



national treasury

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**Provincial Budgets: 2012/13 Financial Year
Fourth Quarter Year to Date Provincial Budgets and Expenditure Report
(Preliminary Outcome)**

SUMMARY

1. Published by the National Treasury in terms of Section 32 of the Public Finance Management Act (PFMA), the fourth quarter provincial budget statement of receipts and payments is the first estimate of spending outcomes for the 2012/13 financial year (1 April 2012 to 31 March 2013). The statement is available on the Treasury website (www.treasury.gov.za). These figures may be revised as provincial departments have until 31 May 2013 to finalise (and reconcile) their financial statements before they are submitted to the provincial Auditors-General.
2. The information in the statement comes from the 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 therefore, in the first instance, be referred to the head of the relevant provincial department, and in the second instance to the head of the relevant provincial treasury. Queries on conditional grants may be referred to the head of the administering national department.
3. The budgeted figures in the fourth quarter publication take account of revisions effected in the 2012 Adjusted Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during November 2012. They include R4.4 billion appropriated by national government to provinces (R3.958 billion to the provincial equitable share and R468.3 million to conditional grants) through the Adjustments Appropriation Act and Division of Revenue Amendment Act. Since the third quarter publication, four provinces tabled a second adjusted estimate, which is now included in the fourth quarter publication.
4. Over and above the additional transfers, provinces increased their main budgets by R9.8 billion. The increases consisted mainly of unspent conditional grants not surrendered to the National Revenue Fund and other funds surrendered to the respective Provincial Revenue Funds in respect of the 2011/12 financial year.
5. In light of the above, in aggregate, provinces increased their main budgets (on the expenditure side) by R14.2 billion, with the bulk of the increases going to health (R5.7 billion), education (R4.6 billion) and public works, roads and transport (R2.6 billion).

Overall Expenditure Trends – Preliminary Outcomes

6. In aggregate, provinces spent R395 billion, or 98.1 per cent, of their adjusted budgets of R402.6 billion in 2012/13. This represents a spending increase of 7.2 per cent or R26.7 billion compared to the 2011/12 financial year when provinces spent R368.3 billion.
7. The preliminary outcome for education expenditure is R166.1 billion or 98.7 per cent of the R168.2 billion combined education adjusted budgets, an increase of 6.1 per cent or R9.5 billion on the previous financial year. It remains the largest item on provincial budgets (41.8 per cent).
8. Health expenditure totalled R122.6 billion, or 99.3 per cent, of the R123.5 billion combined health adjusted budgets and is the second largest item on provincial budgets (30.7 per cent). This is 9.8 per cent or R10.9 billion more than the 2011/12 financial year.
9. Social development expenditure is R12.1 billion or 98.5 per cent of the R12.3 billion social development adjusted budgets.
10. Personnel expenditure (compensation of employees) is in aggregate R234 billion or 99.2 per cent of the budgeted R236 billion.
11. In aggregate, provinces spent R28.4 billion or 92.2 per cent of their R30.8 billion combined capital (payments for capital assets) adjusted budgets. This is an increase of 9.1 per cent on the 2011/12 financial year.
12. Provincial education departments spent R8 billion or 90.9 per cent of the budgeted R8.8 billion for capital expenditure. This is R804 million or 11.2 per cent more than the previous financial year.
13. Provincial health departments spent R8.3 billion or 85.5 per cent of the budgeted R9.7 billion for capital expenditure, which is R114.1 million or 1.4 per cent more than the outcome for 2011/12.
14. The biggest share of provincial capital adjusted budgets was for public works, roads and transport departments (31.8 per cent), which spent R9.8 billion or 100 per cent of their combined capital adjusted budgets of R9.8 billion.
15. Provincial own revenue collected was R13.3 billion or 111.5 per cent of the budgeted own revenue of R11.9 billion. National government transferred R313 billion of the equitable share and R75.3 billion of conditional grants to provinces.
16. A more detailed analysis of the provincial preliminary outcome for the 2012/13 financial year is set out in Annexure A.

DETAILED ANALYSIS OF THE 2012/13 FINANCIAL YEAR (PRELIMINARY OUTCOME)

- The budgeted figures for provinces are based on the 2012/13 adjusted estimates of provincial revenue and expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2012. The budgeted figures also take account of revisions effected in a second adjusted estimate for four provinces during March 2013.

