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## MEDIA STATEMENT

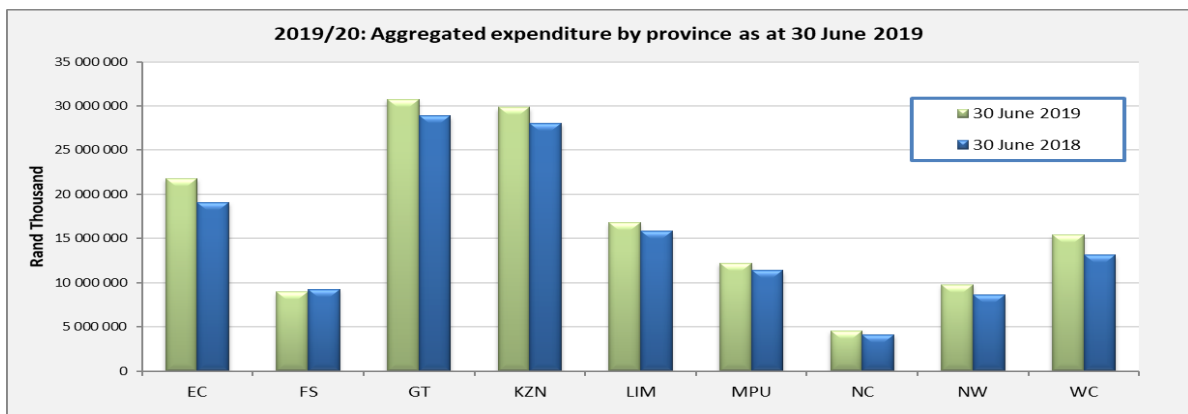
### Provincial Budgets: 2019/20 Financial Year First Quarter Provincial Budgets and Expenditure Report

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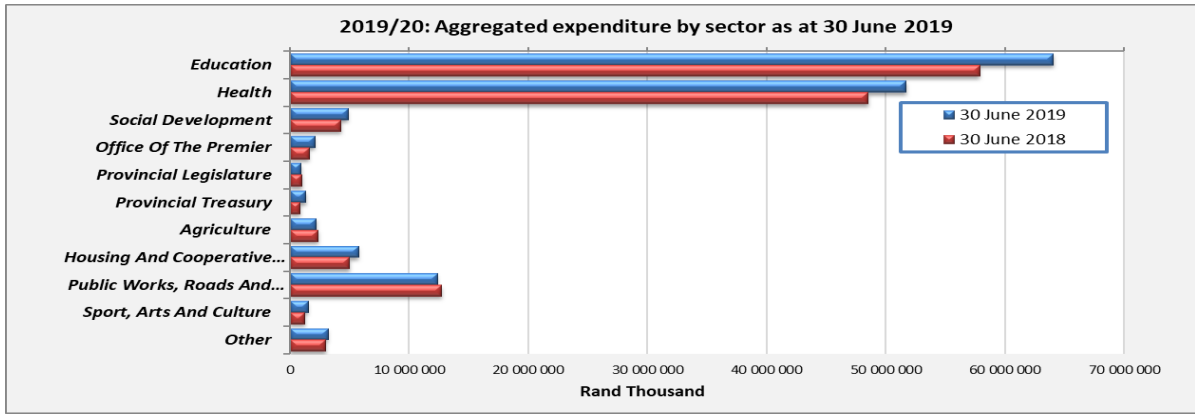
#### SUMMARY

