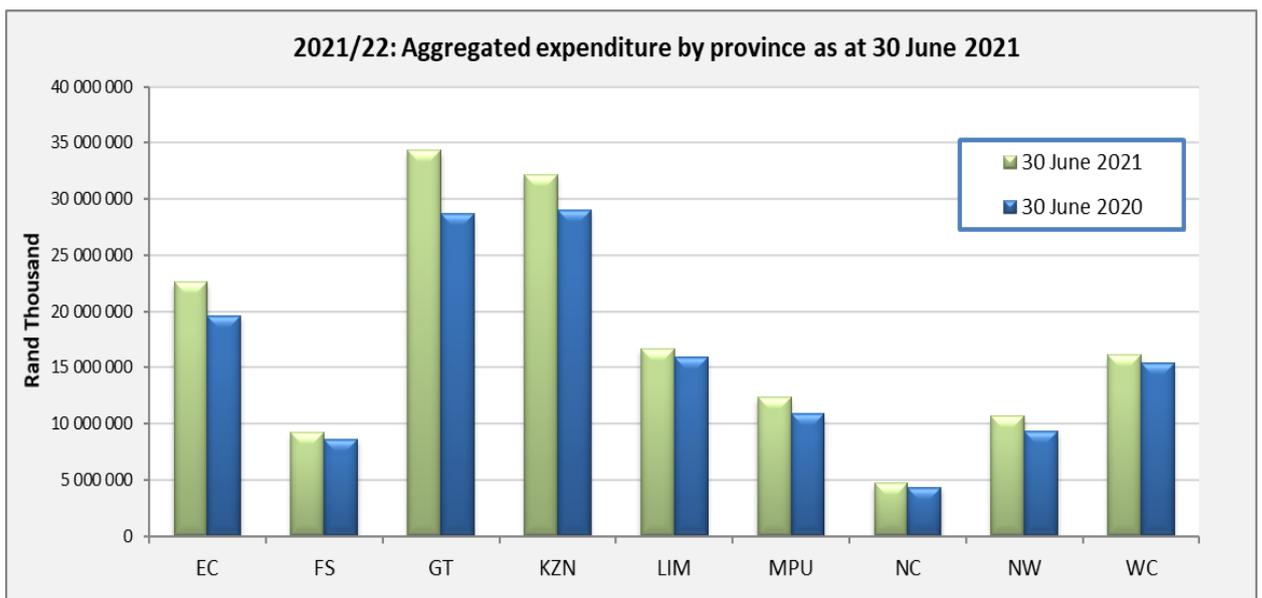
MEDIA STATEMENT

Provincial Budgets: 2021/22 Financial Year First Quarter Provincial Budgets and Expenditure Report

