



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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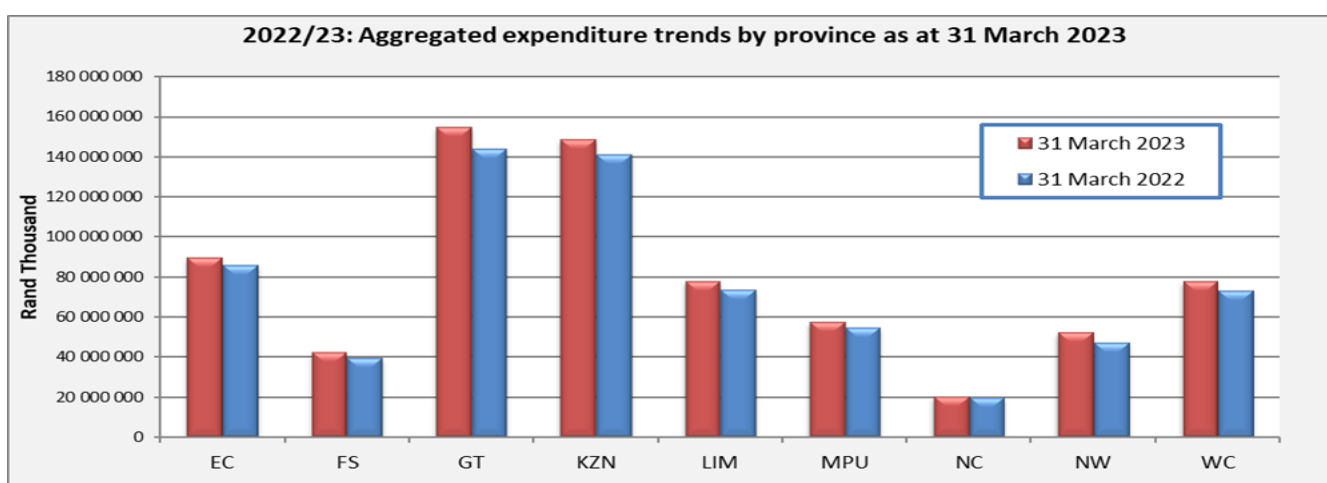
MEDIA STATEMENT

Provincial Budgets: 2022/23 Financial Year Fourth Quarter Provincial Budgets and Expenditure Report

SUMMARY

Overall Expenditure Trends – Fourth Quarter: 2022/23 Financial Year

- Provinces have spent 98.2 per cent or R706 billion of the R719 billion provincial adjusted budgets as at the end of March 2023. Spending has increased by 4 per cent (R26.9 billion) compared to the fourth quarter of the previous financial year 2021/22. All provinces have underspent their 2022/23 adjusted budgets by R12.9 billion, in terms of the preliminary expenditure numbers. The preliminary underspending mainly emanates from current payments with goods and services, and compensation of employees underspending by R5.4 billion and R2.8 billion respectively, however all other economic classifications also reported under expenditure.

