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## MEDIA STATEMENT

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

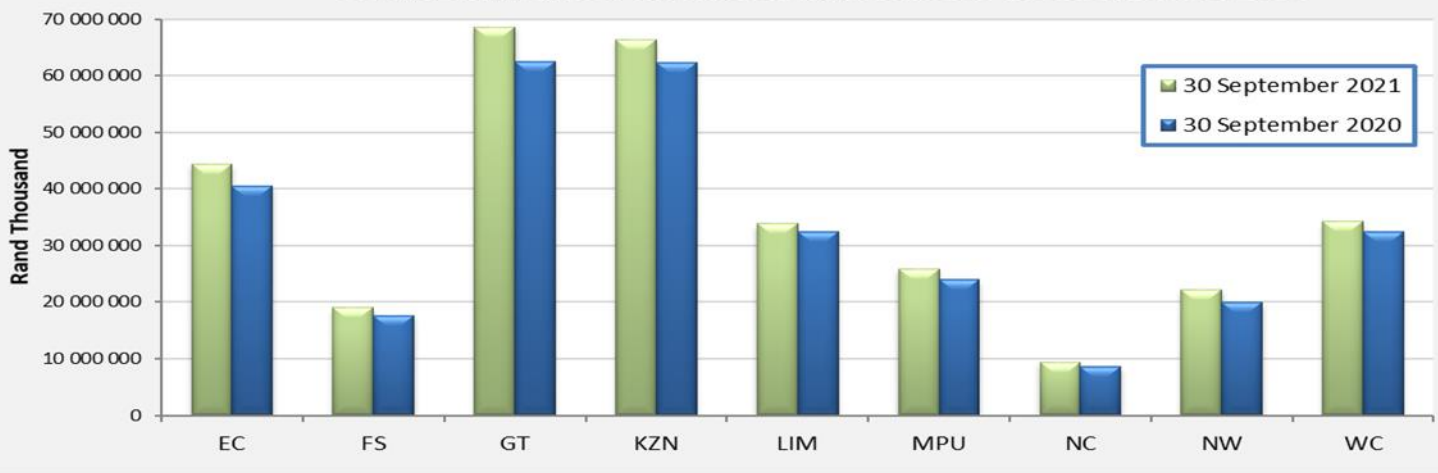
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#### SUMMARY

