



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

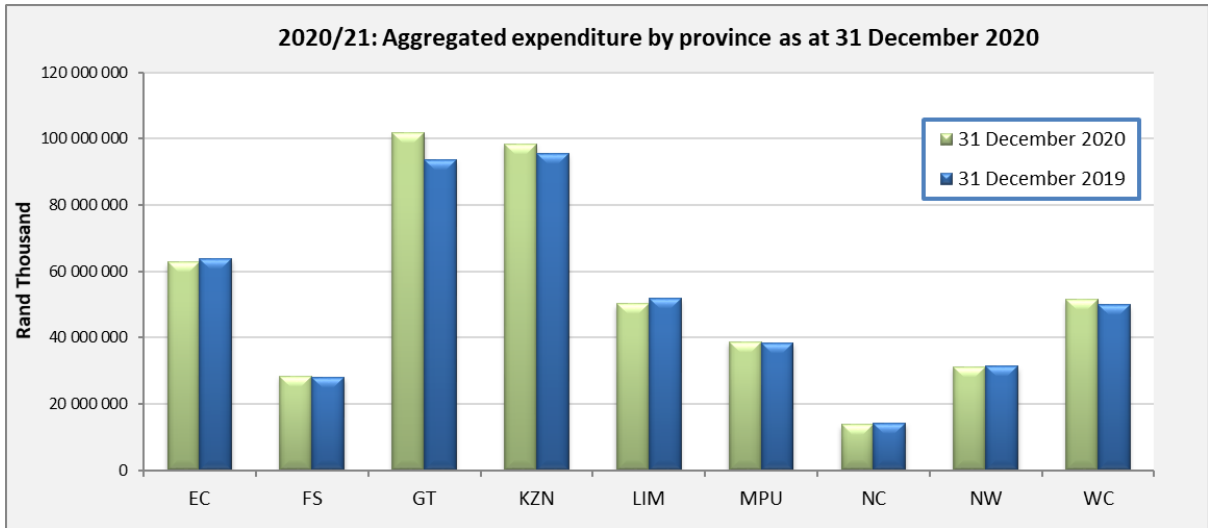
Provincial Budgets: 2020/21 Financial Year Third Quarter Year to Date Provincial Budgets and Expenditure Report

SUMMARY

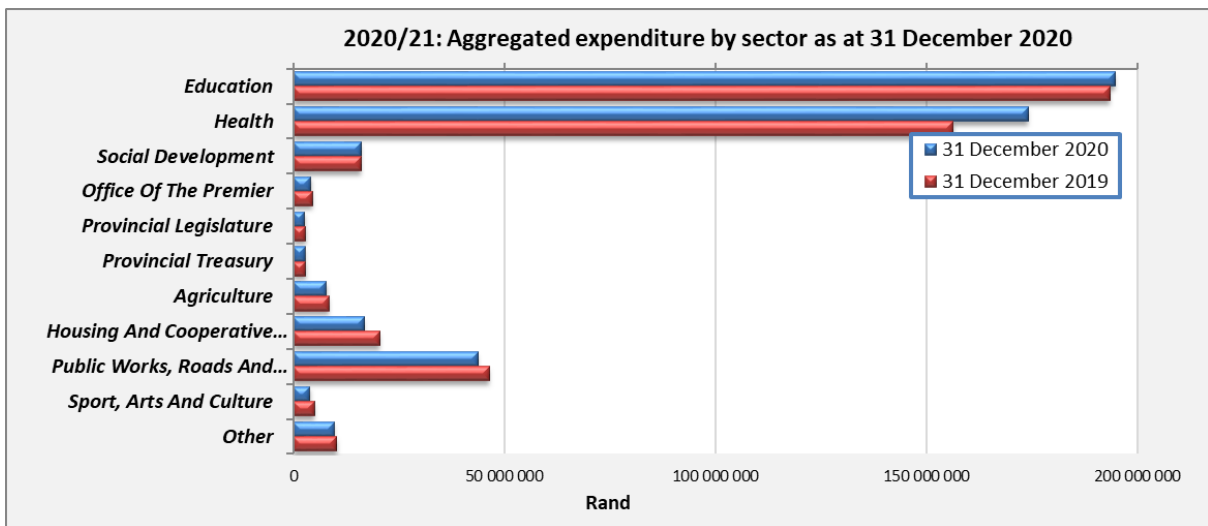
Overall Expenditure Trends – Third Quarter Year to Date: 2020/21 Financial Year