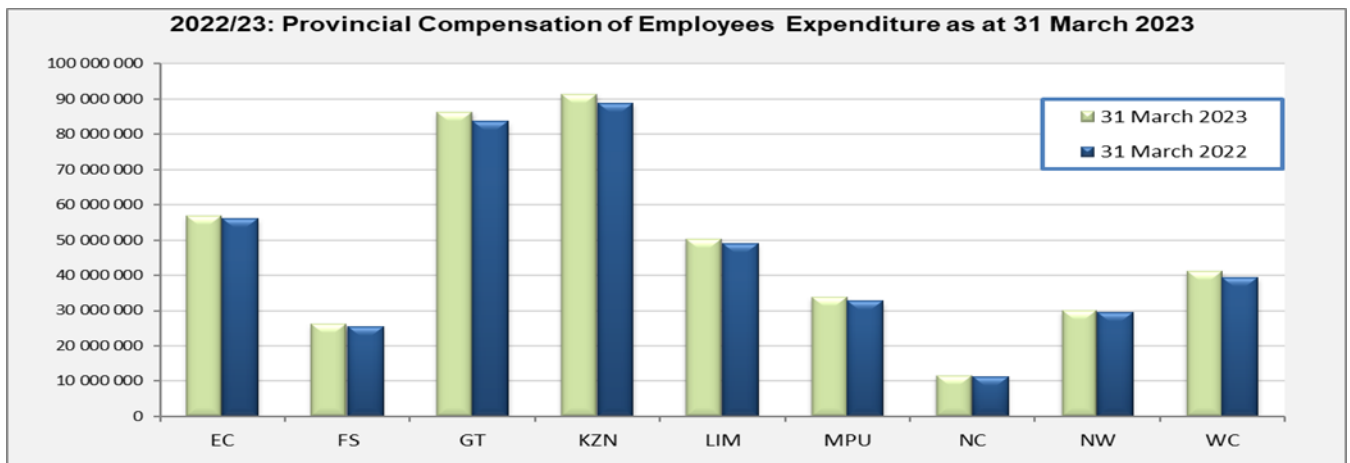


- Spending on **education** amounts to R293.7 billion or 98.8 per cent of the provincial education adjusted budget of R297.4 billion, this spending is R15 billion (5.4 per cent) higher compared to the same period of the previous financial year. At the end of March 2023, the sector reported preliminary underspending of R3.6 billion. This preliminary under expenditure mainly emanates from all provinces, except for Northern Cape which reported preliminary overspending of R22 million.
- Provinces spent R242.6 billion against the adjusted budget of R245.7 billion providing **health** services during the fourth quarter of 2022/23. The current spending is R6.7 billion (2.8 per cent) higher than the spending recorded over the same period in 2021/22. Provincial health departments have underspent their adjusted budgets by R3.3 billion.



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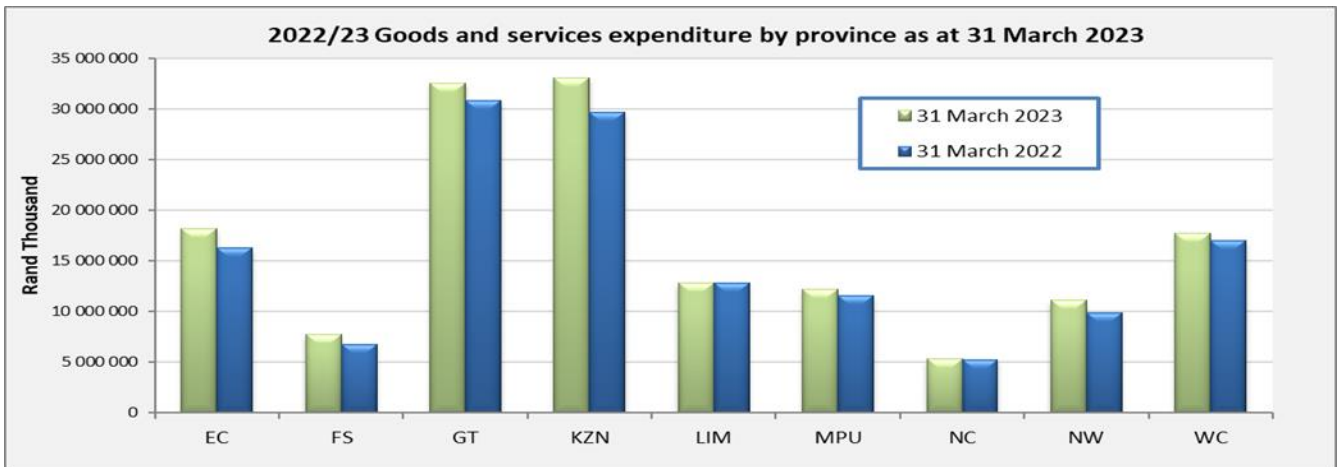
4. Provinces preliminary spending rate is recorded at 98.5 per cent or R21.1 billion of the **social development** adjusted budget of R21.4 billion. This represents a decrease of 11.9 per cent or R2.9 billion compared to 2021/22. The decrease is due to the ECD function shift from this sector to provincial departments of Education.
5. The provincial preliminary spending on compensation of employees in 2022/23 amounts to R428.8 billion or 99.3 per cent of the R431.7 billion adjusted budget. This represents an increase of 3.0 per cent or R12.3 billion compared to 2021/22. Six provinces reported preliminary underspending totaling to R4 billion on compensation of employees. This is offset by three provinces that overspent by R1.1 billion, with the net effect resulting in a preliminary underspending of R2.7 billion.