#### *Overall Expenditure Trends as at the end of the Second Quarter: 2021/22 Financial Year*

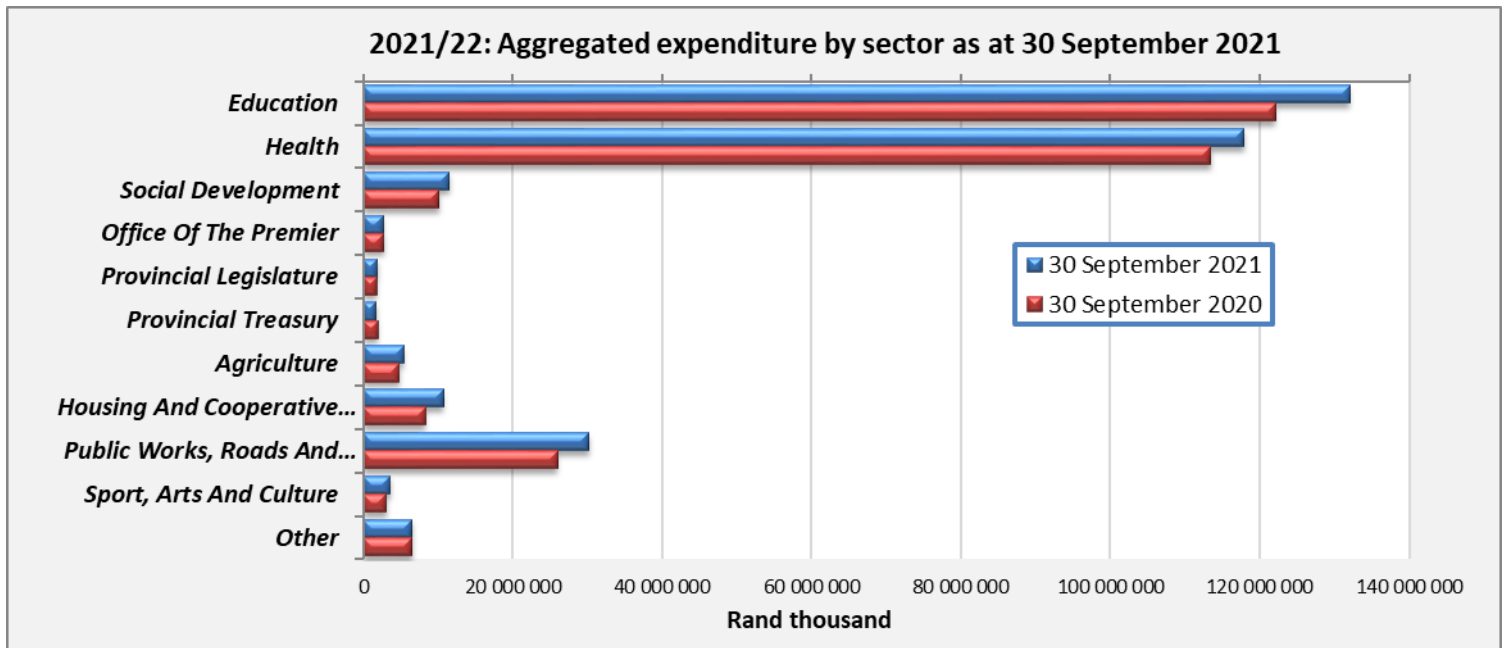
1. Provinces have spent 49.3 per cent or R324.1 billion of the R657.4 billion provincial main budgets. As a share of the main budget, spending has increased by 7.7 per cent (R23.3 billion) compared to expenditure as of 30 September 2020 for the previous financial year (2020/21).

