



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **PRESS RELEASE**

**7 May 2010**

### **Provincial Budgets: 2009/10 Financial Year Fourth Quarter Year-to-Date Provincial Budgets and Expenditure Report (Preliminary Outcome)**

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#### **SUMMARY:**

1. The fourth quarter year-to-date provincial budget statement of receipts and payments, published by the National Treasury in terms of Section 32 of the Public Finance Management Act, 1999 (PFMA) on 30 April 2010, is the first estimate of spending outcomes for the 2009/10 financial year which commenced on 1 April 2009 and ended on 31 March 2010. It is available on the treasury website at [www.treasury.gov.za](http://www.treasury.gov.za). These figures may be revised as provincial departments finalise (and reconcile) their financial statements by 31 May 2010 for submission to the provincial Auditors-General.
2. The information is based on the Section 40(4) PFMA reports signed by each head of provincial department to their provincial treasury, and submitted to the National Treasury by 22 April 2010. Queries on spending or adjusted budget numbers should therefore, in the first instance, be referred to the relevant head official of the provincial department, and in the second instance to the head official of the provincial treasury. Queries on conditional grants may also be referred to the relevant head official of the administering national department.
3. The budgeted expenditure figures take account of revisions effected in the provincial adjustment budgets, which include R10.8 billion allocated to provinces (R9 billion to the provincial equitable share and R1.8 billion to conditional grants) through the *2009 Adjusted Estimates of National Expenditure*.
4. The approved additional adjustments to provinces were gazetted on 10 December 2009 and these additional transfers were taken up in the provincial adjusted budgets in terms of Section 31(2) of the PFMA and Section 24(2) of the Division of Revenue Act, 2009.
5. A second *Gazette* was published on 23 March 2010 which revised the allocations of the Public Transport Operations grant between two provinces based on the following:
  - 5.1 In compliance with Section 28 of the Division of Revenue Act, 2009, the national Department of Transport stopped the transfer of funds to the value of R60 million following slow spending on the part of KwaZulu-Natal.

5.2 In compliance with Section 29 of the Division of Revenue Act, 2009, the national Department of Transport re-allocated funds to the value of R60 million to North West following demonstrated capacity to spend.

6. In addition to the national adjustments, provinces increased their main budgets by R3.4 billion. The provincial adjustments consist mainly of unspent conditional grants not surrendered to the National Revenue Fund and other funds surrendered to the respective Provincial Revenue Funds for the 2008/09 financial year.
7. In light of the above, in aggregate, provinces increased their main budgets (expenditure side) by R14.2 billion with the bulk to education (R6.5 billion), health (R4.2 billion) and public works, roads and transport (R2.7 billion).
8. In aggregate, provinces have spent R305.3 billion or 100.5 per cent of their adjusted budgets of R303.9 billion in 2009/10 (preliminary outcome). This represents a spending increase year-on-year of 15.8 per cent or R41.6 billion over the R263.7 billion spent in 2008/09. Spending varies between provinces with the lowest share of 96.8 per cent in Free State and 97.4 per cent in Northern Cape to the highest at 102.9 per cent in KwaZulu-Natal and 101.9 per cent in Gauteng.
9. The preliminary outcome shows that in aggregate six provinces have underspent their adjusted budgets by R2.3 billion. This is largely due to capital expenditure and conditional grants which reflect underspending in most provincial departments for 2009/10. However, Eastern Cape, Gauteng and KwaZulu-Natal overspent their adjusted budgets by R3.6 billion in aggregate, largely due to over-expenditure in their education and health departments.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2010**

	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of total provincial expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
<b>R thousand</b>						
Eastern Cape	44 565 434	45 287 990	101.6%	14.8%	38 999 652	16.1%
Free State	19 351 053	18 730 091	96.8%	6.1%	16 055 021	16.7%
Gauteng	58 546 671	59 664 269	101.9%	19.5%	52 063 486	14.6%
Kw aZulu-Natal	61 906 779	63 713 664	102.9%	20.9%	55 508 791	14.8%
Limpopo	35 954 875	35 654 216	99.2%	11.7%	30 662 160	16.3%
Mpumalanga	23 856 044	23 695 516	99.3%	7.8%	20 067 665	18.1%
Northern Cape	8 390 707	8 171 476	97.4%	2.7%	7 097 070	15.1%
North West	20 670 779	20 293 692	98.2%	6.6%	17 587 312	15.4%
Western Cape	30 672 104	30 085 294	98.1%	9.9%	25 614 598	17.5%
<b>Total</b>	<b>303 914 446</b>	<b>305 296 208</b>	<b>100.5%</b>	<b>100.0%</b>	<b>263 655 755</b>	<b>15.8%</b>

10. Education preliminary outcome is at R126.3 billion or 101.1 per cent of the R124.9 billion combined education adjusted budgets and remains the largest item on provincial adjusted budgets (41.1 per cent). The spending pattern reflects a 17.4 per cent or R18.7 billion increase compared with the spending in the 2008/09 financial year.
11. Health expenditure (preliminary outcome) is at R88.6 billion or 102.8 per cent of the R86.2 billion combined health adjusted budgets and is the second largest item (after education) on provincial adjusted budgets (28.4 per cent). The spending pattern reflects an 18.1 per cent or R13.6 billion increase compared with the spending in the 2008/09 financial year.