SUMMARY

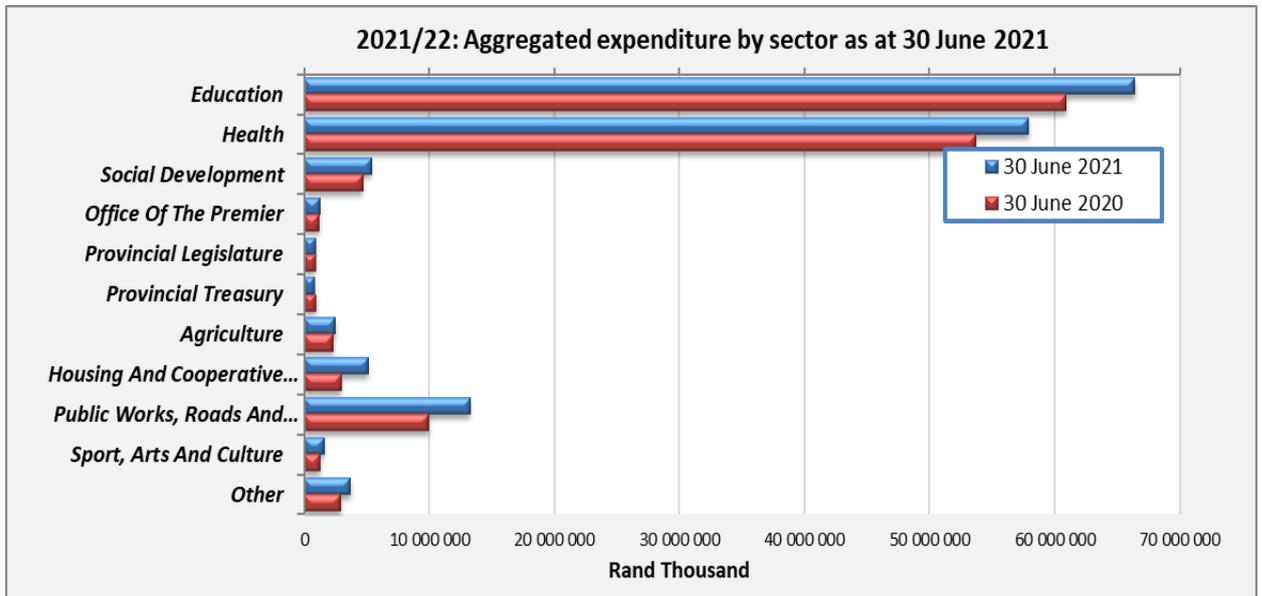
Overall Expenditure Trends – First Quarter: 2021/22 Financial Year

1. Provinces have spent 24.1 per cent or R158.8 billion of the R657.4 billion of the provincial main budgets. As a share of the main budget, spending has increased by 12 per cent (R17 billion) compared to the first quarter of the previous financial year (2020/21).