**2021/22: Aggregated expenditure by province as at 30 September 2021**

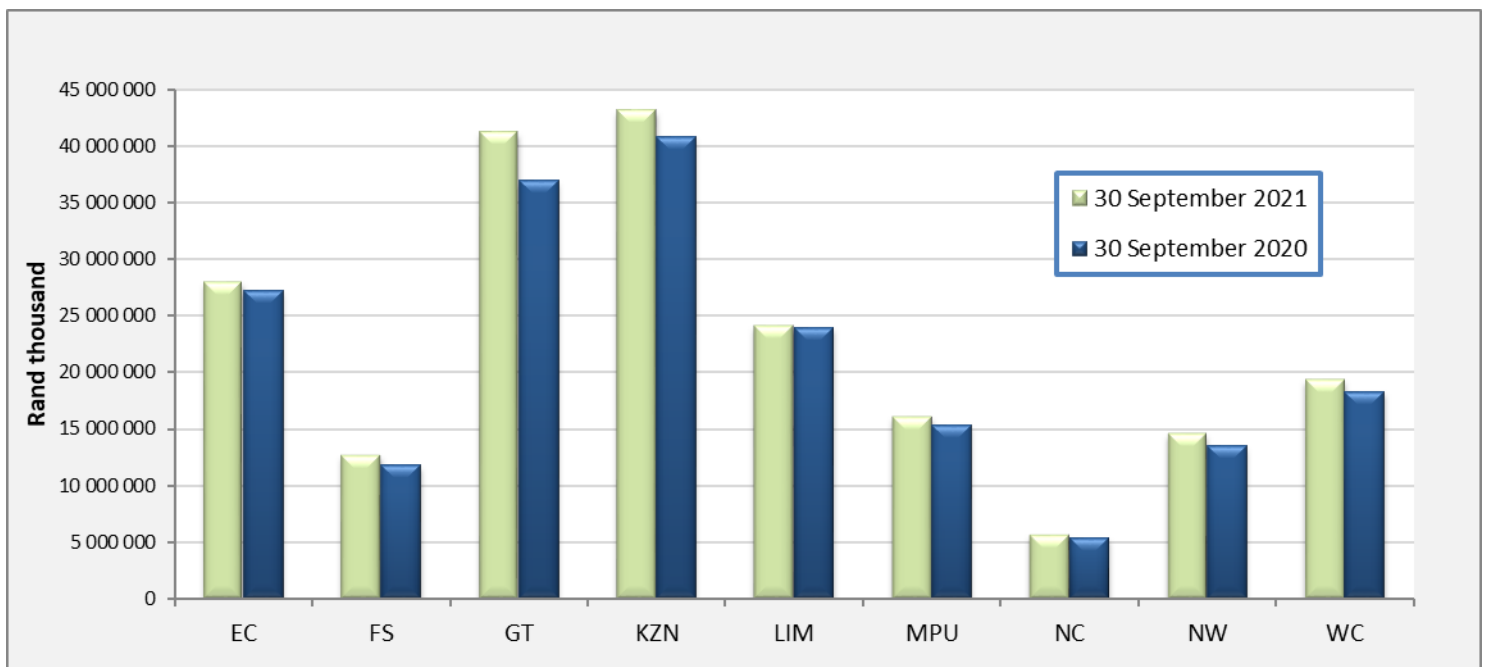


2. Spending on **education** amounts to R132 billion or 50.4 per cent of the provincial education's main budget of R261.7 billion. Spending is R9.9 billion (8.1 per cent) higher compared to the same period of the previous financial year. Education remains the largest item of expenditure on provincial budgets (39.8 per cent).
3. Provinces spent R117.9 billion against the main budget of R228.9 billion providing **health** services at the end of the second quarter of 2021/22. Spending is R4.5 billion (4 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 (34.8 per cent). Provincial health departments are projected to overspend by R11.9 billion as provinces face pressures to continuously ramp up health services to respond to the Covid-19 health crisis.

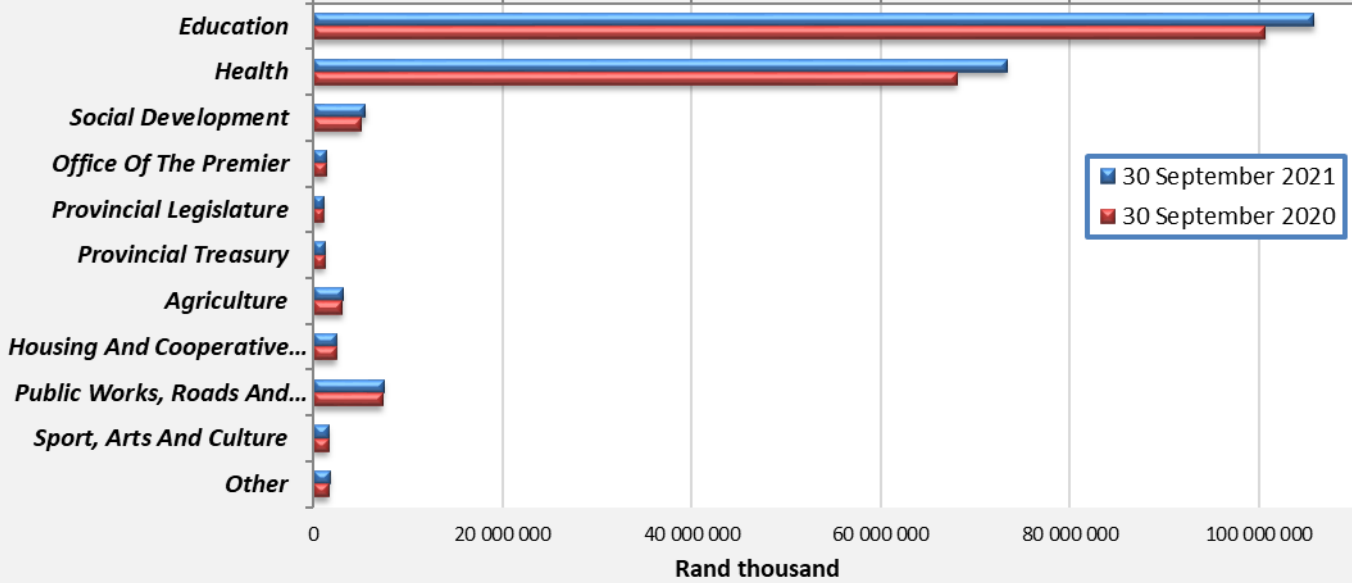
4. **Social development** expenditure at the end of the second quarter of 2021/22 amounted to R11.5 billion of the total provincial social development's main budget of R23.3 billion. This represents an increase of 13.6 per cent or R1.4 billion compared to the same period in 2020/21.