##### *Overall Expenditure Trends – First Quarter: 2019/20 Financial Year*

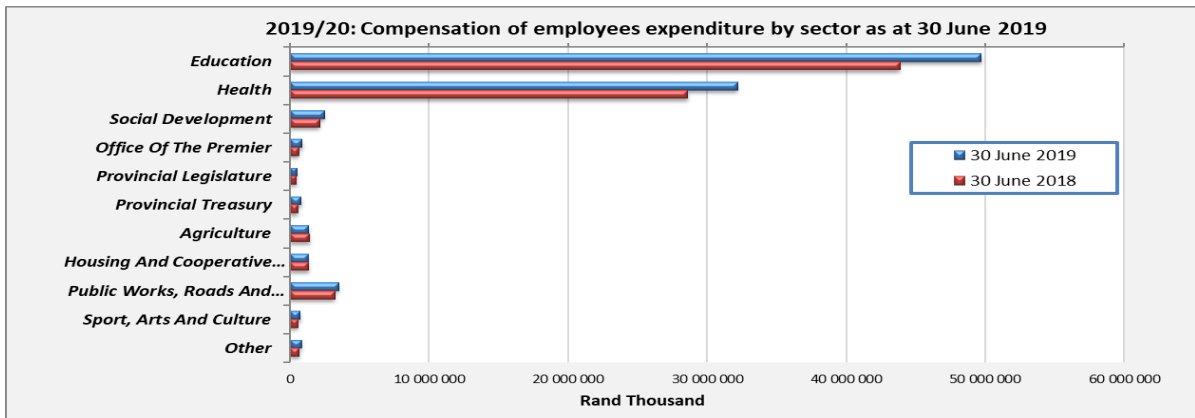
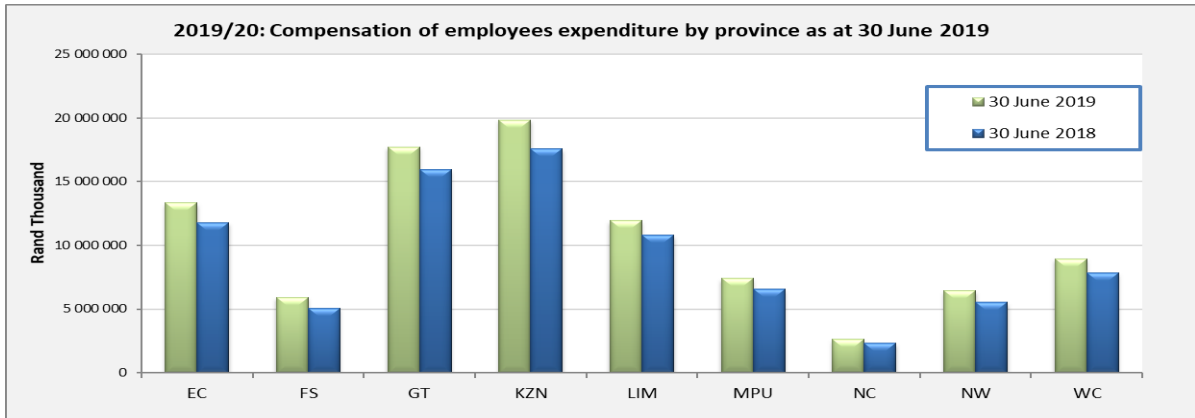
1. Provinces have spent R150.1 billion, or 23.7 per cent, of the total provincial main budget of R632.3 billion in the first quarter of 2019/20. This represents an increase of 8.4 per cent or R11.7 billion compared to the R138.5 billion spent over the same period in 2018/19.