Total Expenditure

- Table 1 indicates that in the 2012/13 financial year provinces spent R395 billion (preliminary outcome) or 98.1 per cent of the budgeted expenditure of R402.6 billion. Spending against adjusted budgets was slightly lower in percentage terms compared to the 2011/12 financial year, when it stood at 98.7 per cent. Spending in nominal terms was 7.2 per cent or R26.7 billion more than last year's R368.3 billion.
- Among provinces, spending was lowest in the North West (95.1 per cent of the adjusted budget) and the Northern Cape (95.3 per cent) and highest in KwaZulu-Natal at 99.5 per cent and Mpumalanga at 99.3 per cent.

Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2013

R thousand	Adjusted budget 2012/13					Preliminary outcome as at 31 March 2013					Preliminary outcome as % of adjusted budget	2011/12: Outcome as at 31 March 2012	Year-on-year growth
	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total			
Eastern Cape	47 041 743	7 451 140	2 903 709	–	57 396 592	46 254 348	6 893 304	2 779 474	726	55 927 852	97.4%	53 739 035	4.1%
Free State	19 585 169	3 605 062	2 715 743	–	25 905 974	19 628 424	3 463 051	2 517 475	8 641	25 617 591	98.9%	23 761 322	7.8%
Gauteng	55 244 054	14 857 237	4 585 731	185	74 687 207	55 498 978	14 740 312	3 468 398	52 758	73 760 446	98.8%	67 908 855	8.6%
KwaZulu-Natal	67 585 897	10 331 811	8 262 708	2 109	86 182 525	66 855 272	10 245 343	8 625 979	2 168	85 728 762	99.5%	78 643 830	9.0%
Limpopo	39 316 614	6 015 202	2 621 236	1 500	47 954 552	38 039 361	5 724 237	2 104 016	1 331	45 868 946	95.7%	43 236 964	6.1%
Mpumalanga	24 901 974	3 913 605	2 737 720	–	31 553 299	24 868 927	3 901 695	2 572 119	3 522	31 346 263	99.3%	29 392 411	6.6%
Northern Cape	9 233 183	1 375 440	1 186 589	58	11 795 270	8 421 651	1 411 126	1 402 106	269	11 235 152	95.3%	10 763 698	4.4%
North West	20 429 057	4 178 779	2 301 720	–	26 909 556	19 988 382	3 975 053	1 623 480	1 082	25 587 997	95.1%	23 939 623	6.9%
Western Cape	30 190 176	6 611 824	3 447 064	7 051	40 256 115	29 778 764	6 875 934	3 264 620	18 004	39 937 322	99.2%	36 949 272	8.1%
Total	313 527 867	58 340 100	30 762 220	10 903	402 641 090	309 334 107	57 230 056	28 357 667	88 501	395 010 331	98.1%	368 335 009	7.2%

Social Services

- Provinces had budgeted R304 billion for social services, including education, health and social development.

Table 2: Provincial Social Services Expenditure as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Education	168 214 763	166 073 346	98.7%	42.0%	55.2%	156 585 677	6.1%
Health	123 508 959	122 608 686	99.3%	31.0%	40.8%	111 674 063	9.8%
Social Development	12 277 992	12 091 056	98.5%	3.1%	4.0%	11 606 184	4.2%
Total	304 001 714	300 773 087	98.9%	76.1%	100.0%	279 865 924	7.5%

- The preliminary spending outcome on social services was R300.8 billion, or 98.9 per cent of the total provincial social services adjusted budgets for 2012/13.

Education

6. Adjusted education budgets of R168.2 billion comprised 41.8 per cent of total adjusted provincial budgets. Table 3 indicates that the preliminary outcome for education expenditure was R166.1 billion or 98.7 per cent of the total adjusted education budget. This is an increase of 6.1 per cent, or R9.5 billion, on the R156.6 billion spent in 2011/12.
7. Spending by provinces on education ranged from 95.8 per cent in Limpopo and 97.4 per cent in the Eastern Cape, to the highest in Mpumalanga at 100.5 per cent, followed by the Free State at 100.1 per cent.