12. Social development preliminary outcome for the 2009/10 financial year is recorded at R9.1 billion or 98.2 per cent of the R9.2 billion social development adjusted budgets.
13. Total personnel expenditure, in aggregate, is at R171.4 billion or 102 per cent of the R167.9 billion personnel adjusted budgets.
14. In aggregate, provinces spent R21.4 billion or 89.3 per cent of their R24 billion combined capital adjusted budgets. This is a growth of 1.1 per cent over the previous financial year, exceeding the R21.2 billion spent in 2008/09 by R230.6 million.
15. Provincial education departments show improvement on capital spending when compared to the previous financial year, which is 13.8 per cent or R648.2 million more than the spending of the previous financial year. They have spent almost R5.4 billion or 99.8 per cent against their R5.4 billion education capital adjusted budgets.
16. Provincial health departments spent R6.4 billion or 73.7 per cent of their R8.6 billion health capital adjusted budgets, which is 6.6 per cent or R395.2 million more than the spending over the previous financial year.
17. The second highest share of provincial capital adjusted budgets, after health, is for public works, roads and transport departments at 32.3 per cent. The sector spent R7.7 billion or 99.7 per cent against its combined capital adjusted budget of R7.8 billion.
18. Provincial own revenue collected is 3.6 per cent or R336.2 million more than the adjusted forecast of R9.3 billion. National government has transferred R240 billion of the equitable share and R50.6 billion in conditional grants to provinces, for the 2009/10 financial year.
19. A more detail analysis of the provincial preliminary outcome for the 2009/10 financial year is set out in **Annexure A**.

## DETAILED ANALYSIS OF THE 2009/10 FINANCIAL YEAR (PRELIMINARY OUTCOME)

1. The budgeted figures take account of revisions effected in the adjusted estimates of provinces, which were tabled in their provincial legislatures during November 2009. The budgeted figures also take account of revisions effected in a second adjusted estimate for three provinces (Free State, Gauteng and North West), which were tabled in their provincial legislatures during March 2010.

*Total expenditure*

2. Table 1 indicates that provinces have spent R305.3 billion or 100.5 per cent of adjusted budgeted expenditure of R303.9 billion for the 2009/10 financial year. The preliminary outcome is at a lower level in percentage terms compared to the outcome against adjusted budgets for the 2008/09 financial year (101.6 per cent).
3. However, in nominal terms, spending is 15.8 per cent or R41.6 billion higher than last year when provinces had spent R263.7 billion. Between provinces, spending ranges from the lowest share of 96.8 per cent in Free State and 97.4 per cent in Northern Cape to the highest at 102.9 per cent in KwaZulu-Natal and 101.9 per cent in Gauteng.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2010**

R thousand	Adjusted budget 2009/10				Actual spending as at 31 March 2010 (preliminary outcome)				Preliminary outcome as % of adjusted budget	2008/09: Outcome as at 31 March 2009
	Current payments	Transfers and subsidies	Payments for capital assets	Total	Current payments	Transfers and subsidies	Payments for capital assets	Total		
Eastern Cape	35 129 367	5 824 515	3 611 552	<b>44 565 434</b>	36 452 876	5 529 975	3 305 139	<b>45 287 990</b>	101.6%	<b>38 999 652</b>
Free State	14 661 653	2 820 136	1 869 264	<b>19 351 053</b>	14 287 868	2 848 846	1 593 377	<b>18 730 091</b>	96.8%	<b>16 055 021</b>
Gauteng	40 851 352	14 699 502	2 995 817	<b>58 546 671</b>	42 892 248	14 505 967	2 266 054	<b>59 664 269</b>	101.9%	<b>52 063 486</b>
KwaZulu-Natal	47 936 780	8 801 578	5 168 421	<b>61 906 779</b>	49 733 421	8 757 151	5 223 092	<b>63 713 664</b>	102.9%	<b>55 508 791</b>
Limpopo	29 218 363	4 328 482	2 408 030	<b>35 954 875</b>	28 995 544	4 402 196	2 256 476	<b>35 654 216</b>	99.2%	<b>30 662 160</b>
Mpumalanga	18 757 231	2 816 727	2 282 086	<b>23 856 044</b>	19 485 092	2 733 309	1 477 115	<b>23 695 516</b>	99.3%	<b>20 067 665</b>
Northern Cape	6 276 702	1 028 838	1 085 167	<b>8 390 707</b>	6 106 654	994 714	1 070 108	<b>8 171 476</b>	97.4%	<b>7 097 070</b>
North West	15 629 632	3 327 796	1 713 351	<b>20 670 779</b>	15 333 522	3 245 645	1 714 525	<b>20 293 692</b>	98.2%	<b>17 587 312</b>
Western Cape	22 237 774	5 571 722	2 862 608	<b>30 672 104</b>	22 137 133	5 435 407	2 512 754	<b>30 085 294</b>	98.1%	<b>25 614 598</b>
<b>Total</b>	<b>230 698 854</b>	<b>49 219 296</b>	<b>23 996 296</b>	<b>303 914 446</b>	<b>235 424 358</b>	<b>48 453 210</b>	<b>21 418 640</b>	<b>305 296 208</b>	<b>100.5%</b>	<b>263 655 755</b>

*Social services*

4. Provinces have budgeted R220.3 billion for social services, which include spending on education, health and social development.