1. A Special Adjustments Budget was tabled by the Minister of Finance in June 2020. Subsequently, provinces tabled their Special Adjusted Budgets in July 2020. The Special Adjustments Budget outlined massive budget reprioritisation undertaken by government in order to fund government's response to the Covid-19 pandemic.
2. A Second Adjustments Budget was tabled by the Minister of Finance in October 2020 (MTBPS). Provinces then tabled their 2020 Adjusted Estimates of Provincial Revenue and Expenditure documents which were presented to Provincial Legislatures during November and December 2020.
3. The Second Adjustments Budget provided for additional allocations to support the presidential employment initiative; assistance with food relief; and for school infrastructure backlogs as outlined in the 2020 MTBPS.
4. As at 31 December 2020, provinces have spent 72.1 per cent or R476.7 billion of the R661.4 billion provincial adjusted budget. Spending has slightly increased by 2.1 per cent (R9.6 billion) compared to the previous financial year (2019/20).
5. The lower spending reflects the impact of lockdown on implementation of certain programmes such as infrastructure and the reconfigurations to provincial budgets as government responds to the social and economic impact of Covid-19.

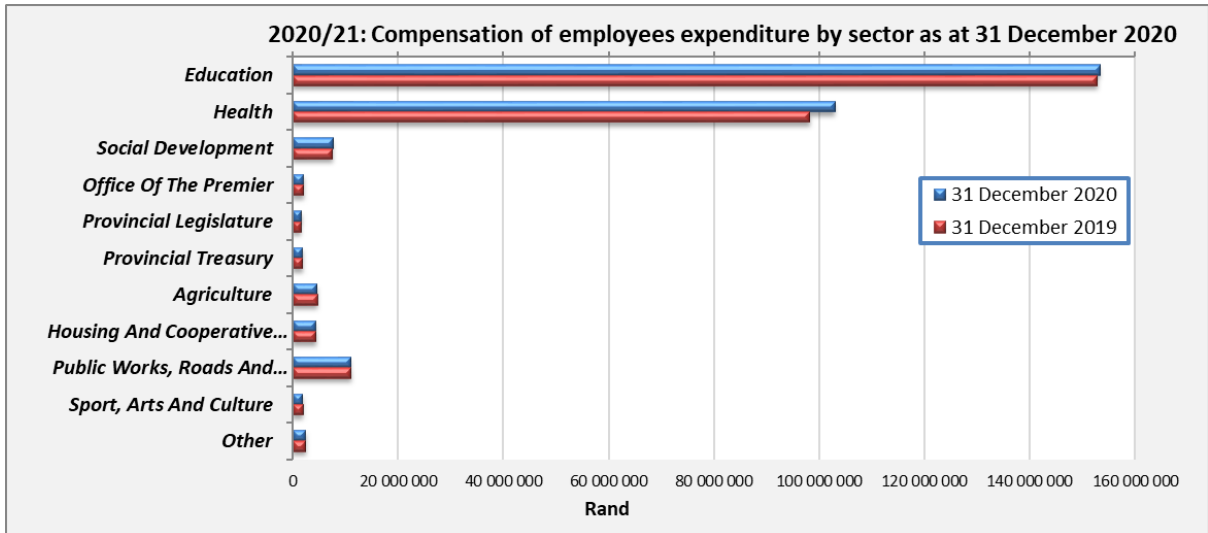




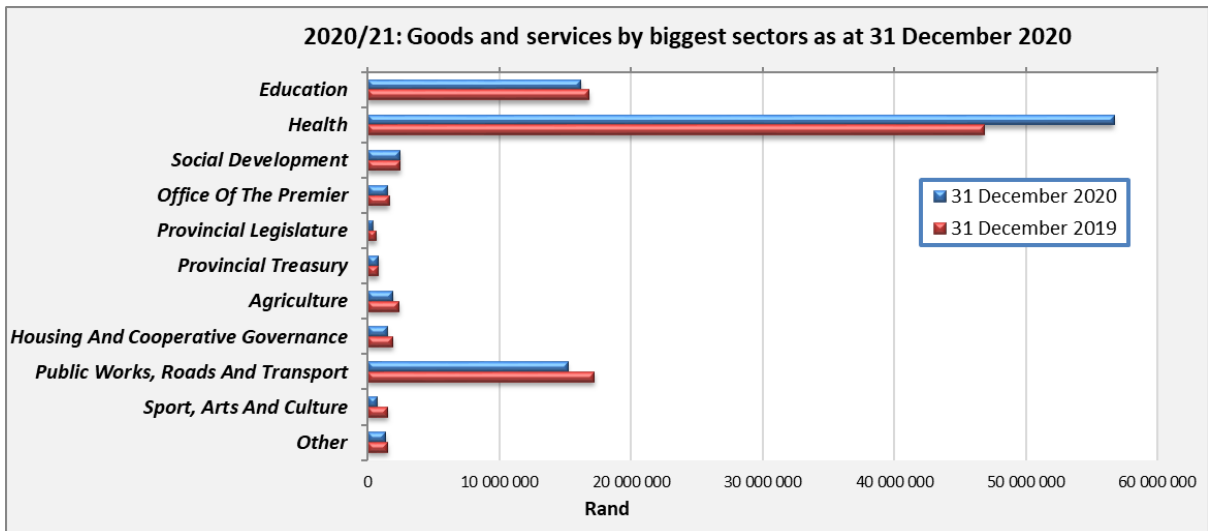
6. The provincial **education** budget was revised down by R6.1 billion. Spending on education amounts to R194.8 billion or 73.2 per cent of the provincial education adjusted budget of R266.2 billion. Spending is R1.3 billion (0.7 per cent) higher compared to the same period of the previous financial year.
7. Provincial **health** budgets were revised up by an aggregate of R10.4 billion. Provincial health departments spent R174.2 billion against an adjusted budget of R235.8 billion providing health services by end of the third quarter of 2020/21. Spending is R17.8 billion (11.4 per cent) higher than the spending recorded over the same period in 2019/20 as provincial health departments ramp up public health services in response to the Covid-19 pandemic.
8. Provinces have spent 66.8 per cent or R16 billion of the total provincial **social development** adjusted budget of R23.9 billion. This represents a decrease of 0.1 per cent or R16.8 million compared to the same period in 2019/20.



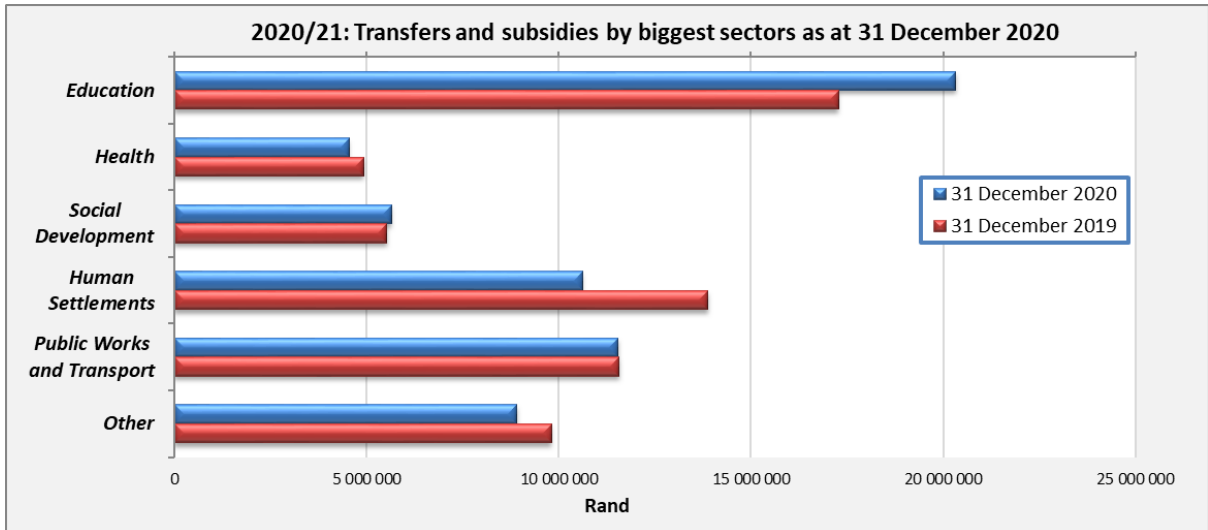
9. Spending on personnel (compensation of employees) amounts to R293.7 billion or 73.9 per cent of the R397.6 billion adjusted budget as at 31 December 2020.



