



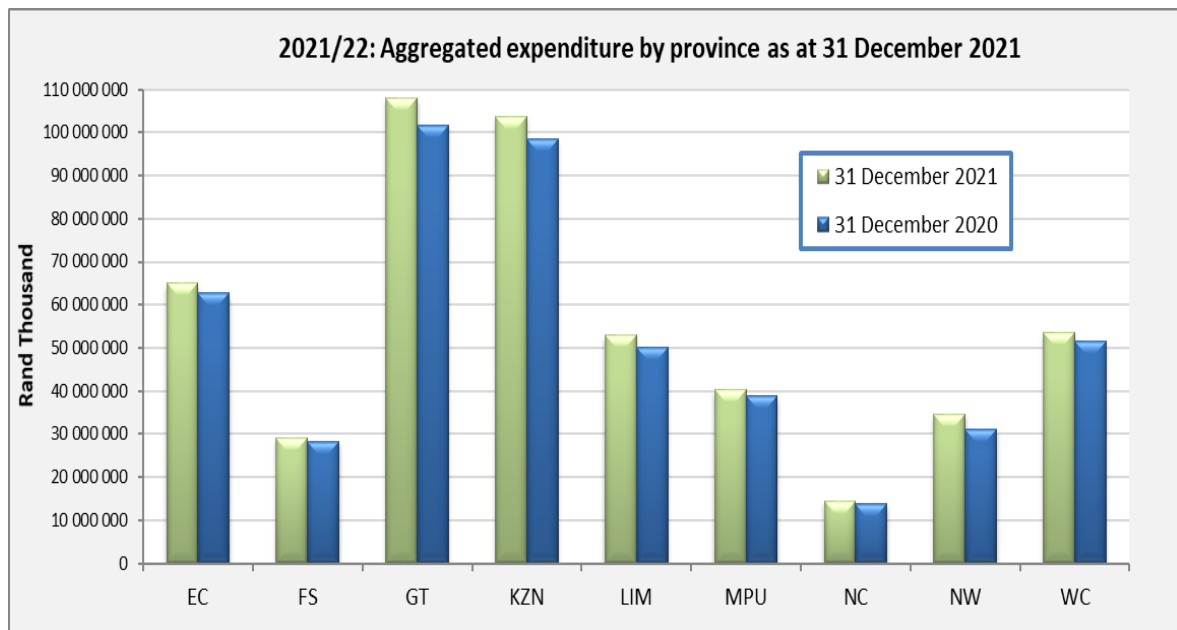
MEDIA STATEMENT

Provincial Budgets: 2021/22 Financial Year Third Quarter Year-to-Date Provincial Budgets and Expenditure Report

SUMMARY

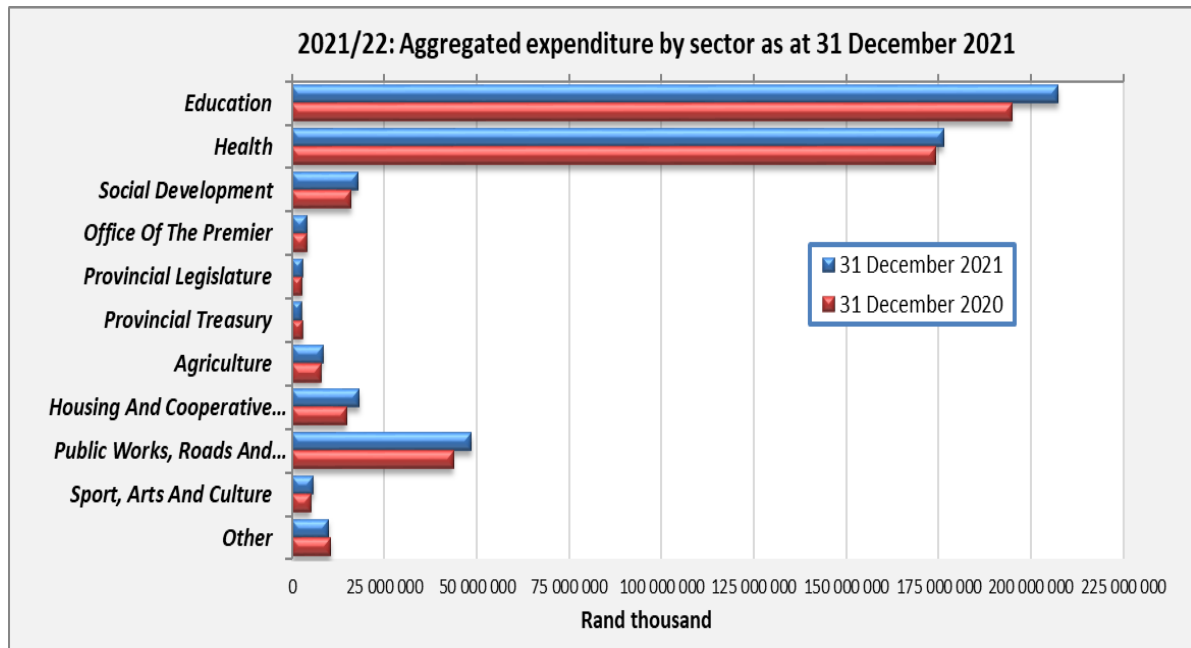
Overall Expenditure Trends as at the end of the Third Quarter: 2021/22 Financial Year

