



MEDIA STATEMENT

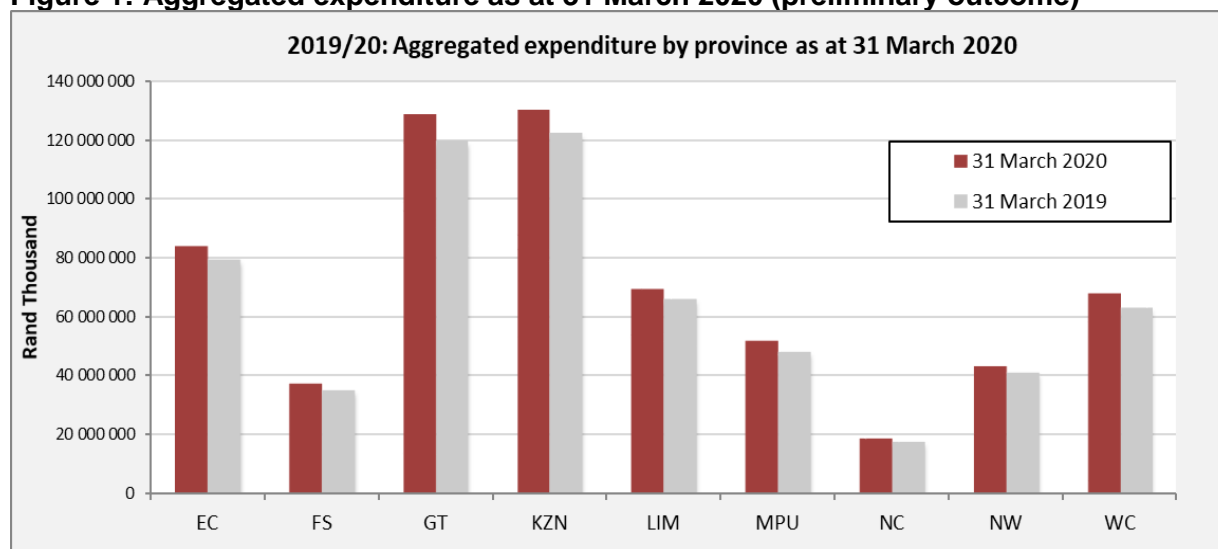
Provincial Budgets: 2019/20 Financial Year Preliminary Provincial Revenue and Expenditure Outcomes Report

SUMMARY

Overall Expenditure Trends – 2019/20 preliminary outcomes

According to the preliminary outcomes of the provincial revenue and expenditure report for 2019/20, South African provinces have spent R628.8 billion, or 98.4 per cent, of their adjusted budget of R638.7 billion. This represents an increase of 6.4 per cent or R37.9 billion compared to the R590.9 billion spent in 2018/19.

Figure 1: Aggregated expenditure as at 31 March 2020 (preliminary outcome)