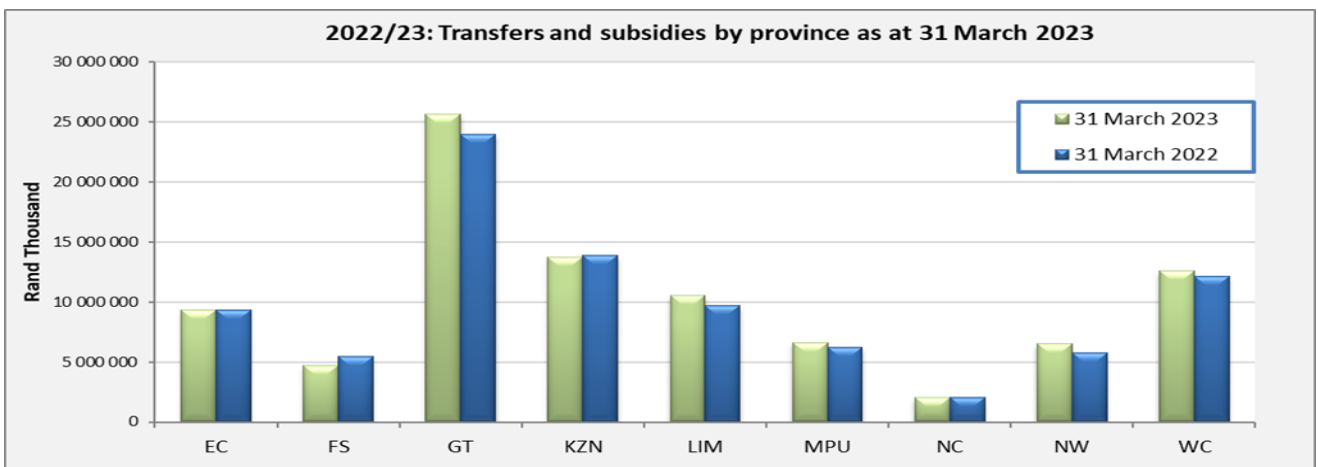
6. Preliminary spending on goods and services amounts to R150.9 billion or 96.5 per cent of the R156.3 billion adjusted budget. This translates to a 7.6 per cent or R10.7 billion increase compared to the R140 billion spent over the same period in 2021/22. Seven provinces underspent their goods and services budgets by R5.8 billion while two have overspent by R383 million.



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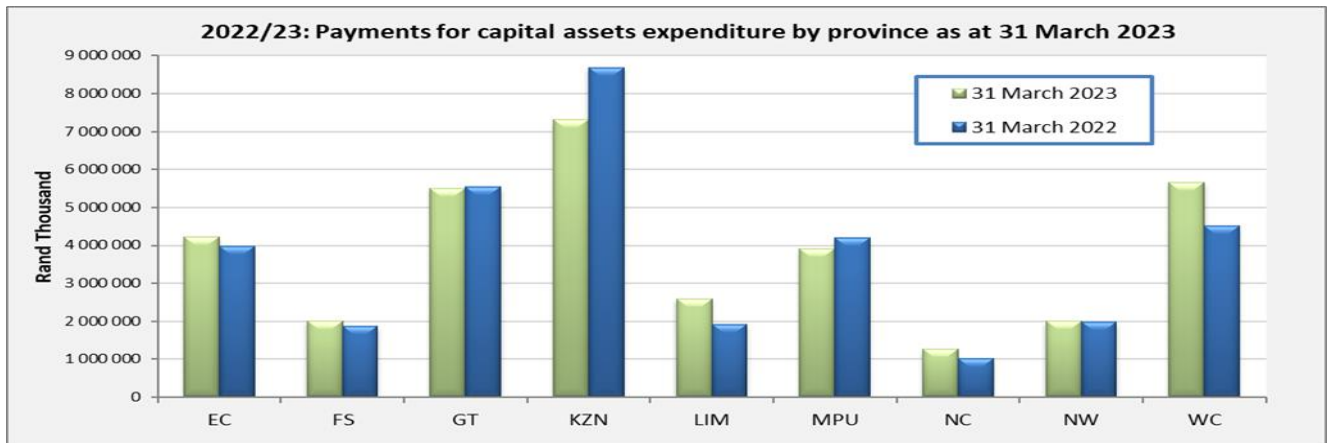
7. Provinces had an adjusted budget of R94 billion for transfers and subsidies, R91.7 billion was spent resulting in preliminary underspending of R2.1 billion as at 31 March 2023. All provinces underspent their transfers budget except for two provinces West which recorded preliminary overspending of R77 million.



8. Payments for capital assets (capital) preliminary spending amounts to R34.5 billion or 92.6 per cent of the R37.2 billion adjusted budget for 2022/23. This also reflects an increase of 2.3 per cent in spending compared to 2021/22.



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9. Provincial own revenue collected R24.5 billion or 109.2 per cent of the R22.4 billion adjusted budget for the fourth quarter of the current financial year. Provinces over collected a total of R2.1 billion, with Northern Cape being the only province that under collected by R10.3 million. This collection trend shows an improvement of 18 per cent when compared to the previous year's collections.
10. The budgeted figures for the Fourth quarter of 2022/23 are based on the 2022 Adjusted *Estimates of Provincial Revenue and Expenditure* documents, which were presented to the provincial legislatures in November 2022 and March 2023.

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 fourth quarter (April 2022 to March 2023) of the 2022/23 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. These figures are unaudited first estimates and will be revised after all provincial departments and entities audited annual reports are tabled in their legislatures. 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 budget figures in this publication takes into account the 2022 Adjusted *Estimates of Provincial Revenue and Expenditure* documents of provinces, which were presented to their respective provincial legislatures during November 2022 and March 2023. It includes the amounts allocated through the Adjusted *Appropriation Act, 2022 and the Division of Revenue Amendment Act, 2022*.



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