**Table 2: Provincial Social Services Expenditure as at 31 March 2010**

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	2008/09: Outcome as at 31 March 2009	Year-on-year growth
Education	124 888 643	126 264 027	101.1%	41.4%	107 549 723	17.4%
Health	86 193 696	88 612 068	102.8%	29.0%	75 030 454	18.1%
Social Development	9 224 048	9 058 214	98.2%	3.0%	8 336 333	8.7%
<b>Total</b>	<b>220 306 387</b>	<b>223 934 309</b>	<b>101.6%</b>	<b>73.3%</b>	<b>190 916 510</b>	<b>17.3%</b>

5. Preliminary outcome on social services is recorded at R223.9 billion or 101.6 per cent of total provincial social services adjusted budget. This is 17.3 per cent or R33 billion more than the spending in 2008/09.

6. Social services adjusted budgets comprise 72.5 per cent of total provincial adjusted budgets in 2009/10. The original social services budget, in aggregate, has been increased by R10.8 billion during the provincial adjusted estimates process.

#### Education

7. Education preliminary outcome is at R126.3 billion or 101.1 per cent of the total provincial education adjusted budget of R124.9 billion, an increase of 17.4 per cent or R18.7 billion compared to the R107.5 billion spent in 2008/09. The original education budget, in aggregate, has been increased by R6.5 billion during the provincial adjusted estimates process.

**Table 3: Provincial Education Expenditure as at 31 March 2010**

	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Education to total provincial expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
<b>R thousand</b>						
Eastern Cape	20 529 488	21 168 716	103.1%	46.7%	17 869 170	18.5%
Free State	8 005 432	7 845 903	98.0%	41.9%	6 713 036	16.9%
Gauteng	19 981 832	20 036 877	100.3%	33.6%	16 708 806	19.9%
Kw aZulu-Natal	26 058 854	26 242 134	100.7%	41.2%	22 982 732	14.2%
Limpopo	17 322 367	17 866 617	103.1%	50.1%	14 691 919	21.6%
Mpumalanga	10 683 793	10 940 085	102.4%	46.2%	9 360 979	16.9%
Northern Cape	3 169 930	3 186 006	100.5%	39.0%	2 851 973	11.7%
North West	8 473 135	8 364 936	98.7%	41.2%	7 178 647	16.5%
Western Cape	10 663 812	10 612 753	99.5%	35.3%	9 192 461	15.5%
<b>Total</b>	<b>124 888 643</b>	<b>126 264 027</b>	<b>101.1%</b>	<b>41.4%</b>	<b>107 549 723</b>	<b>17.4%</b>

8. Spending by provinces on education ranges from the lowest rate in Free State at 98 per cent and North West at 98.7 per cent, to the highest in both Limpopo and Eastern Cape at 103.1 per cent and Mpumalanga at 102.4 per cent.

**Table 4: Provincial Personnel Expenditure: Education as at 31 March 2010**

	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Education Personnel to total personnel expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
<b>R thousand</b>						
Eastern Cape	16 258 191	17 114 442	105.3%	60.5%	13 755 201	24.4%
Free State	6 209 003	6 086 772	98.0%	55.9%	5 344 570	13.9%
Gauteng	14 950 277	15 280 922	102.2%	54.5%	12 698 327	20.3%
Kw aZulu-Natal	20 940 481	20 867 665	99.7%	58.5%	18 038 195	15.7%
Limpopo	13 638 118	14 171 850	103.9%	61.0%	11 848 923	19.6%
Mpumalanga	8 257 489	8 416 074	101.9%	61.6%	7 364 952	14.3%
Northern Cape	2 483 370	2 496 233	100.5%	56.1%	2 226 287	12.1%
North West	6 603 870	6 501 964	98.5%	57.4%	5 656 465	14.9%
Western Cape	8 200 780	8 214 712	100.2%	52.1%	7 089 690	15.9%
<b>Total</b>	<b>97 541 579</b>	<b>99 150 634</b>	<b>101.6%</b>	<b>57.9%</b>	<b>84 022 610</b>	<b>18.0%</b>

9. The bulk of education expenditure is on personnel (78.5 per cent). The preliminary outcome on education personnel amounts to R99.2 billion or 101.6 per cent of the education personnel adjusted budgets of R97.5 billion.
10. Spending by provinces ranges from the lowest in Free State at 98 per cent and North West at 98.5 per cent, to the highest in Eastern Cape and Limpopo at 105.3 per cent and 103.9 per cent respectively.

11. The preliminary outcome on goods and services (include learner and teacher support material) in education is recorded at 98.4 per cent or R12.6 billion of its R12.8 billion adjusted budget. It comprises approximately 10.2 per cent of total provincial education adjusted budgets.
12. The preliminary outcome for education capital is at almost R5.4 billion or 99.8 per cent of the R5.4 billion education capital adjusted budget. Capital spending for education between provinces ranges from the lowest in Western Cape at 85 per cent and Mpumalanga at 86.9 per cent to the highest in Northern Cape at 124.5 per cent and Limpopo at 106.1 per cent.