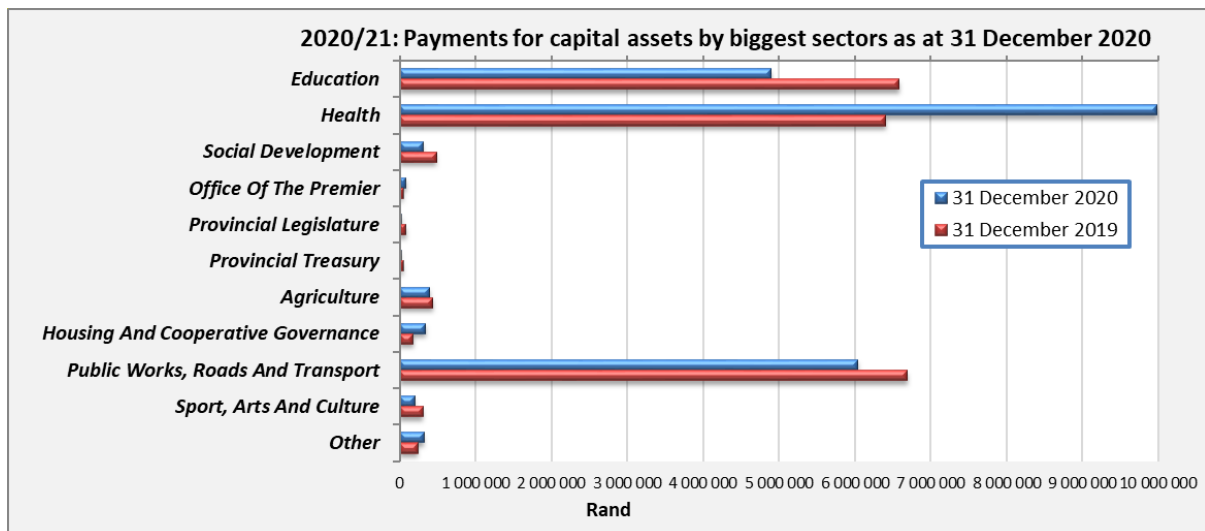
10. Spending on goods and services in aggregate amounts to R98.7 billion or 69.0 per cent of the R143.1 billion adjusted budget. This is 5.3 per cent or R4.9 billion more than the R93.8 billion spent over the same period in 2019/20.



11. Spending on transfers and subsidies in aggregate amounts to R61.6 billion or 73 per cent of the R84.3 billion adjusted budget. This is 2.2 per cent or R1.4 billion less than the R63 billion spent over the same period in 2019/20.



12. For the year to date, payments for capital assets (capital) spending is at 62.3 per cent or R22.6 billion of the R36.3 billion provincial payments for capital assets adjusted budgets.
13. The year-on-year growth increased to 5.1 per cent as at 31 December 2020, which is still reasonable given that the capital share of the total provincial expenditure amounts to 4.7 per cent average.
14. Provincial education departments have spent R4.9 billion, or 74.9 per cent, of their R6.5 billion education capital adjusted budgets. This reflects a decrease of 25.7 per cent compared to the spending level observed over the same period in the previous financial year.
15. Provincial health departments have spent R9.9 billion, or 59.7 per cent, of their R16.7 billion health capital adjusted budgets. This reflects an increase of 55.9 per cent compared to the spending level observed over the same period in the previous financial year.
16. Public works, roads and transport departments have spent R6.0 billion or 66.8 per cent of their capital adjusted budgets.



17. Projected own revenue collections have been revised down to R18.5 billion as provinces' ability to collect revenue has been affected by the lockdown. Provinces have collected R14 billion or 76.2 per cent of the adjusted budgeted own revenue of R18.5 billion.
18. The adjusted budget figures are based on the 2020 Second Adjusted Estimates of Provincial Revenue and Expenditure documents which were presented to Provincial Legislatures during November and December 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 to third quarters (April to December 2020) of the 2020/21 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 relevant provincial treasury. Queries on conditional grants should be referred to the head of the national department that administers the grant.
- The adjusted budget figures in this publication takes into account the *2020 Adjusted Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during November and December 2020. It includes the amounts allocated through the *Second Adjustments Appropriation Act, 2020 and Division of Revenue Second Amendment Act, 2020*.

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