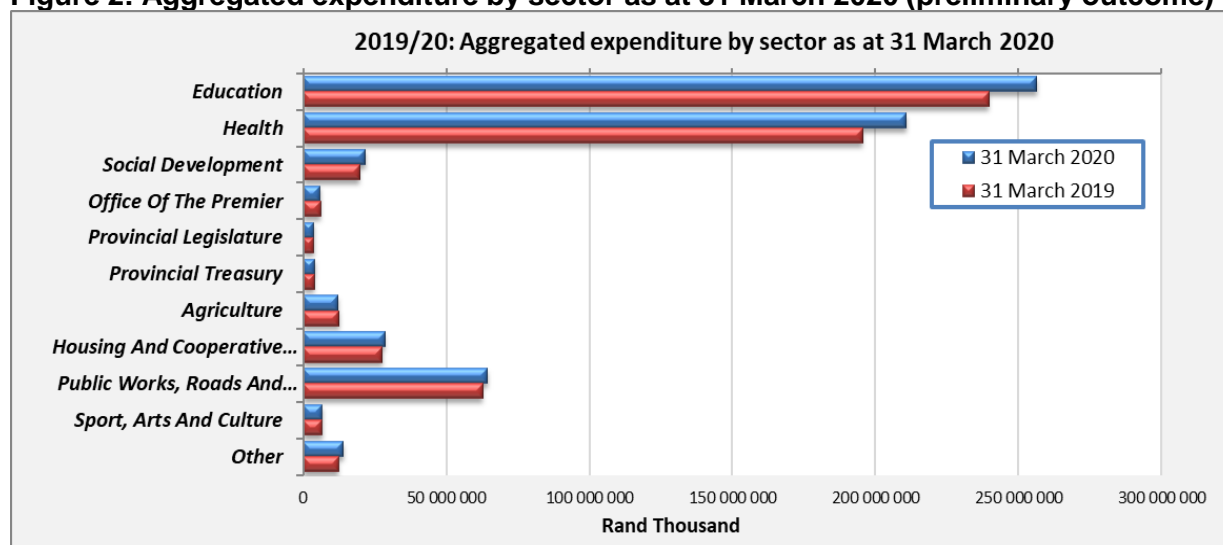


Preliminary spending on **education** for 2019/20 amounts to R256.4 billion or 99.6 per cent of the provincial education adjusted budget of R257.4 billion. This represents an increase of 7 per cent or R16.7 billion compared to 2018/19. Education remains the largest item on provincial budgets (40.3 per cent).

Health expenditure amounts to R210.8 billion, or 99.7 per cent, of the R211.6 billion adjusted budget in 2019/20. This represents an increase of 7.9 per cent or R15.4 billion compared to the 2018/19 financial year. Health is the second largest item on provincial budgets (33.1 per cent).

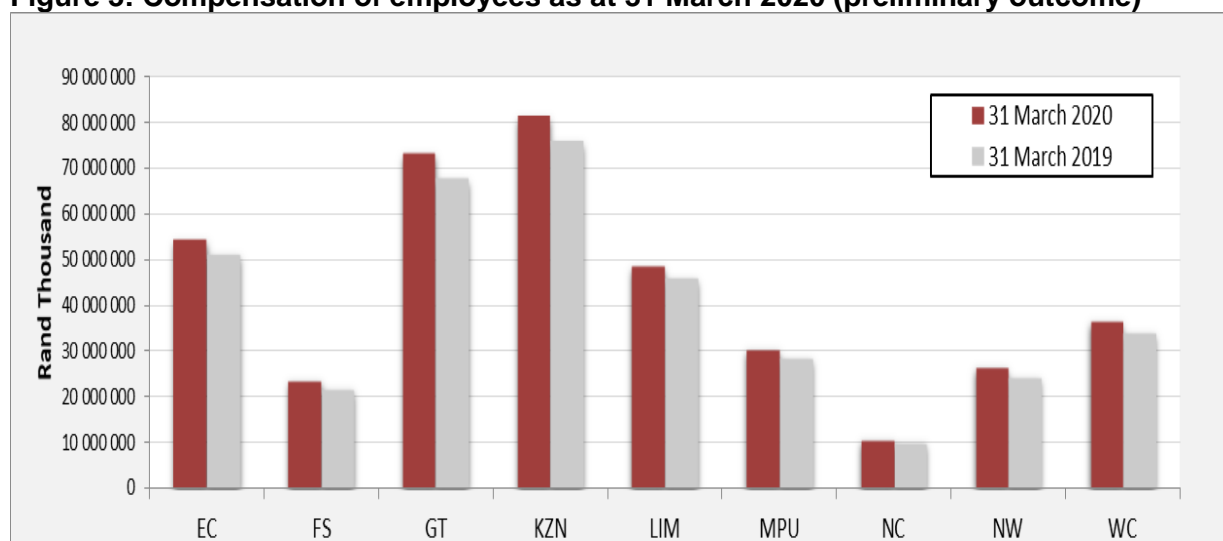
Social development expenditure in 2019/20 amounts to R21.7 billion or 96.9 per cent of the R22.4 billion adjusted budget. This represents an increase of 9.8 per cent or R1.9 billion compared to the R19.8 billion spent over the same period in the previous financial year.