1. Provinces have spent 72.6 per cent or R501.6 billion of the R690.6 billion provincial adjusted budgets. As a share of the adjusted budget, spending has increased by 5.2 per cent (R25 billion) compared to expenditure as of 31 December 2020 for the previous financial year (2020/21).

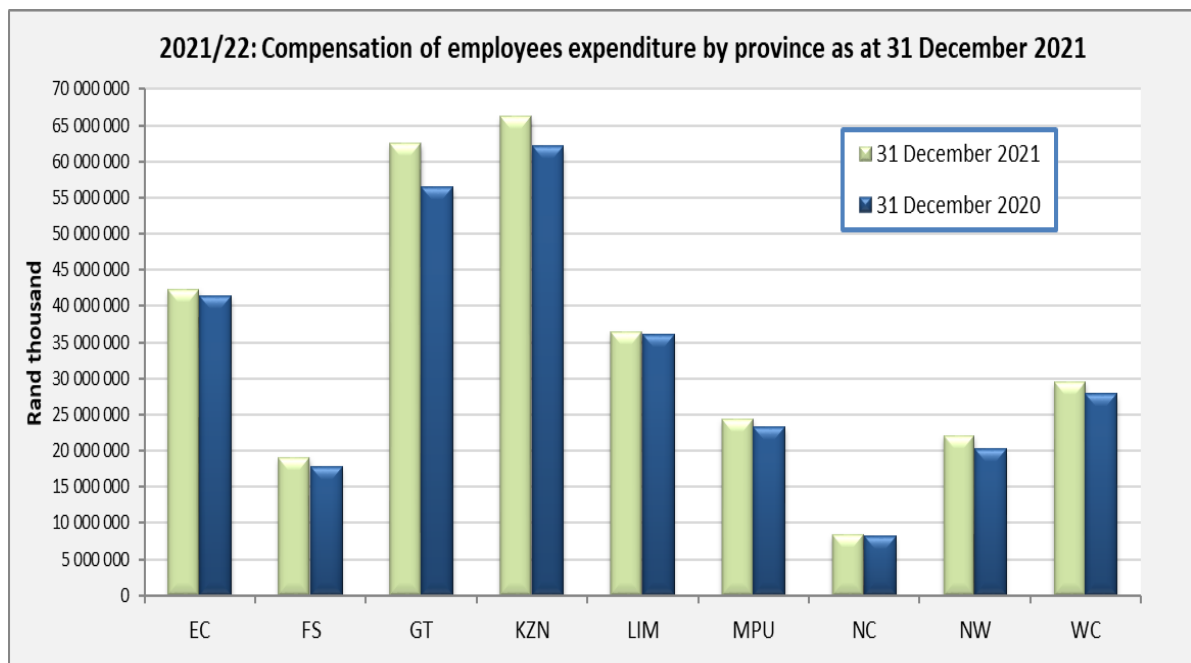


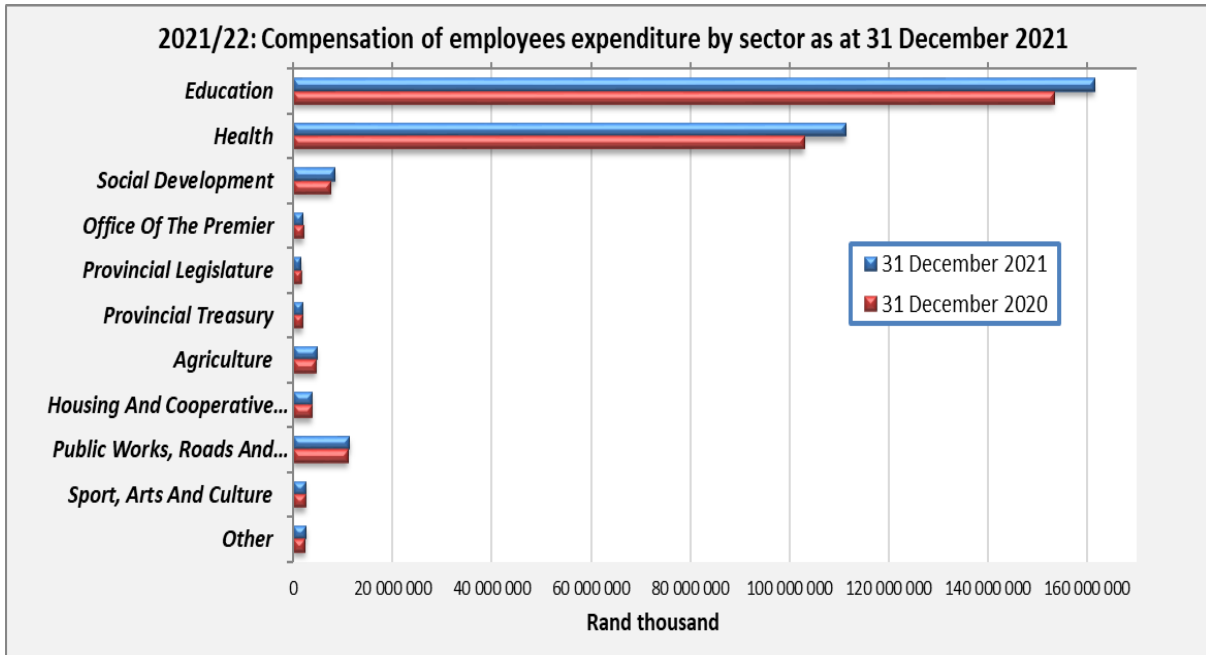
2. Spending on **education** amounts to R207.4 billion or 74.3 per cent of the provincial education's adjusted budget of R279.1 billion. Spending is R12.5 billion (6.4 per cent) higher compared to the same period of the previous financial year. Education remains the largest item of expenditure on provincial budgets (40.4 per cent).
3. Provinces spent R176.3 billion against the adjusted budget of R240.2 billion providing **health** services at the end of the third quarter of 2021/22. Spending is R2.1 billion (1.2 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 R2.6 billion as provinces face pressures to continuously ramp up health services to respond to the Covid-19 pandemic.

4. **Social development** expenditure at the end of the third quarter of 2021/22 amounted to R17.8 billion of the total provincial social development's adjusted budget of R24.7 billion. This represents an increase of 11.2 per cent or R1.8 billion compared to the same period in 2020/21.