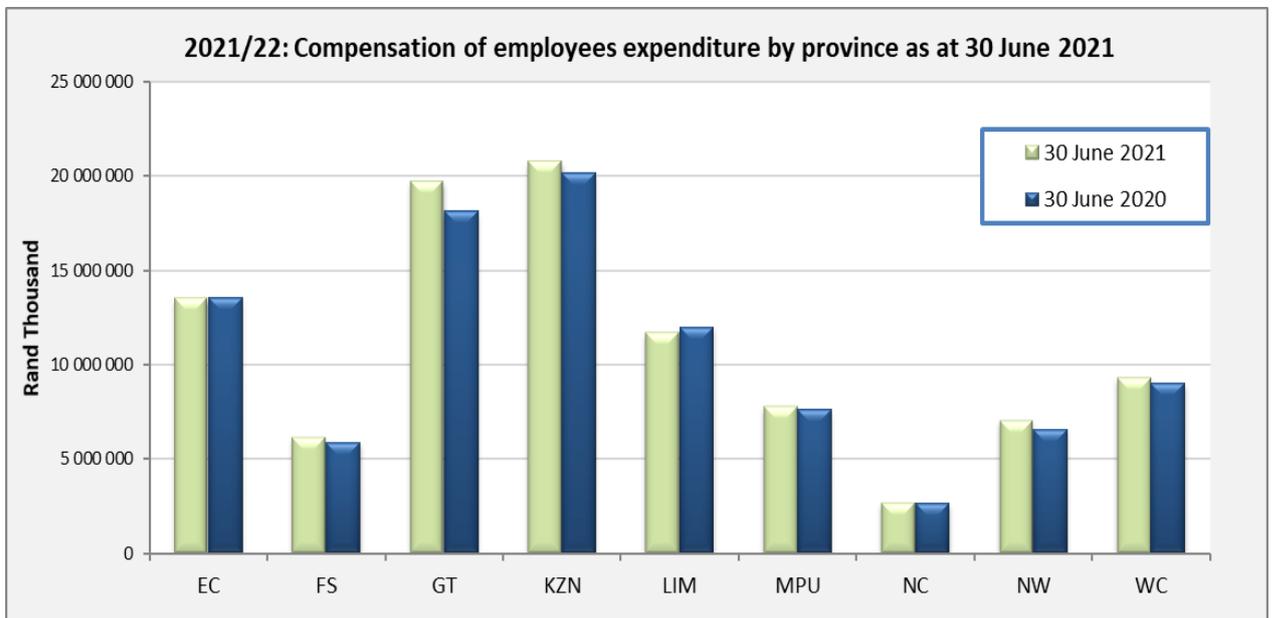


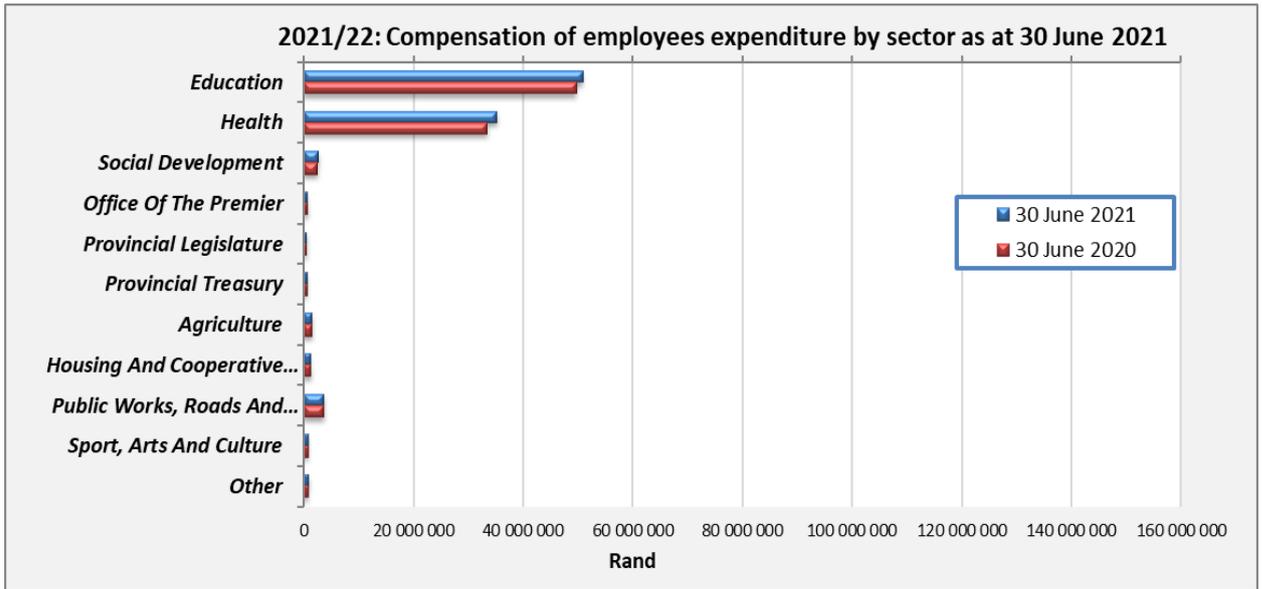
2. Spending on **education** amounts to R66.4 billion or 25.4 per cent of the provincial education's main budget of R261.7 billion. Spending is R5.5 billion (9 per cent) higher compared to the same period of the previous financial year. Education remains the largest item of expenditure on provincial budgets (41.8 per cent).
3. Provinces spent R57.9 billion against the main budget of R228.9 billion providing **health** services during the first quarter of 2021/22. Spending is R4.2 billion (7.9 per cent) higher than the spending recorded over the same period in 2020/21. This makes Health the second largest item of expenditure on provincial budgets (36.5 per cent). Provincial health departments are projected to overspend by R5.5 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 2021/22 amounted to R5.3 billion of the total provincial social development's main budgets of R23.3 billion. This represents an increase of 14.3 per cent or R667.4 million compared to the same period in 2020/21.