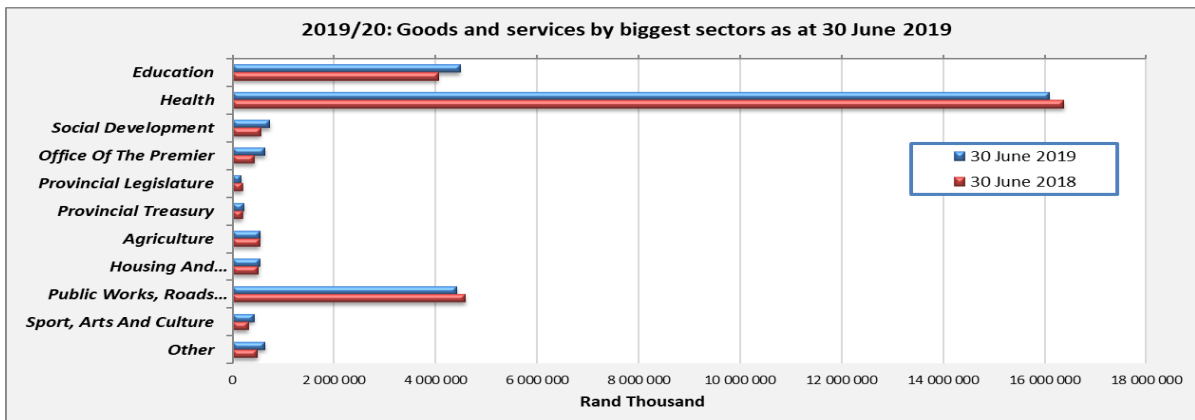
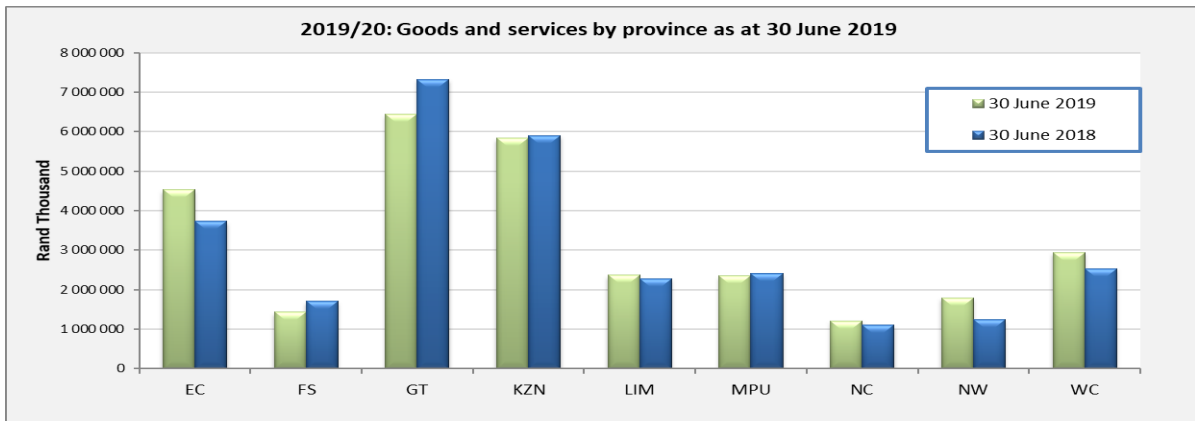
2. Spending on **education** at the end of the first quarter of 2019/20 amounted to R64.1 billion or 24.9 per cent of the R256.9 billion main budgets. This represents an increase of 10.7 per cent or R6.2 billion compared to the first quarter of the previous financial year. Education remains the largest item of expenditure on provincial budgets (40.6 per cent).
3. **Health** expenditure amounted to R51.7 billion, or 24.7 per cent, of the R209.5 billion main budgets for the first three months of 2019/20. This represents an increase of 6.6 per cent or R3.2 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).
4. **Social development** expenditure at the end of the first quarter of 2019/20 amounted to R4.9 billion or 21.7 per cent of the R22.4 billion main budgets. This represents an increase of 13.8 per cent or R590.9 million compared to the R4.3 billion spent over the same period in the previous financial year.



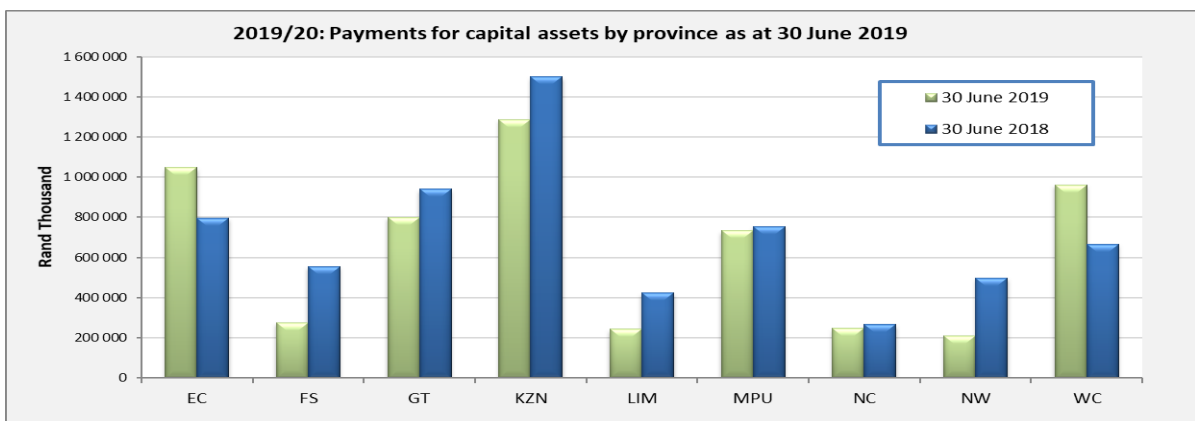
5. **Personnel** expenditure (compensation of employees) amounted to R94.3 billion or 24.2 per cent of the R389.6 billion main budgets as at 30 June 2019. This represents an increase of 12.9 per cent or R10.8 billion compared to the same period of the 2018/19 financial year.