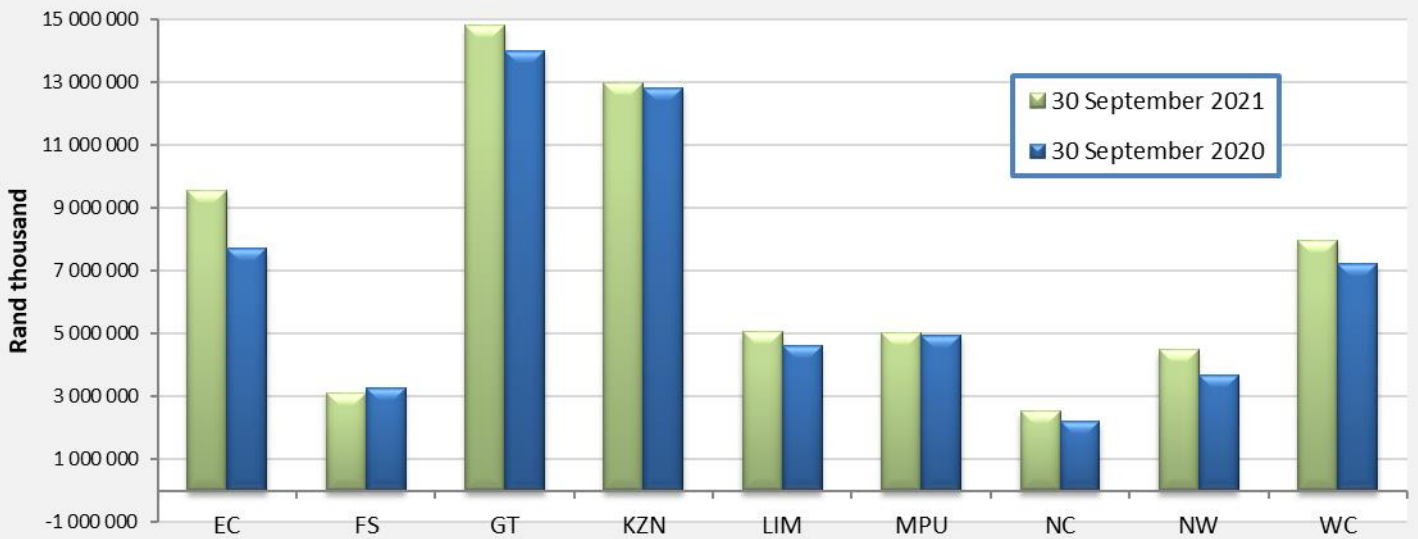
5. **Personnel** expenditure (compensation of employees) amounted to R205 billion or 51.4 per cent of the R398.9 billion main budget as of 30 September 2021. This represents an increase of 5.9 per cent or R11.4 billion compared to the same period of the 2020/21 financial year.