**Table 5: Provincial Capital Expenditure: Education as at 31 March 2010**

	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	% share of Education Capital to total Capital expenditure	2008/09: Outcome as at 31 March 2009	Year-on-year growth
<b>R thousand</b>						
Eastern Cape	867 583	865 656	99.8%	26.2%	920 918	-6.0%
Free State	439 603	430 567	97.9%	27.0%	332 915	29.3%
Gauteng	843 842	786 691	93.2%	34.7%	614 511	28.0%
Kw aZulu-Natal	1 239 026	1 312 734	105.9%	25.1%	1 220 490	7.6%
Limpopo	930 578	987 392	106.1%	43.8%	723 152	36.5%
Mpumalanga	411 528	357 508	86.9%	24.2%	390 020	-8.3%
Northern Cape	78 856	98 211	124.5%	9.2%	61 604	59.4%
North West	285 696	286 015	100.1%	16.7%	240 498	18.9%
Western Cape	275 992	234 700	85.0%	9.3%	207 138	13.3%
<b>Total</b>	<b>5 372 704</b>	<b>5 359 474</b>	<b>99.8%</b>	<b>25.0%</b>	<b>4 711 246</b>	<b>13.8%</b>

### Health

13. Health expenditure is at R88.6 billion or 102.8 per cent against the total provincial health adjusted budget of R86.2 billion, representing an increase of 18.1 per cent or R13.6 billion compared to the spending of the previous financial year. The original health budget, in aggregate, has been increased by R4.2 billion during the provincial adjusted estimates process.

**Table 6: Provincial Health Expenditure as at 31 March 2010**

	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	% share of Health to total provincial expenditure	2008/09: Outcome as at 31 March 2009	Year-on-year growth
<b>R thousand</b>						
Eastern Cape	11 773 927	12 158 025	103.3%	26.8%	10 492 154	15.9%
Free State	5 512 642	5 200 374	94.3%	27.8%	4 459 566	16.6%
Gauteng	17 200 765	18 386 243	106.9%	30.8%	15 679 476	17.3%
Kw aZulu-Natal	18 329 163	20 348 491	111.0%	31.9%	17 103 101	19.0%
Limpopo	9 358 949	9 033 160	96.5%	25.3%	7 960 489	13.5%
Mpumalanga	6 047 714	5 769 726	95.4%	24.3%	4 452 526	29.6%
Northern Cape	2 301 429	2 205 470	95.8%	27.0%	1 742 110	26.6%
North West	5 205 391	5 151 579	99.0%	25.4%	4 485 187	14.9%
Western Cape	10 463 716	10 359 000	99.0%	34.4%	8 655 845	19.7%
<b>Total</b>	<b>86 193 696</b>	<b>88 612 068</b>	<b>102.8%</b>	<b>29.0%</b>	<b>75 030 454</b>	<b>18.1%</b>

14. Free State and Mpumalanga have spent the lowest share of their health adjusted budgets at 94.3 per cent and 95.4 per cent respectively, with KwaZulu-Natal and

Gauteng recording the highest rate of spending at 111 per cent and 106.9 per cent respectively.

**Table 7: Provincial Personnel Expenditure: Health as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Health Personnel to total personnel expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	6 267 262	7 398 302	118.0%	26.1%	6 085 080	21.6%
Free State	3 183 257	3 145 186	98.8%	28.9%	2 881 158	9.2%
Gauteng	9 601 125	9 798 363	102.1%	35.0%	8 158 267	20.1%
Kw aZulu-Natal	10 210 534	11 370 492	111.4%	31.9%	10 077 044	12.8%
Limpopo	5 669 992	5 607 418	98.9%	24.1%	4 692 208	19.5%
Mpumalanga	3 226 236	3 082 267	95.5%	22.5%	2 603 406	18.4%
Northern Cape	1 078 394	1 034 653	95.9%	23.2%	890 654	16.2%
North West	2 883 727	2 876 388	99.7%	25.4%	2 537 267	13.4%
Western Cape	5 748 979	5 780 230	100.5%	36.7%	4 876 271	18.5%
<b>Total</b>	<b>47 869 506</b>	<b>50 093 299</b>	<b>104.6%</b>	<b>29.2%</b>	<b>42 801 355</b>	<b>17.0%</b>

15. Health personnel expenditure is at R50.1 billion or 104.6 per cent of the health personnel adjusted budget of R47.9 billion, an increase of 17 per cent or R7.3 billion more compared to the R42.8 billion spent in 2008/09.
16. The preliminary outcome on non-personnel non-capital items in health, which includes medicines, drugs and other current expenditure, is recorded at 108.3 per cent or R32.2 billion of the R29.7 billion adjusted budget. This is an increase of 22.5 per cent or R5.9 billion compared to the R26.3 billion outcome in 2008/09.

**Table 8: Provincial Capital Expenditure: Health as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Health Capital to total Capital expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	1 286 480	940 217	73.1%	28.4%	821 836	14.4%
Free State	473 349	319 530	67.5%	20.1%	326 092	-2.0%
Gauteng	1 793 003	1 119 945	62.5%	49.4%	1 308 629	-14.4%
Kw aZulu-Natal	1 496 725	1 535 872	102.6%	29.4%	1 188 449	29.2%
Limpopo	907 619	760 467	83.8%	33.7%	789 121	-3.6%
Mpumalanga	858 289	109 233	12.7%	7.4%	387 816	-71.8%
Northern Cape	472 850	376 274	79.6%	35.2%	196 171	91.8%
North West	508 958	502 289	98.7%	29.3%	485 616	3.4%
Western Cape	841 268	704 577	83.8%	28.0%	469 518	50.1%
<b>Total</b>	<b>8 638 541</b>	<b>6 368 404</b>	<b>73.7%</b>	<b>29.7%</b>	<b>5 973 248</b>	<b>6.6%</b>

17. Capital expenditure in the health sector is R6.4 billion or 73.7 per cent of the R8.6 billion health capital adjusted budget. This is lower than the overall capital expenditure against adjusted budgets of 89.3 per cent.
18. However, this is higher by 6.6 per cent or R395.2 million more than the R6 billion spent for the same period last year. Between provinces, the lowest rate of spending is in Mpumalanga at 12.7 per cent and Gauteng at 62.5 per cent with KwaZulu-Natal and North West recording the highest rate of spending at 102.6 per cent and 98.7 per cent respectively.