Table 3: Provincial Education Expenditure as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	26 754 712	26 062 773	97.4%	46.6%	60.1%	25 174 112	3.5%
Free State	10 494 612	10 502 063	100.1%	41.0%	55.4%	9 714 634	8.1%
Gauteng	28 500 824	28 250 101	99.1%	38.3%	48.9%	26 122 180	8.1%
Kw aZulu-Natal	35 672 863	35 593 992	99.8%	41.5%	54.8%	33 799 217	5.3%
Limpopo	22 883 897	21 924 734	95.8%	47.8%	61.0%	21 161 391	3.6%
Mpumalanga	14 284 994	14 352 590	100.5%	45.8%	63.0%	13 024 202	10.2%
Northern Cape	4 292 760	4 232 277	98.6%	37.7%	53.4%	4 080 655	3.7%
North West	10 969 858	10 881 844	99.2%	42.5%	57.8%	10 148 133	7.2%
Western Cape	14 360 243	14 272 972	99.4%	35.7%	47.2%	13 361 153	6.8%
Total	168 214 763	166 073 346	98.7%	42.0%	55.2%	156 585 677	6.1%

8. The preliminary outcome on goods and services (including learner and teacher support materials) in education was R14.1 billion, or 95.4 per cent of the budgeted amount of R14.8 billion.
9. The bulk of education expenditure (78.2 per cent) was on personnel, amounting to R129.8 billion, or 99.6 per cent, of the R130.4 billion budgeted for personnel. Spending by provinces on personnel in education ranged from 97.5 per cent in the Eastern Cape and 98.2 per cent in Limpopo, to 101.9 per cent in KwaZulu-Natal and 100.8 per cent in the Free State.

Table 4: Provincial Personnel Expenditure: Education as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Education Personnel to total expenditure	% share of Education Personnel to total Education expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	21 569 274	21 036 251	97.5%	58.6%	80.7%	20 344 355	3.4%
Free State	8 052 842	8 119 481	100.8%	52.6%	77.3%	7 528 672	7.8%
Gauteng	21 140 325	21 031 234	99.5%	52.6%	74.4%	19 370 260	8.6%
Kw aZulu-Natal	27 448 267	27 976 888	101.9%	56.2%	78.6%	26 639 394	5.0%
Limpopo	18 584 369	18 256 538	98.2%	57.7%	83.3%	17 291 133	5.6%
Mpumalanga	11 124 142	11 044 872	99.3%	60.2%	77.0%	10 235 116	7.9%
Northern Cape	3 209 504	3 166 784	98.7%	52.5%	74.8%	2 953 782	7.2%
North West	8 438 563	8 449 890	100.1%	55.3%	77.7%	7 781 175	8.6%
Western Cape	10 835 720	10 735 538	99.1%	49.6%	75.2%	9 997 071	7.4%
Total	130 403 006	129 817 476	99.6%	55.5%	78.2%	122 140 958	6.3%

10. The preliminary outcome for education capital spending was R8 billion, or 90.9 per cent, of the R8.8 billion adjusted budget. This is higher than the spending in the previous financial year by 11.2 per cent. Education capital expenditure is lowest in Limpopo at 64.1 per cent and the Western Cape at 77.8 per cent and highest in the Eastern Cape at 104.1 per cent and the Free State at 99.1 per cent.

Table 5: Provincial Capital Expenditure: Education as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	972 746	1 012 886	104.1%	36.4%	3.9%	977 021	3.7%
Free State	492 197	487 707	99.1%	19.4%	4.6%	415 341	17.4%
Gauteng	1 465 875	1 375 528	93.8%	39.7%	4.9%	265 716	417.7%
Kw aZulu-Natal	2 696 135	2 584 875	95.9%	30.0%	7.3%	2 121 381	21.8%
Limpopo	893 620	573 024	64.1%	27.2%	2.6%	1 231 638	-53.5%
Mpumalanga	691 902	645 495	93.3%	25.1%	4.5%	637 443	1.3%
Northern Cape	310 153	258 312	83.3%	18.4%	6.1%	297 433	-13.2%
North West	504 645	452 962	89.8%	27.9%	4.2%	545 683	-17.0%
Western Cape	738 112	574 093	77.8%	17.6%	4.0%	669 240	-14.2%
Total	8 765 385	7 964 882	90.9%	28.1%	4.8%	7 160 896	11.2%