Figure 2: Aggregated expenditure by sector as at 31 March 2020 (preliminary outcome)



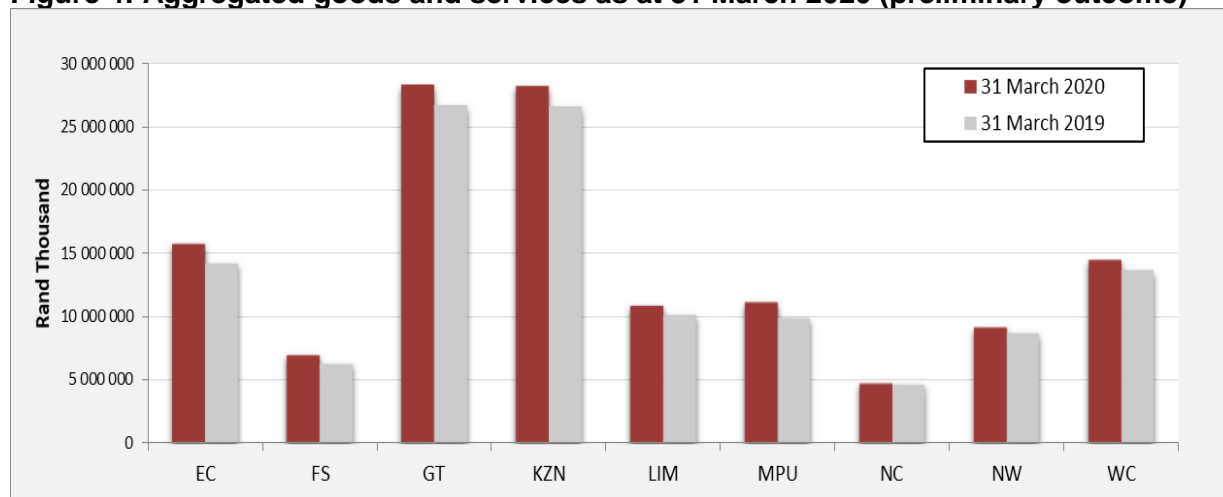
Personnel expenditure (**compensation of employees**) amounts to R384.5 billion or 99.3 per cent of the R387 billion adjusted budget as at 31 March 2020. This represents an increase of 7.3 per cent or R26.2 billion compared to the 2018/19 financial year.

Figure 3: Compensation of employees as at 31 March 2020 (preliminary outcome)



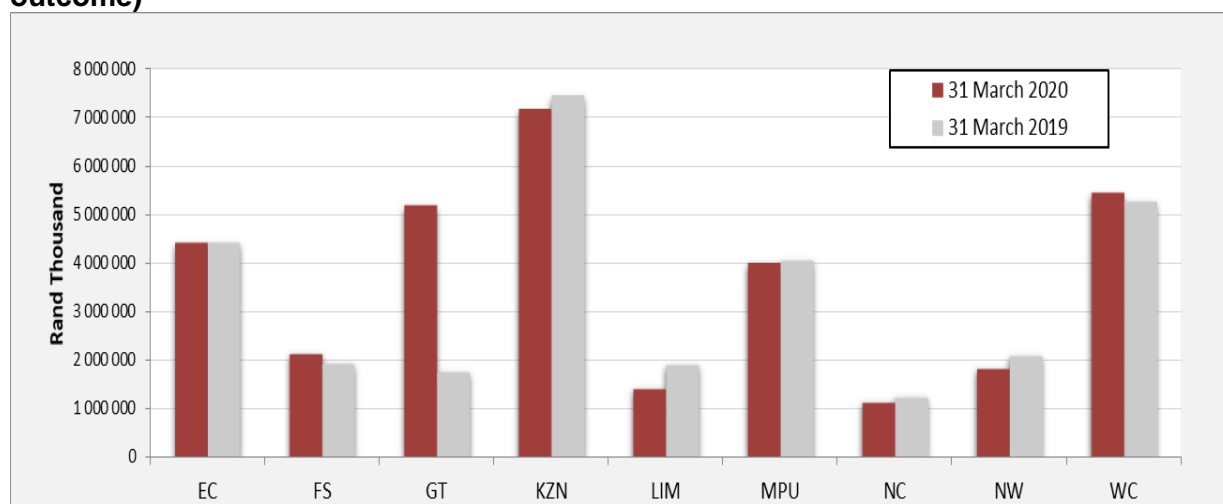
Preliminary spending on **goods and services** amounts to R129.3 billion or 97.2 per cent of the R133.1 billion adjusted budget as at 31 March 2020. This reflects an increase of 7.3 per cent or R8.8 billion compared to the 2018/19 financial year.