## Social development

19. Provinces registered spending of R9.1 billion or 98.2 per cent of their R9.2 billion social development adjusted budgets. This represents an increase of 8.7 per cent or R721.9 million above the R8.3 billion spent in 2008/09.

**Table 9: Provincial Social Development Expenditure as at 31 March 2010**

	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	% share of Soc Dev to total provincial expenditure	2008/09: Outcome as at 31 March 2009	Year-on-year growth
<b>R thousand</b>						
Eastern Cape	1 454 622	1 434 382	98.6%	3.2%	1 318 792	8.8%
Free State	669 890	651 654	97.3%	3.5%	540 424	20.6%
Gauteng	1 943 389	1 902 022	97.9%	3.2%	1 743 200	9.1%
Kw aZulu-Natal	1 361 280	1 354 345	99.5%	2.1%	1 222 186	10.8%
Limpopo	782 835	773 879	98.9%	2.2%	701 789	10.3%
Mpumalanga	768 343	748 648	97.4%	3.2%	657 024	13.9%
Northern Cape	428 766	420 074	98.0%	5.1%	362 606	15.8%
North West	634 105	607 751	95.8%	3.0%	575 067	5.7%
Western Cape	1 180 818	1 165 459	98.7%	3.9%	1 215 245	-4.1%
<b>Total</b>	<b>9 224 048</b>	<b>9 058 214</b>	<b>98.2%</b>	<b>3.0%</b>	<b>8 336 333</b>	<b>8.7%</b>

20. Between provinces, there are varying degrees of spending with the lowest being in North West at 95.8 per cent and Free State at 97.3 per cent while the highest are KwaZulu-Natal at 99.5 per cent and Limpopo at 98.9 per cent.

## Housing and local government

21. Housing and local government adjusted budgets at R18.1 billion comprise 6 per cent of total provincial adjusted budgets.

**Table 10: Provincial Housing and Local Government Expenditure as at 31 March 2010**

	Adjusted budget	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of adjusted budget	% share of Local Gov & Housing to total provincial expenditure	% share of Housing Grant to total LG & Housing expenditure	2008/09: Outcome as at 31 March 2009	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 301 987	2 272 507	98.7%	5.0%	57.8%	1 779 976	27.7%
Free State	1 307 006	1 300 686	99.5%	6.9%	73.9%	1 127 426	15.4%
Gauteng	4 100 906	4 029 311	98.3%	6.8%	78.3%	3 665 452	9.9%
Kw aZulu-Natal	3 667 631	3 516 069	95.9%	5.5%	59.4%	2 896 818	21.4%
Limpopo	1 410 497	1 394 320	98.9%	3.9%	64.1%	1 200 729	16.1%
Mpumalanga	1 392 375	1 336 078	96.0%	5.6%	56.9%	1 231 377	8.5%
Northern Cape	531 563	529 652	99.6%	6.5%	61.4%	396 625	33.5%
North West	1 521 067	1 489 230	97.9%	7.3%	73.9%	1 186 153	25.6%
Western Cape	1 867 324	1 782 547	95.5%	5.9%	85.1%	1 615 635	10.3%
<b>Total</b>	<b>18 100 356</b>	<b>17 650 400</b>	<b>97.5%</b>	<b>5.8%</b>	<b>68.6%</b>	<b>15 100 191</b>	<b>16.9%</b>

22. The preliminary outcome for the housing and local government sector is recorded at R17.7 billion or 97.5 per cent of the housing and local government adjusted budgets. This represents an increase of 16.9 per cent or R2.6 billion more than the R15.1 billion outcome in 2008/09.



23. Spending varies between provinces with the lowest being in Western Cape at 95.5 per cent and KwaZulu-Natal at 95.9 per cent while the highest are Northern Cape at 99.6 per cent and Free State at 99.5 per cent.

*Housing conditional grant*

24. Most of the housing and local government expenditure is on the Integrated Housing and Human Settlement Development conditional grant. Table 11 indicates that provinces spent 97.4 per cent or R12.1 billion of their R12.4 billion housing conditional grant adjusted budget. These spending figures are higher by 17.1 per cent or R1.8 billion over the outcome of last year.

**Table 11: Provincial Integrated Housing and Human Settlement Development Grant Expenditure as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of grant to total provincial expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	1 313 378	1 313 377	100.0%	2.9%	981 016	33.9%
Free State	962 759	961 803	99.9%	5.1%	859 118	12.0%
Gauteng	3 187 086	3 156 405	99.0%	5.3%	2 777 520	13.6%
Kw aZulu-Natal	2 180 448	2 089 580	95.8%	3.3%	1 627 137	28.4%
Limpopo	996 667	893 165	89.6%	2.5%	824 806	8.3%
Mpumalanga	795 447	760 277	95.6%	3.2%	796 669	-4.6%
Northern Cape	325 011	325 011	100.0%	4.0%	219 274	48.2%
North West	1 100 120	1 099 917	100.0%	5.4%	952 060	15.5%
Western Cape	1 581 425	1 516 188	95.9%	5.0%	1 305 862	16.1%
<b>Total</b>	<b>12 442 341</b>	<b>12 115 723</b>	<b>97.4%</b>	<b>4.0%</b>	<b>10 343 462</b>	<b>17.1%</b>

*Personnel expenditure*

25. The preliminary outcome for personnel (compensation of employees) is at 102 per cent or R171.4 billion of the R167.9 billion personnel adjusted budget.
26. Northern Cape and Free State recorded the lowest rate of personnel spending at 97.9 per cent and 98 per cent respectively while Eastern Cape and KwaZulu-Natal recorded the highest rates at 107.2 per cent and 102.7 per cent respectively.