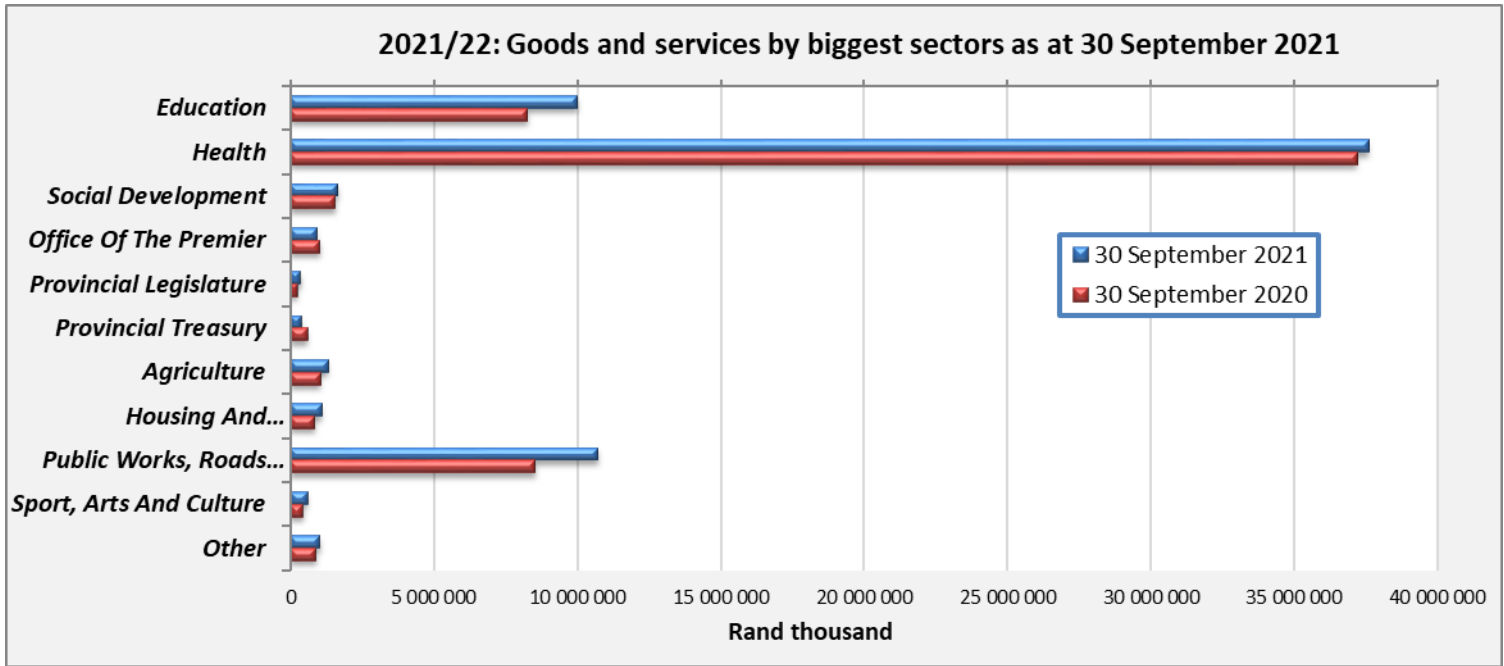


### 2021/22: Compensation of employees expenditure by sector as at 30 September 2021

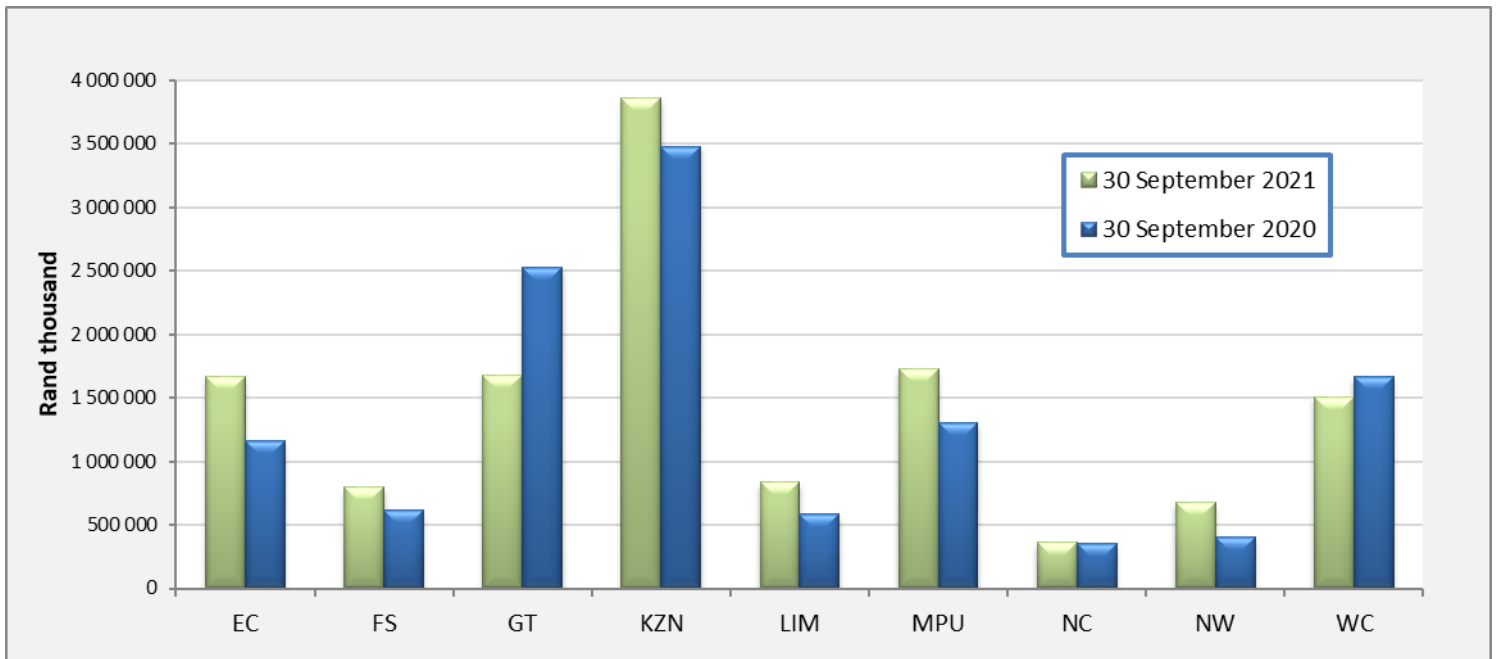


6. Spending on **goods and services** in aggregate amounts to R65.6 billion or 46.9 per cent of the R139.9 billion main budget. This is 8.3 per cent or R5 billion higher than the R60.6 billion spent over the same period in 2020/21.