Health

11. Adjusted health budgets (R123.5 billion), comprised 30.7 per cent of total adjusted provincial budgets.

Table 6: Provincial Health Expenditure as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	15 734 550	15 565 088	98.9%	27.8%	35.9%	14 892 282	4.5%
Free State	7 759 316	7 583 503	97.7%	29.6%	40.0%	6 811 239	11.3%
Gauteng	27 191 594	26 962 071	99.2%	36.6%	46.7%	23 813 393	13.2%
Kw aZulu-Natal	27 290 930	27 396 495	100.4%	32.0%	42.2%	24 791 118	10.5%
Limpopo	12 808 523	12 821 349	100.1%	28.0%	35.7%	11 366 342	12.8%
Mpumalanga	7 649 290	7 499 644	98.0%	23.9%	32.9%	7 224 940	3.8%
Northern Cape	3 247 233	3 167 024	97.5%	28.2%	39.9%	3 006 731	5.3%
North West	7 083 691	7 020 900	99.1%	27.4%	37.3%	6 380 255	10.0%
Western Cape	14 743 832	14 592 612	99.0%	36.5%	48.2%	13 387 763	9.0%
Total	123 508 959	122 608 686	99.3%	31.0%	40.8%	111 674 063	9.8%

12. Table 6 indicates that, at R122.6 billion or 99.3 per cent of the total health adjusted budget, health expenditure increased by 9.8 per cent, or R10.9 billion, on the 2011/12 financial year.

13. The Northern Cape and the Free State provinces spent the lowest share of their adjusted health budgets at 97.5 per cent and 97.7 per cent respectively. The highest shares are recorded by KwaZulu-Natal at 100.4 per cent and Limpopo at 100.1 per cent.

14. Table 7 indicates that the preliminary spending on health personnel was R74.2 billion, or 99.5 per cent, of the adjusted budget, an increase of R6.2 billion, or 9.2 per cent, on the R68 billion spent in 2011/12.

Table 7: Provincial Personnel Expenditure: Health as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Health Personnel to total personnel expenditure	% share of Health Personnel to total Health expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	10 229 810	9 815 170	95.9%	27.4%	63.1%	9 480 558	3.5%
Free State	4 720 584	4 953 211	104.9%	32.1%	65.3%	4 372 333	13.3%
Gauteng	15 278 812	15 244 038	99.8%	38.1%	56.5%	14 310 785	6.5%
Kw aZulu-Natal	16 896 484	16 890 039	100.0%	33.9%	61.7%	15 118 307	11.7%
Limpopo	8 581 543	8 692 075	101.3%	27.5%	67.8%	7 735 891	12.4%
Mpumalanga	4 594 553	4 474 577	97.4%	24.4%	59.7%	4 083 293	9.6%
Northern Cape	1 634 300	1 579 494	96.6%	26.2%	49.9%	1 427 387	10.7%
North West	4 061 871	4 129 391	101.7%	27.0%	58.8%	3 786 765	9.0%
Western Cape	8 577 603	8 436 571	98.4%	39.0%	57.8%	7 665 447	10.1%
Total	74 575 560	74 214 566	99.5%	31.7%	60.5%	67 980 766	9.2%

15. Non-personnel non-capital items, including medicines, drugs and other current expenditure, were R40.1 billion, or 102.2 per cent, of the R39.3 billion adjusted budget.

16. The preliminary outcome for health capital spending was R8.3 billion, or 85.5 per cent, an increase of R114.1 million or 1.4 per cent on the R8.2 billion spent last year.

Table 8: Provincial Capital Expenditure: Health as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Health Capital to total capital expenditure	% share of Health Capital to total Health expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	866 229	766 574	88.5%	27.6%	4.9%	1 068 184	-28.2%
Free State	992 638	720 525	72.6%	28.6%	9.5%	545 946	32.0%
Gauteng	1 595 430	831 953	52.1%	24.0%	3.1%	1 004 584	-17.2%
Kw aZulu-Natal	2 210 545	2 254 886	102.0%	26.1%	8.2%	1 910 011	18.1%
Limpopo	1 144 147	1 107 895	96.8%	52.7%	8.6%	935 908	18.4%
Mpumalanga	781 949	642 520	82.2%	25.0%	8.6%	691 225	-7.0%
Northern Cape	541 799	545 007	100.6%	38.9%	17.2%	519 535	4.9%
North West	666 291	600 869	90.2%	37.0%	8.6%	591 622	1.6%
Western Cape	883 304	807 719	91.4%	24.7%	5.5%	896 801	-9.9%
Total	9 682 332	8 277 948	85.5%	29.2%	6.8%	8 163 816	1.4%

17. Spending by provinces varied, with the lowest rate of health capital expenditure being in Gauteng at 52.1 per cent, the Free State at 72.6 per cent, and the highest being in KwaZulu-Natal and the Northern Cape at 102 per cent and 100.6 per cent respectively.