**Table 12: Provincial Personnel Expenditure as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Personnel to total provincial expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	26 403 445	28 304 436	107.2%	62.5%	22 930 548	23.4%
Free State	11 103 761	10 881 181	98.0%	58.1%	9 633 645	12.9%
Gauteng	27 428 278	28 031 071	102.2%	47.0%	23 288 700	20.4%
Kw aZulu-Natal	34 747 375	35 688 746	102.7%	56.0%	31 110 670	14.7%
Limpopo	22 753 904	23 232 861	102.1%	65.2%	19 518 360	19.0%
Mpumalanga	13 692 429	13 669 246	99.8%	57.7%	11 745 139	16.4%
Northern Cape	4 548 934	4 452 467	97.9%	54.5%	3 885 606	14.6%
North West	11 451 799	11 332 634	99.0%	55.8%	9 885 967	14.6%
Western Cape	15 793 964	15 766 699	99.8%	52.4%	13 444 577	17.3%
<b>Total</b>	<b>167 923 889</b>	<b>171 359 341</b>	<b>102.0%</b>	<b>56.1%</b>	<b>145 443 212</b>	<b>17.8%</b>

### Overall capital budgets and expenditure

27. The preliminary outcome for the "Payments for Capital Assets" category (capital), in aggregate, is at 89.3 per cent or R21.4 billion of the R24 billion capital adjusted budget. This is 1.1 per cent or R230.6 million more than the R21.2 billion spent in the 2008/09 financial year.
28. Table 13 provides capital spending information by province, which indicates low rates of spending in Mpumalanga at 64.7 per cent and Gauteng at 75.6 per cent and high rates in KwaZulu-Natal at 101.1 per cent and North West at 100.1 per cent. However, in absolute terms, KwaZulu-Natal has spent the most at R5.2 billion followed by Eastern Cape at R3.3 billion and Western Cape at R2.5 billion.

**Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2010</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Capital to total provincial expenditure</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	3 611 552	3 305 139	91.5%	7.3%	3 075 941	7.5%
Free State	1 869 264	1 593 377	85.2%	8.5%	1 638 782	-2.8%
Gauteng	2 995 817	2 266 054	75.6%	3.8%	2 336 451	-3.0%
Kw aZulu-Natal	5 168 421	5 223 092	101.1%	8.2%	6 080 417	-14.1%
Limpopo	2 408 030	2 256 476	93.7%	6.3%	2 089 868	8.0%
Mpumalanga	2 282 086	1 477 115	64.7%	6.2%	1 876 180	-21.3%
Northern Cape	1 085 167	1 070 108	98.6%	13.1%	753 521	42.0%
North West	1 713 351	1 714 525	100.1%	8.4%	1 425 272	20.3%
Western Cape	2 862 608	2 512 754	87.8%	8.4%	1 911 634	31.4%
<b>Total</b>	<b>23 996 296</b>	<b>21 418 640</b>	<b>89.3%</b>	<b>7.0%</b>	<b>21 188 066</b>	<b>1.1%</b>

### Conditional grants

29. The total conditional grant adjusted allocation is R52.2 billion (including Schedule 4 grants and provincial roll-overs) with health making up the bulk at R17 billion.
30. Table 14 (overleaf) reflects the preliminary outcome on conditional grant adjusted allocations of the 2009/10 financial year for all provinces. It includes conditional grant roll-overs from the 2008/09 financial year and other provincial adjustments, but excludes spending on general purpose conditional grants (Schedule 4 grants) like National Tertiary Services, Health Professions Training and Development and the Infrastructure grant to provinces, as reporting against these grants cannot be separated from the provinces' health and capital budgets.
31. Spending on the Comprehensive Agricultural Support Programme grant (also Schedule 4) is subsumed in a range of programmes and therefore no separate reporting is required in terms of the Division of Revenue Act, 2009. The Public Transport Operations grant provides supplementary funding towards public transport services provided by provincial departments of transport. The Expanded Public Works Programme Incentive grant (Schedule 8) is dealt with in terms of Section 23 of the Division of Revenue Act, 2009.