6. Spending on **goods and services** amounted to R28.9 billion or 22.7 per cent of the R127.6 billion main budgets. This reflects an increase of 2.4 per cent or R665.4 million compared to the same period of the 2018/19 financial year.

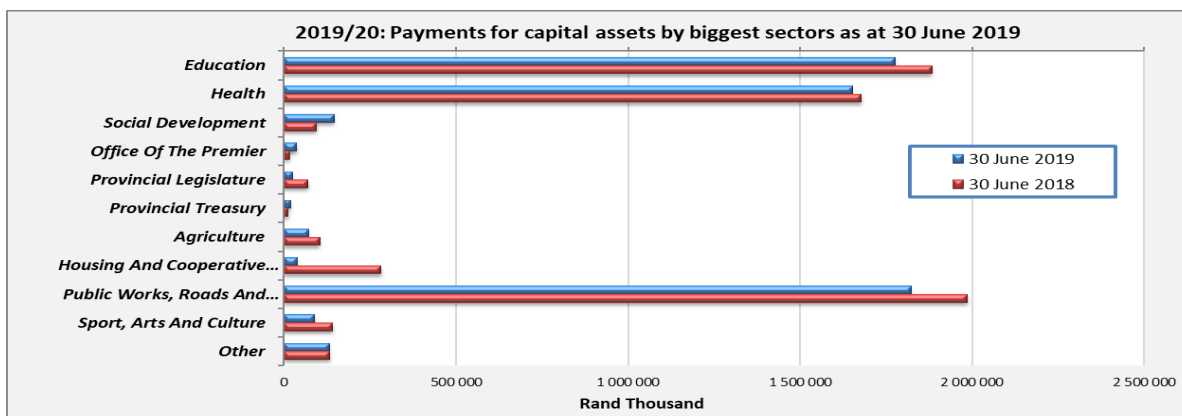


7. In aggregate, expenditure on **capital** (payments for capital assets) amounted to R5.8 billion or 16.1 per cent of the main budgets of R36 billion. This reflects a decrease of 9.3 per cent compared to the R6.4 billion spent over the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounted to R1.8 billion or 17.2 per cent of the R10.3 billion main budgets. This is R108.1 million or 5.7 per cent less than the R1.9 billion spent over the same period in the previous financial year.
9. Capital expenditure by provincial health departments amounted to R1.7 billion or 16.7 per cent of the main budgets of R9.9 billion. This represents a decrease of R25.8 million or 1.5 per cent compared to the R1.7 billion spent over the same period in 2018/19.

10. The biggest share of provincial capital budgets is for the public works, roads and transport (31.9 per cent). For the first three months of 2019/20, spending amounts to R1.8 billion or 15.9 per cent of the R11.5 billion main budgets.



11. Provincial own revenue collected at the end of the first quarter amounts to R5 billion or 25.2 per cent of the R19.9 billion own revenue budgets. By the end of the first quarter, national government had transferred R126.4 billion of the equitable shares and R27.4 billion of conditional grants to provinces.

12. The budgeted figures for the first quarter of 2019/20 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 first quarter (April to June 2019) of the 2019/20 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 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 takes 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 *Adjustments Appropriation Act, 2019 and Division of Revenue Act, 2019*.

**Issued by National Treasury**  
**Date: 3 September 2019**