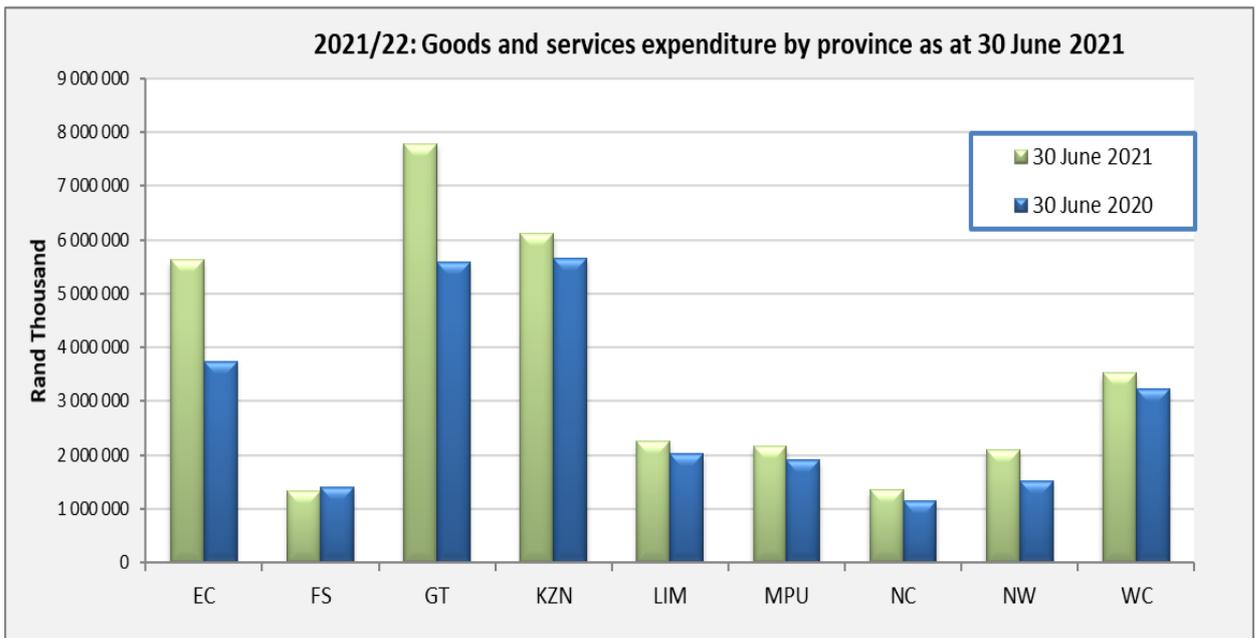


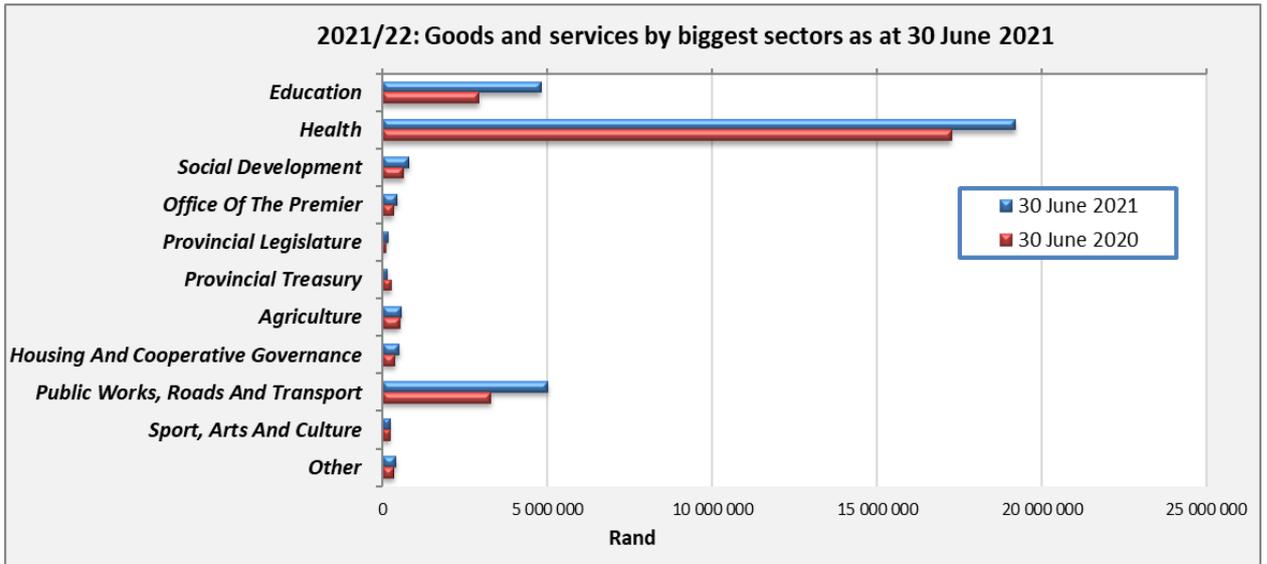
5. **Personnel** expenditure (compensation of employees) amounted to R98.7 billion or 24.8 per cent of the R398.9 billion main budgets as at 30 June 2021. This represents an increase of 3.3 per cent or R3.1 billion compared to the same period of the 2020/21 financial year.