Social Development

18. At R12.3 billion, the adjusted budget for social development comprised 3 per cent of total adjusted provincial budgets.

19. Provinces registered a preliminary expenditure outcome of R12.1 billion, or 98.5 per cent, of the total R12.3 billion adjusted budget. This represents an increase of R484.9 million, or 4.2 per cent, on the R11.6 billion spent last year.

20. There were varying degrees of spending among provinces, the lowest being both the North West and KwaZulu-Natal at 96.2 per cent, while the highest are the Northern Cape at 100 per cent and Limpopo at 99.9 per cent.

Table 9: Provincial Social Development Expenditure as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	1 778 308	1 746 145	98.2%	3.1%	4.0%	1 691 851	3.2%
Free State	871 122	867 242	99.6%	3.4%	4.6%	803 679	7.9%
Gauteng	2 543 918	2 525 066	99.3%	3.4%	4.4%	2 333 714	8.2%
Kw aZulu-Natal	2 062 167	1 983 327	96.2%	2.3%	3.1%	1 934 257	2.5%
Limpopo	1 193 183	1 191 518	99.9%	2.6%	3.3%	1 162 397	2.5%
Mpumalanga	924 261	918 103	99.3%	2.9%	4.0%	957 588	-4.1%
Northern Cape	531 995	531 863	100.0%	4.7%	6.7%	522 687	1.8%
North West	963 326	926 277	96.2%	3.6%	4.9%	883 009	4.9%
Western Cape	1 409 712	1 401 515	99.4%	3.5%	4.6%	1 317 002	6.4%
Total	12 277 992	12 091 056	98.5%	3.1%	4.0%	11 606 184	4.2%

Human Settlements and Local Government

21. At R22.7 billion, the adjusted budget for human settlements and local government comprised 5.6 per cent of total adjusted provincial budgets.

Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of HS and LG to total provincial expenditure	% share of HSD Grant to total HS and LG expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	3 384 118	3 069 261	90.7%	5.5%	65.2%	2 882 094	6.5%
Free State	1 400 615	1 368 597	97.7%	5.3%	71.3%	1 440 500	-5.0%
Gauteng	4 737 125	4 631 036	97.8%	6.3%	86.5%	4 460 605	3.8%
Kw aZulu-Natal	4 693 947	4 689 402	99.9%	5.5%	62.2%	4 148 844	13.0%
Limpopo	2 592 076	2 252 436	86.9%	4.9%	58.4%	1 917 108	17.5%
Mpumalanga	1 527 153	1 477 519	96.7%	4.7%	64.5%	1 556 654	-5.1%
Northern Cape	594 511	581 939	97.9%	5.2%	58.0%	589 541	-1.3%
North West	1 624 820	1 603 521	98.7%	6.3%	66.4%	1 618 476	-0.9%
Western Cape	2 148 690	2 148 059	100.0%	5.4%	80.3%	1 964 225	9.4%
Total	22 703 055	21 821 770	96.1%	5.5%	70.1%	20 578 047	6.0%

22. Spending by human settlements and local government was R21.8 billion, or 96.1 per cent, of the R22.7 billion adjusted budget. This represents an increase of R1.2 billion, or 6 per cent, on the R20.6 billion spent in 2011/12.

Human Settlements Development Conditional Grant

23. Most of the human settlements and local government expenditure comes from the Human Settlements Development conditional grant.

24. Table 11 indicates that provinces spent R15.3 billion, or 95.7 per cent, of the R16 billion Human Settlements Development grant adjusted budget. These spending figures are R611.2 million or 4.2 per cent more than the outcome for last year.