**Table 14: Provincial Conditional Grants Expenditure as at 31 March 2010**

	Division of Revenue Act, 2009 (Act No. 12 of 2009)	Other gazetted amounts	Provincial roll-overs/ other provincial adjustments	Total available 2009/10	Received by province	Preliminary outcome as at 31 March 2010	Preliminary outcome as % of total available (excluding Schedule 4, 8 grants)
<b>R thousand</b>							
<b>Agriculture</b>	<b>876 811</b>	<b>96 900</b>	<b>96 618</b>	<b>1 070 329</b>	<b>973 711</b>	<b>313 457</b>	<b>94.6%</b>
Agricultural Disaster Management Grant	60 000	96 900	49 249	206 149	156 900	193 788	94.0%
1. Comprehensive Agricultural Support Programme Grant	715 394	–	23 742	739 136	715 394		
Land Care Programme Grant: Poverty Relief and Infrastructure	51 417	–	2 709	54 126	51 417	52 663	97.3%
Ilima/Letsema Projects Grant	50 000	–	20 918	70 918	50 000	67 006	94.5%
<b>Arts and Culture</b>	<b>440 600</b>	<b>–</b>	<b>30 727</b>	<b>471 327</b>	<b>440 600</b>	<b>418 075</b>	<b>88.7%</b>
Community Library Services Grant	440 600	–	30 727	471 327	440 600	418 075	88.7%
<b>Education</b>	<b>2 571 929</b>	<b>3 474</b>	<b>143 208</b>	<b>2 718 611</b>	<b>2 575 403</b>	<b>2 687 646</b>	<b>98.9%</b>
HIV and Aids (Life Skills Education) Grant	177 401	3 474	1 996	182 871	180 875	168 857	92.3%
National School Nutrition Programme Grant	2 394 528	–	141 212	2 535 740	2 394 528	2 518 789	99.3%
<b>Health</b>	<b>15 578 392</b>	<b>1 124 107</b>	<b>265 184</b>	<b>16 967 683</b>	<b>16 321 435</b>	<b>7 475 058</b>	<b>88.2%</b>
Comprehensive HIV and Aids Grant	3 476 186	900 000	1 931	4 378 117	4 376 186	4 143 205	94.6%
Forensic Pathology Services Grant	491 662	10 207	24 633	526 502	501 869	634 946	120.6%
Health Disaster Response (Cholera) Grant	50 000	–	–	50 000	50 000	10 287	20.6%
1. Health Professions Training and Development Grant	1 759 799	–	19 744	1 779 543	1 759 799		
Hospital Revitalisation Grant	3 186 303	183 900	124 976	3 495 179	2 989 139	2 681 565	76.7%
1. National Tertiary Services Grant	6 614 442	–	93 900	6 708 342	6 614 442		
2010 World Cup Health Preparation Strategy Grant	–	30 000	–	30 000	30 000	5 055	16.9%
<b>Housing</b>	<b>12 592 276</b>	<b>–</b>	<b>65</b>	<b>12 592 341</b>	<b>12 592 276</b>	<b>12 271 498</b>	<b>97.5%</b>
Housing Disaster Relief Grant	150 000	–	–	150 000	150 000	155 775	103.9%
Integrated Housing and Human Settlement Development Grant	12 442 276	–	65	12 442 341	12 442 276	12 115 723	97.4%
<b>National Treasury</b>	<b>9 249 247</b>	<b>–</b>	<b>89 955</b>	<b>9 339 202</b>	<b>9 249 247</b>		
1. Infrastructure Grant to Provinces	9 249 247	–	89 955	9 339 202	9 249 247		
<b>Public Works</b>	<b>1 147 957</b>	<b>353 200</b>	<b>136 173</b>	<b>1 637 330</b>	<b>1 451 013</b>	<b>1 177 286</b>	<b>79.2%</b>
Devolution of Property Rate Funds Grant	996 538	353 200	136 673	1 486 411	1 349 738	1 177 286	79.2%
2. Expanded Public Works Programme Incentive Grant	151 419	–	-500	150 919	101 275		
<b>Sport and Recreation South Africa</b>	<b>402 250</b>	<b>–</b>	<b>9 985</b>	<b>412 235</b>	<b>402 250</b>	<b>386 934</b>	<b>93.9%</b>
Mass Sport and Recreation Participation Programme Grant	402 250	–	9 985	412 235	402 250	386 934	93.9%
<b>Transport</b>	<b>6 409 016</b>	<b>260 929</b>	<b>277 310</b>	<b>6 947 255</b>	<b>6 609 945</b>	<b>3 219 840</b>	<b>94.3%</b>
Gautrain Rapid Rail Link Grant	2 832 691	144 029	–	2 976 720	2 976 720	2 976 720	100.0%
Overload Control Grant	10 069	–	3 659	13 728	10 069	9 000	65.6%
1. Public Transport Operations Grant	3 531 909	–	–	3 531 909	3 471 909		
Sani Pass Roads Grant	34 347	–	–	34 347	34 347	34 347	100.0%
Transport Disaster Management Grant	–	116 900	273 651	390 551	116 900	199 773	51.2%
<b>Total</b>	<b>49 268 478</b>	<b>1 838 610</b>	<b>1 049 225</b>	<b>52 156 313</b>	<b>50 615 880</b>		
<b>Total excluding Schedules 4 and 8 grants</b>	<b>27 246 268</b>	<b>1 838 610</b>	<b>822 384</b>	<b>29 907 262</b>	<b>28 703 814</b>	<b>27 949 794</b>	<b>93.5%</b>
<b>Total excluding Schedules 4,8 grants &amp; Gautrain</b>	<b>24 413 577</b>	<b>1 694 581</b>	<b>822 384</b>	<b>26 930 542</b>	<b>25 727 094</b>	<b>24 973 074</b>	<b>92.7%</b>

1. Spending of these grants is subsumed in the spending of a range of programmes across provincial departments and therefore no reporting is required on these grants.

2. The Expanded Public Works Programme Incentive Grant (Schedule 8) is dealt with in terms of Section 23 of the Division of Revenue Act, 2009 (Act No. 12 of 2009).