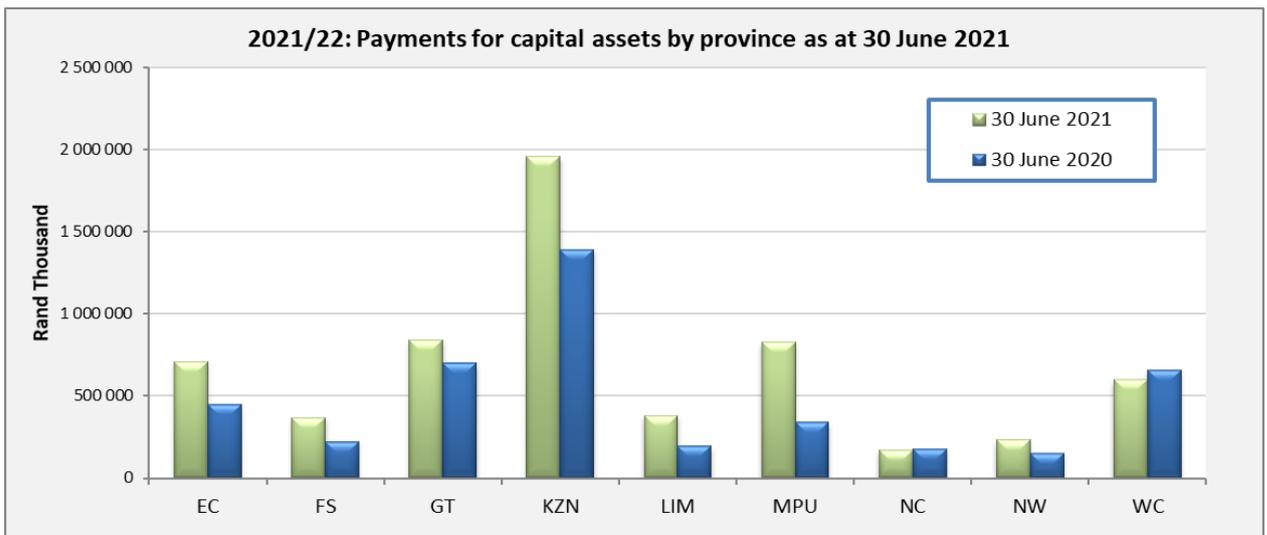


6. Spending on **goods and services** in aggregate amounts to R32.3 billion or 23.1 per cent of the R139.9 billion main budgets. This is 23.1 per cent or R6.1 billion higher than the R26.2 billion spent over the same period in 2020/21.