Figure 4: Aggregated goods and services as at 31 March 2020 (preliminary outcome)



In aggregate, expenditure on capital (**payments for capital assets**) amounts to R32.1 billion or 89.7 per cent of the adjusted budget of R35.8 billion. This reflects a decrease of 2.5 per cent or R838.3 million compared to the same period in the previous financial year.

Figure 5: Aggregated payments for capital assets as at 31 March 2020 (preliminary outcome)



Capital expenditure by provincial education departments amounts to R9.8 billion or 93.5 per cent of the R10.5 billion adjusted budget. This is R168 million or 1.7 per cent more than the R9.6 billion spent over the same period in the previous financial year.

Capital expenditure by provincial health departments amounts to R9.6 billion or 92 per cent of the adjusted budget of R10.4 billion. This represents an increase of R794.9 million or 9.1 per cent compared to the R8.8 billion spent over the same period in 2018/19.

The biggest share of provincial capital budgets is for public works, and roads and transport (32.6 per cent). Preliminary spending for 2019/20 amounts to R9.9 billion or 84.9 per cent of the R11.7 billion adjusted budget.

Preliminary provincial own revenue collected in 2019/20 amounts to R21.4 billion or 108.1 per cent of the R19.8 billion revised own revenue budget. By the end of 2019/20,

national government had transferred R505.6 billion of the equitable share and R107.4 billion of conditional grants to provinces.

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 preliminary outcome of the 2019/20 financial year (1 April 2019 to 31 March 2020). The statement is also available on the Treasury website at www.treasury.gov.za. **These figures may be revised as provincial departments have until 30 June 2020 to finalise (and reconcile) their financial statements before they are submitted to the provincial Auditors-General.**
- The information contained in this statement comes from the Section 40(4) PFMA reports submitted by heads of provincial departments to provincial treasuries, who, in turn, submitted to the National Treasury. Therefore, at first instance, queries on spending or budget numbers should be referred to the head of the relevant provincial department. And at second instance, should be directed to the head of the relevant provincial treasury. On the other hand, queries on conditional grants may be referred to the head of the national department that administers the grant.
- The adjusted figures in this publication take into account the *2019 Adjusted Estimates of Provincial Revenue and Expenditure* documents tabled in the provincial legislatures in November 2019 and March 2020.
- The *2019 Adjusted Estimates of National Expenditure* tabled on 30 October 2019, and *2019 Division of Revenue Amendment Act* gazetted on 15 January 2020, included additional adjustments to conditional allocations (grants) made to provinces for 2019/20. No additional allocations have been made to provinces in terms of their equitable share.
- In addition to the *2019 Division of Revenue Amendment Act*, the following amendments were gazetted to be included as part of the provincial adjusted budgets:
 - To provide for the stopping and re-allocation of funds (R541.2 million) between provinces in terms of Section 19 and Section 20 of the *2019 Division of Revenue Act, as amended*, for the *Education Infrastructure Grant*.
 - To provide for the stopping and re-allocation of funds (R394 million) between provinces in terms of Section 19 and Section 20 of the *2019 Division of Revenue Act, as amended*, for the *Human Settlements Development Grant*.
 - Conversion of allocations in terms of Section 21 of the *2019 Division of Revenue Act, as amended*, from the *National Health Insurance Indirect Grant* to the *Health Facility Revitalisation Grant* (Eastern Cape – R206 million, Limpopo – R133.3 million).
 - The immediate release of funds in terms of the *2019 Division of Revenue Act, as amended*, for the *Provincial Emergency Housing Grant* to Eastern Cape (R90.2 million), KwaZulu-Natal (R151.2 million) and the Western Cape (R3.4 million).
- These allocations and others were tabled in a second adjusted budget by provinces during March 2020 in the respective provincial legislatures.

Issued by National Treasury

Date: June 2020