32. Against the total adjusted allocation of R29.9 billion, this excludes Schedules 4 and 8 grants, the rate of conditional grants spending amounts to 93.5 per cent or R27.9 billion. However, when excluding the Gautrain Rapid Rail Link grant, the

conditional grant expenditure amounts to R25 billion or 92.7 per cent against a total adjusted allocation of R26.9 billion.

33. Specific grants that show low rates of spending include 2010 World Cup Health Preparation Strategy (16.9 per cent), Health Disaster Response (Cholera) (20.6 per cent), Transport Disaster Management (51.2 per cent), Overload Control (65.6 per cent), Hospital Revitalisation (76.7 per cent), Community Library Services (88.7 per cent) and Devolution of Property Rate Funds (79.2 per cent).
34. Table 15 indicates selected conditional grant spending rates as at 31 March 2010 (preliminary outcome). It further indicates that five or more provinces have spent less than 95 per cent of their grants adjusted budgets at the end of the financial year for the following grants: Community Library Services, HIV and Aids (Life Skills Education), Hospital Revitalisation and Devolution of Property Rate Funds.

**Table 15: Selected Conditional Grants Spending Rates as at 31 March 2010**

	Number of provinces spent less than 95%	Number of provinces spent between 95% and 100% (inclusive)	Number of provinces spent more than 100%
<b>Agriculture</b> Land Care Programme: Poverty Relief and In	2 EC, NW	4 FS, GT, KZN, NC	3 LIM, MPU, WC
<b>Arts and Culture</b> Community Library Services Grant	6 EC, KZN, LIM, MPU, NC, NW	3 FS, GT, WC	
<b>Education</b> HIV and Aids (Life Skills Education) Grant	6 EC, GT, LIM, MPU, NW, WC	2 FS, NC	1 KZN
National School Nutrition Programme Grant	3 FS, MPU, NW	2 GT, NC	4 EC, KZN, LIM, WC
<b>Health</b> Comprehensive HIV and Aids Grant	3 EC, KZN, MPU	6 FS, GT, LIM, NC, NW, WC	
Forensic Pathology Services Grant	4 EC, FS, NC, WC	4 GT, LIM, MPU, NW	1 KZN
Hospital Revitalisation Grant	8 EC, FS, GT, KZN, LIM, MPU, NC, WC	1 NW	
<b>Housing</b> Integrated Housing and Human Settlement D	1 LIM	8 EC, FS, GT, KZN, MPU, NC, NW, WC	
<b>Public Works</b> Devolution of Property Rate Funds Grant	5 EC, GT, LIM, MPU, WC	4 FS, KZN, NC, NW	
<b>Sport and Recreation South Africa</b> Mass Sport and Recreation Participation Pro	4 EC, KZN, LIM, NW	4 FS, GT, NC, WC	1 MPU
<b>Transport</b> Gautrain Rapid Rail Link Grant		1 GT	

*Percentages represent actual expenditure of adjusted budgets as published in the Division of Revenue Act, 2009 (Act No. 12 of 2009) and subsequent gazettes.*

35. The table also indicates the number of provinces spending at slightly higher levels between 95 and 100 per cent and greater than 100 per cent of their conditional grant adjusted budgets.

#### *Provincial revenue*

36. Provincial revenue includes adjusted equitable share allocations of R240 billion, conditional grants of R51.1 billion and own revenue of R9.3 billion. The total provincial revenue received and collected at the end of the 2009/10 financial year is recorded at R300.4 billion or 100 per cent of total adjusted revenue of R300.5 billion.
37. National government transferred R240 billion of the equitable share and R50.6 billion or 99 per cent in conditional grants, to provinces at the end of the 2009/10 financial year.

**Table 16: Provincial Own Revenue Collection as at 31 March 2010**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual collection as at 31 March 2010</b>	<b>Actual collection as % of adjusted budget</b>	<b>% share of Own Revenue to total provincial revenue</b>	<b>2008/09: Outcome as at 31 March 2009</b>	<b>Year-on-year growth</b>
Eastern Cape	703 652	797 252	113.3%	1.8%	967 206	-17.6%
Free State	627 202	615 801	98.2%	3.3%	580 785	6.0%
Gauteng	2 826 638	2 603 513	92.1%	4.6%	2 354 501	10.6%
Kw aZulu-Natal	1 645 029	1 848 864	112.4%	2.9%	1 701 824	8.6%
Limpopo	554 438	638 322	115.1%	1.8%	534 521	19.4%
Mpumalanga	490 314	500 739	102.1%	2.1%	517 761	-3.3%
Northern Cape	141 066	179 506	127.2%	2.1%	169 583	5.9%
North West	607 709	623 526	102.6%	3.0%	626 833	-0.5%
Western Cape	1 714 905	1 916 872	111.8%	6.4%	1 935 138	-0.9%
<b>Total</b>	<b>9 310 953</b>	<b>9 724 394</b>	<b>104.4%</b>	<b>3.2%</b>	<b>9 388 152</b>	<b>3.6%</b>

38. The preliminary outcome on provincial own revenue suggests that provinces have collected R9.7 billion or 104.4 per cent of their own revenue adjusted budgets of R9.3 billion, which is 3.6 per cent or R336.2 million more than what was collected for the 2008/09 financial year.
39. The collection rate varies from 92.1 per cent in Gauteng and 98.2 per cent in Free State, to a high of 127.2 per cent in Northern Cape and 115.1 per cent in Limpopo.