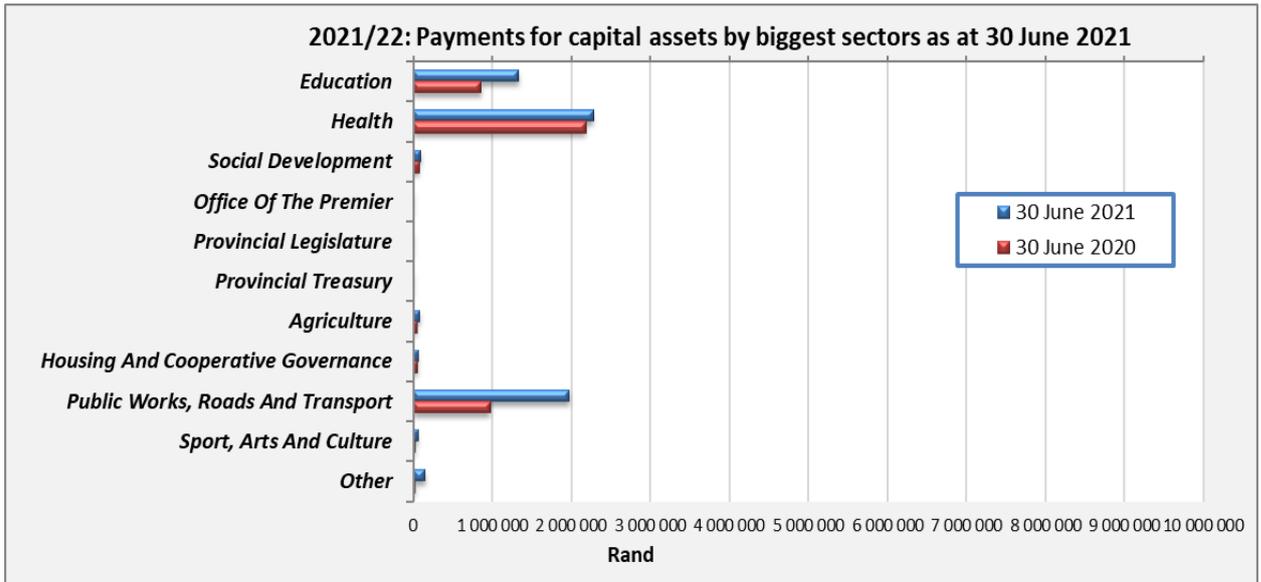




7. For the year to date, payments for capital assets (**capital**) spending amounts to R6.1 billion or 16.7 per cent of the R36.5 billion provincial payments for capital assets main budgets. The spending rate has increased by 42 per cent or R1.8 billion compared to the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounted to R1.3 billion or 13.2 per cent of the R10.2 billion main budgets. This is R497.5 million or 55.9 per cent compared to the same period in the previous financial year.
9. Capital expenditure by provincial health departments amounted to R2.3 billion or 20.2 per cent of the main budgets of R11.3 billion. This represents an increase of R95.3 million or 4.4 per cent compared to the R2.2 billion spent over the same period in 2020/21.
10. As the biggest share of the capital budget, public works, roads and transport departments have spent R1.9 million or 16.6 per cent of their capital budgets. This represents an increase in the spending rate by 107.5 per cent or R1 billion compared to the same period in the previous financial year.



11. Provinces have collected R3.7 billion or 18.1 per cent of the budgeted own revenue of R20.8 billion. Own revenue collections are significantly higher by R1.8 billion compared to the same period in the previous financial year. This largely reflects the relaxation in nationwide lockdown compared to the previous financial year.
12. The budgeted figures for the first quarter of 2021/22 are based on the 2021 *Estimates of Provincial Revenue and Expenditure* documents, which were presented to the provincial legislatures during March 2021.

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 2021) of the 2021/22 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 the 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 2021 *Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during March 2021. It includes the amounts allocated through the *Appropriation Act, 2021 and Division of Revenue Act, 2021*.

Issued by National Treasury

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