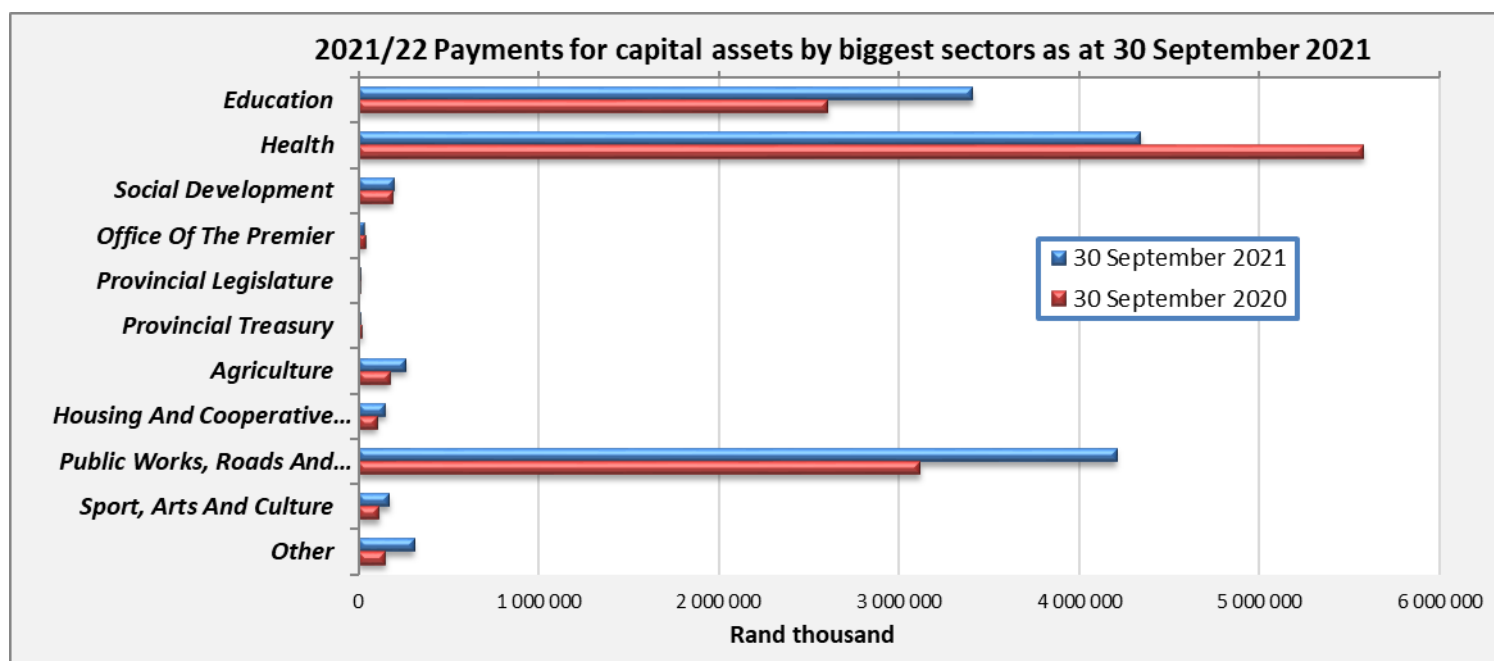


7. For the year to date, payments for capital assets (**capital**) spending amounts to R13.1 billion or 35.9 per cent of the R36.5 billion provincial payments for capital assets main budgets. The spending rate has increased by 8.3 per cent or R1 billion compared to the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounted to R3.4 billion or 33.5 per cent of the R10.2 billion main budget. This is R801.4 million more or 30.7 per cent compared to the same period in the previous financial year.
9. Capital expenditure by provincial health departments amounted to R4.3 billion or 38.4 per cent of the main budget of R11.3 billion. This represents a decrease of R1.2 billion or 22.2 per cent compared to the R5.6 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 R4.2 billion or 36.2 per cent of their capital budgets. This represents an increase in the spending rate by 41 per cent or R1.2 billion compared to the same period in the previous financial year.



11. **Provincial revenue** includes equitable share allocations of R523.7 billion, conditional grants of R115.3 billion and own revenue of R20.8 billion. The total provincial revenue received and collected for the second quarter year to date of the current financial year is R338.2 billion, or 51.3 per cent, of total main budget revenues. The National government has transferred R269.2 billion or 51.4 per cent of the equitable share and R60.3 billion or 52.3 per cent in conditional grants to provinces.

12. Provinces have collected R8.7 billion or 41.8 per cent of the budgeted own revenue of R20.8 billion. Own revenue collections are significantly higher by R1.5 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.

### 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 and second quarters (April to September 2021) of the 2021/22 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 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**  
**Date: 29 November 2021**