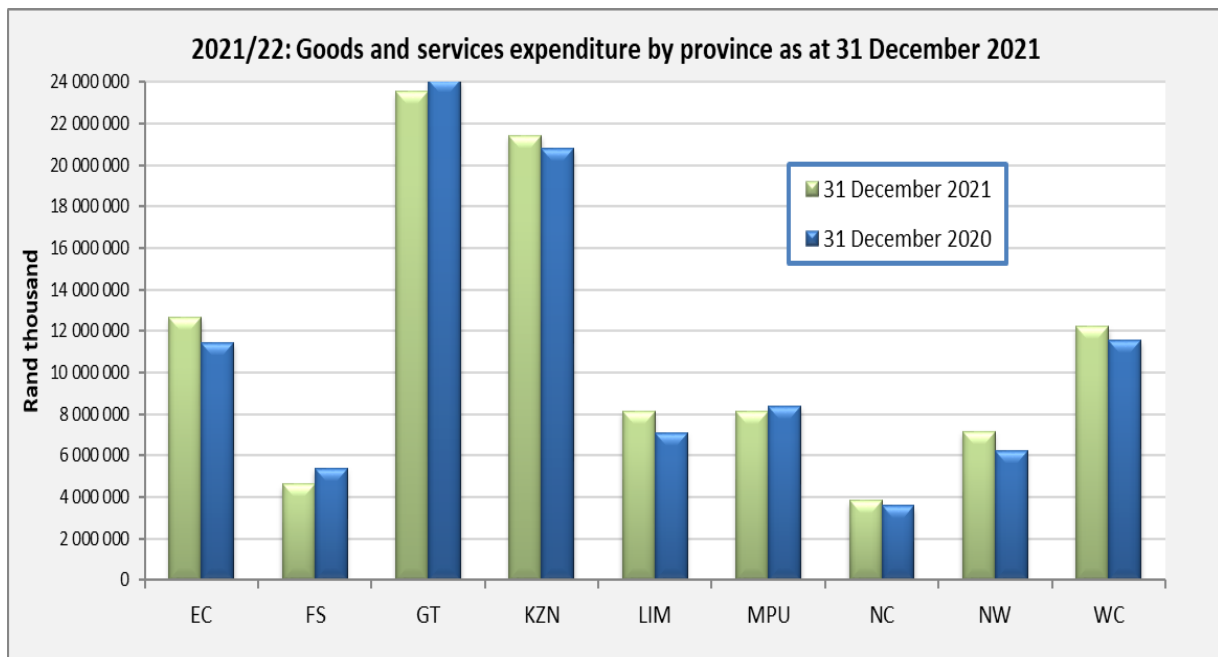


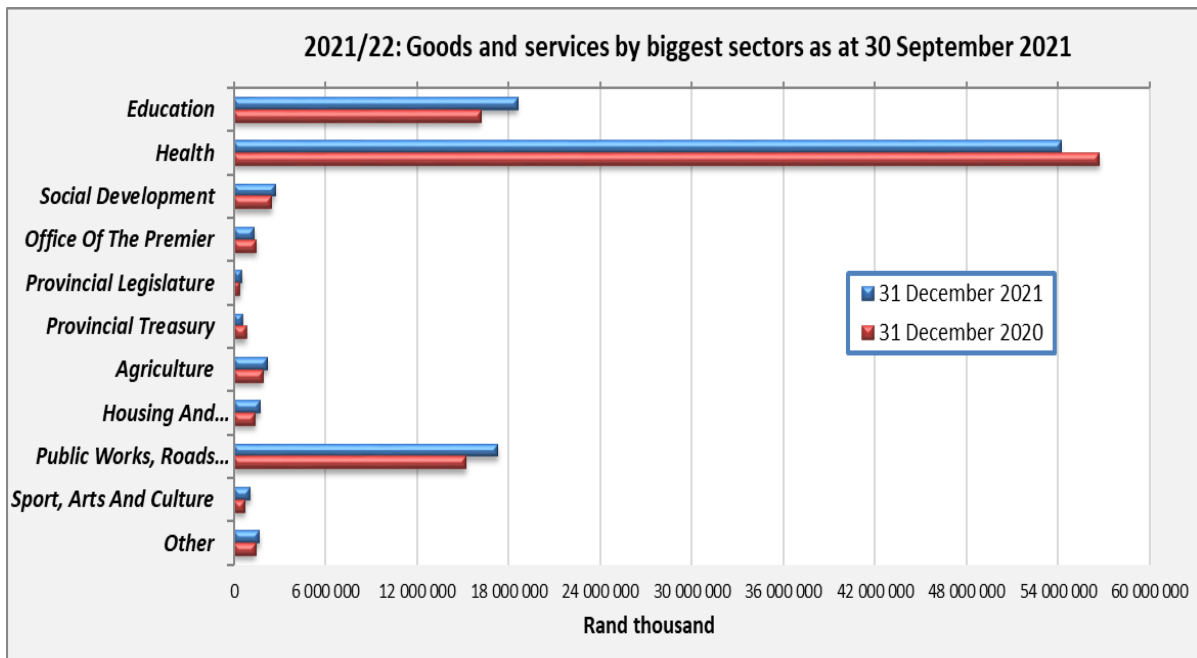
5. **Personnel** expenditure (compensation of employees) amounted to R311.8 billion or 74.7 per cent of the R417.3 billion adjusted budget as of 31 December 2021. This represents an increase of 6.1 per cent or R18 billion compared to the same period of the 2020/21 financial year.



