

1. Ms N D Nkondlo to ask Ms D M Baartman, Minister of Finance:

With regard to the surrendering of funds to the Provincial Revenue Fund (PRF) and the National Treasury between 2019 and 2024 to date:

PRF definition:

Section 226 of the Constitution requires that “There is a Provincial Revenue Fund (PRF) for each province into which all money received by the provincial government must be paid, except money reasonably excluded by an Act of Parliament.” Money can only be withdrawn from a Provincial Revenue Fund in terms of an appropriation by a provincial Act or as a direct charge against the fund when it is provided for in the Constitution or an Act of Parliament.

As such, all funds received by the Western Cape are paid into this PRF. For the purposes of responding to this question however we focus on the amounts surrendered to the PRF by provincial departments, in line with the context provided in the introduction to the question.

(1) (a) What is the total amount in the Provincial Revenue Fund between 2019 and 2024 to date,

Surrendering of Funds to the PRF					
	2019/20	2020/21	2021/22	2022/23	2023/24
Total surrendered (1a)	924,787	1,306,462	785,881	1,200,406	1,109,853
Over collection of own receipts	492,777	199,603	188,496	617,593	361,440
Under spending	432,010	1,106,859	597,385	582,813	748,413

(b) what constitutes those funds

With regard to what constitutes funds surrendered to the PRF, the following sources of funding are surrendered to the PRF every year:

- Over-recoveries of own revenues (this occurs when actual revenues collected exceed what was budgeted for). This is mainly comprised of motor vehicle license fees, gambling taxes, liquor license fees, revenue from the leasing of government buildings, and other smaller revenue sources.
- Underspending by departments (when actual spending is lower than was budgeted for).

These amounts constitute funds retained in the PRF by the province and together with any interest earned on these funds are treated as provincial own funds. In the Estimates of Provincial Revenue and Expenditure (EPRE), allocations financed from these funds are labeled in the “Summary of receipts” table (usually table 7.1) as being funded from the Provincial Revenue Fund (as opposed to other expenditure funded from the equitable share or conditional grants). In the responses on expenditure below, we have provided information on expenditure financed from these amounts retained in the PRF.

(c) what is the detailed breakdown of how much was accumulated in:
2019/20 to 2023/24

With regards to the amounts surrendered to the PRF between 2019 and 2024, the breakdown of the amounts added to the PRF in each year is shown below, with a breakdown of how much was surrendered due to over-collection of own revenue and how much due to underspending:

Detailed breakdown (1c)	2019/20	2020/21	2021/22	2022/23	2023/24
Vote 1	23,431	6,822	45,366	22,054	25,748
Over collection of own receipts	1,674	229	2,857	874	1,100
Under spending	21,757	6,593	42,509	21,180	24,648
Vote 2	14,919	13,878	21,715	21,230	14,176
Over collection of own receipts	-210	342	350	1,947	733
Under spending	15,129	13,536	21,365	19,283	13,443
Vote 3	13,904	31,766	25,149	5,220	23,409
Over collection of own receipts	4,660	19,654	7,545	3,450	17,773
Under spending	9,244	12,112	17,604	1,770	5,636
Vote 4	6,232	11,146	8,707	8,545	2,898
Over collection of own receipts	-176	-17	71	119	6
Under spending	6,408	11,163	8,636	8,426	2,892
Vote 5	207,161	551,939	33,937	37,125	75,281
Over collection of own receipts	3,527	-4,382	1,590	140	35,746
Under spending	203,634	556,321	32,347	36,985	39,535
Vote 6	220,682	264,668	303,536	350,908	144,595
Over collection of own receipts	141,914	14,655	29,627	170,878	52,314
Under spending	78,768	250,013	273,909	180,030	92,281
Vote 7	29,761	14,408	21,161	9,304	5,266
Over collection of own receipts	313	917	773	726	897
Under spending	29,448	13,491	20,388	8,578	4,369
Vote 8	67,393	124,313	25,753	474,719	52,094
Over collection of own receipts	67,044	47,412	8,279	251,563	43,036
Under spending	349	76,901	17,474	223,156	9,058
Vote 9	10,914	5,313	6,451	7,828	4,808
Over collection of own receipts	1,024	532	2,701	2,903	1,103
Under spending	9,890	4,781	3,750	4,925	3,705

Vote 10	251,152	241,234	208,954	143,037	694,338
Over collection of own receipts	240,683	109,297	97,263	120,301	180,325
Under spending	10,469	131,937	111,691	22,736	514,013
Vote 11	39,652	20,047	28,245	22,469	28,444
Over collection of own receipts	20,643	9,100	10,143	8,463	14,334
Under spending	19,009	10,947	18,102	14,006	14,110
Vote 12	14,173	4,978	25,766	54,450	17,937
Over collection of own receipts	1,693	803	19,263	47,303	9,219
Under spending	12,480	4,175	6,503	7,147	8,718
Vote 13	15,665	11,014	12,262	25,142	15,599
Over collection of own receipts	5,786	663	1,330	3,462	1,511
Under spending	9,879	10,351	10,932	21,680	14,088
Vote 14	9,748	4,936	18,879	18,375	5,260
Over collection of own receipts	4,202	398	6,704	5,464	3,343
Under spending	5,546	4,538	12,175	12,911	1,917
Total	924,787	1,306,462	785,881	1,200,406	1,109,853
Over collection of own receipts	492,777	199,603	188,496	617,593	361,440
Under spending	432,010	1,106,859	597,385	582,813	748,413

and (vi) **2024/25 to date;**

Note that information on in-year surrendering of funds in the current financial year will be made available when the adjustment budget is tabled.

(2) (a) what is the detailed annual breakdown of what has been funded from the Provincial Revenue Fund between 2019 and 2024 to date

The amount of funding from the PRF is shown in table 1 of the Vote of each department in the EPRE for each budget year. Below is a summary of the amounts surrendered, rollover and allocated from 2019/20 to 2023/24:

	2019/20	2020/21	2021/22	2022/23	2023/24
Total amount surrendered	924,787	1,306,462	785,881	1,200,406	1,109,853
Less: Roll overs in the individual Adj Budgets	156,113	67,090	403,777	278,224	106,360
Surplus - have been allocated in various Main Budgets	768,674	1,239,372	382,104	922,182	1,003,493

The above table outlines what was allocated to votes in the main budget process.

(b)(i) what was declared versus what was allocated from the Provincial Revenue Fund,

In terms of what was declared, this has been answered in 1(a). Over-collections and allocations are published in the Province's budget documents.

(b)(ii) to which programme, department or entity were the funds allocated and (iii) what are the details of what was (aa) spent and (bb) unspent and (cc) what are the reasons thereof?

This information is currently included within the numerous programmes and sub-programmes of provincial departments. However, spending (or underspending) specifically relating to funding from the reserves (provincial revenue fund (PRF) and asset finance reserve (AFR - specifically for infrastructure) will not be differentiated from the total global provincial allocations. Furthermore, surplus funds from entities are surrendered back to the provincial departments that oversee them. Provincial departments then surrender the funds to the PRF, so surrendering by provincial entities is not shown separately as it is already accounted for in the amounts surrendered by provincial budget votes.

It is not possible to identify what portion of the budgeted spending funded from funds retained in the PRF was spent. Votes (and programmes within votes) are funded from a combination of funds from the equitable share, conditional grants, departmental receipts and financing from funds retained in the PRF. Noteworthy, due to the fungibility of funds, our financial reporting present underspending against programmes and subprogrammes.



Kind Regards,
Ms Deidre Baartman
Minister of Finance