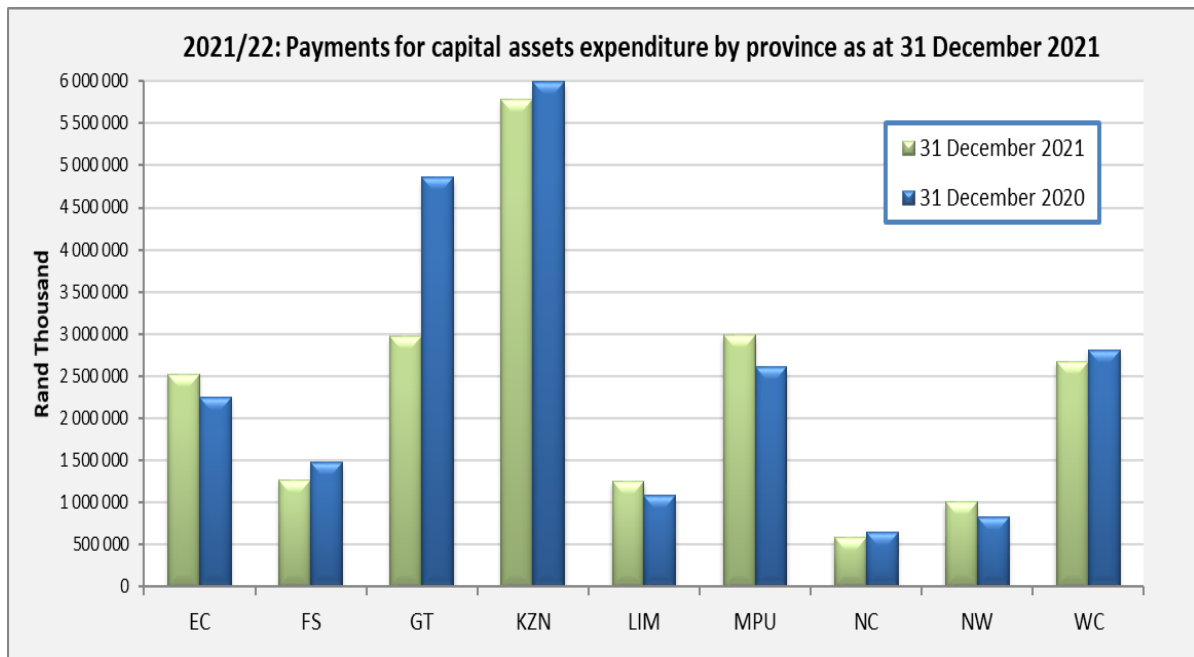


6. Spending on **goods and services** in aggregate amounts to R101.8 billion or 69.9 per cent of the R145.7 billion adjusted budget. This is 3.1 per cent or R3.1 billion higher than the R98.7 billion spent over the same period in 2020/21.



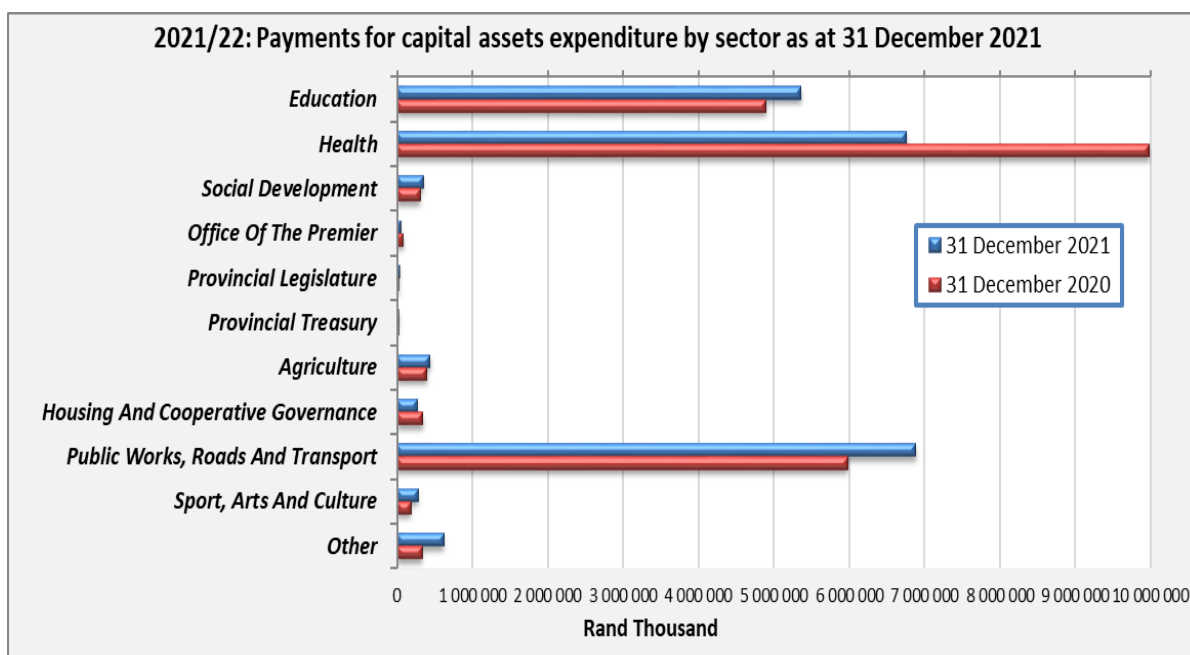


7. For the year to date, payments for capital assets (**capital**) spending amounts to R21.1 billion or 57.5 per cent of the R36.7 billion provincial payments for capital assets adjusted budgets. The spending rate has decreased by 6.6 per cent or R1.5 billion compared to the same period in the previous financial year.



8. Capital expenditure by provincial education departments amounted to R5.4 billion or 56.7 per cent of the R9.5 billion adjusted budget. This is R464.7 million more or 9.5 per cent compared to the same period in the previous financial year.
9. As the biggest share of the capital budget, capital expenditure by provincial health departments amounted to R6.8 billion or 55.8 per cent of the adjusted budget of R12.1 billion. This represents a decrease of R3.2 billion or 32.3 per cent compared to the R10 billion spent over the same period in 2020/21.

10. Public works, roads and transport departments have spent R6.9 billion or 63.2 per cent of their capital budgets. This represents an increase in the spending rate by 20.6 per cent or R1.2 billion compared to the same period in the previous financial year.



11. **Provincial revenue** includes equitable share allocations of R544.8 billion, conditional grants of R115.9 billion and own revenue of R20.7 billion. The total provincial revenue received and collected for the third quarter year to date of the current financial year is R505.3 billion, or 74.1 per cent, of total adjusted budget revenues. The national government has transferred R400.1 billion or 73.4 per cent of the equitable share and R90.3 billion or 77.9 per cent in conditional grants to provinces.
12. Provinces have collected R14.9 billion or 71.8 per cent of the adjusted budgeted of own revenue amounting to R20.7 billion. Own revenue collections are significantly higher compared to the same period in the previous financial year, and this largely reflects the relaxation of the nationwide lockdown that increased provinces revenue raising capabilities.

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, second and third quarters (April to December 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 Adjusted Estimates of Provincial Revenue and Expenditure* documents of provinces, which

were presented to their respective provincial legislatures during December 2021. It includes the amounts allocated through the *Adjustments Appropriation Act, 2021* and *Division of Revenue Amendment Act, 2021*.

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