25. Spending levels by provinces varied, with the lowest being Limpopo at 80.4 per cent and the Eastern Cape at 87.3 per cent while the highest spenders were Gauteng, the Western Cape and the North West at 100 per cent.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	2 292 859	2 001 905	87.3%	3.6%	13.1%	1 897 076	5.5%
Free State	991 804	975 608	98.4%	3.8%	6.4%	911 190	7.1%
Gauteng	4 003 776	4 003 776	100.0%	5.4%	26.2%	3 831 680	4.5%
Kw aZulu-Natal	2 942 934	2 915 297	99.1%	3.4%	19.1%	2 769 871	5.3%
Limpopo	1 637 317	1 315 641	80.4%	2.9%	8.6%	1 233 214	6.7%
Mpumalanga	980 263	953 065	97.2%	3.0%	6.2%	916 677	4.0%
Northern Cape	339 551	337 493	99.4%	3.0%	2.2%	333 774	1.1%
North West	1 064 405	1 064 317	100.0%	4.2%	7.0%	1 148 709	-7.3%
Western Cape	1 725 180	1 725 180	100.0%	4.3%	11.3%	1 638 845	5.3%
Total	15 978 089	15 292 282	95.7%	3.9%	100.0%	14 681 036	4.2%

Personnel expenditure

26. Personnel expenditure (compensation of employees) for the 2012/13 financial year was R234 billion, or 99.2 per cent, of the combined adjusted budget of R236 billion.

Table 12: Provincial Personnel Expenditure as at 31 March 2013

	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
R thousand							
Eastern Cape	36 907 625	35 871 270	97.2%	64.1%	15.3%	34 445 304	4.1%
Free State	15 195 276	15 428 481	101.5%	60.2%	6.6%	14 037 057	9.9%
Gauteng	40 262 591	39 982 486	99.3%	54.2%	17.1%	37 177 535	7.5%
Kw aZulu-Natal	49 552 107	49 794 754	100.5%	58.1%	21.3%	46 099 393	8.0%
Limpopo	31 956 178	31 624 790	99.0%	68.9%	13.5%	29 334 133	7.8%
Mpumalanga	18 659 115	18 360 552	98.4%	58.6%	7.8%	17 003 264	8.0%
Northern Cape	6 186 979	6 030 914	97.5%	53.7%	2.6%	5 551 746	8.6%
North West	15 359 903	15 293 717	99.6%	59.8%	6.5%	14 022 375	9.1%
Western Cape	21 932 109	21 626 817	98.6%	54.2%	9.2%	19 850 908	8.9%
Total	236 011 883	234 013 781	99.2%	59.2%	100.0%	217 521 715	7.6%

27. The preliminary outcome is R16.5 billion more or 7.6 per cent higher than the R217.5 billion spent in the 2011/12 financial year.

28. Spending ranged from 97.2 per cent in the Eastern Cape and 97.5 per cent in the Northern Cape, to 101.5 per cent in the Free State and 100.5 per cent in KwaZulu-Natal.

Overall Capital Budgets and Expenditure

29. Provinces spent R28.4 billion or 92.2 per cent of the capital (payments for capital assets) adjusted budget of R30.8 billion. This is an increase of 9.1 per cent compared to the 2011/12 financial year.

Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2013

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2013	Preliminary outcome as % of adjusted budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	2 903 709	2 779 474	95.7%	5.0%	9.8%	3 468 966	-19.9%
Free State	2 715 743	2 517 475	92.7%	9.8%	8.9%	2 046 700	23.0%
Gauteng	4 585 731	3 468 398	75.6%	4.7%	12.2%	1 530 769	126.6%
Kw aZulu-Natal	8 262 708	8 625 979	104.4%	10.1%	30.4%	7 119 627	21.2%
Limpopo	2 621 236	2 104 016	80.3%	4.6%	7.4%	2 683 528	-21.6%
Mpumalanga	2 737 720	2 572 119	94.0%	8.2%	9.1%	2 708 795	-5.0%
Northern Cape	1 186 589	1 402 106	118.2%	12.5%	4.9%	1 506 652	-6.9%
North West	2 301 720	1 623 480	70.5%	6.3%	5.7%	1 621 212	0.1%
Western Cape	3 447 064	3 264 620	94.7%	8.2%	11.5%	3 315 710	-1.5%
Total	30 762 220	28 357 667	92.2%	7.2%	100.0%	26 001 959	9.1%

30. Table 13 provides capital spending information by province and shows low rates of spending in the North West at 70.5 per cent and Gauteng at 75.6 per cent, and high rates in the Northern Cape at 118.2 per cent and KwaZulu-Natal at 104.4 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R8.6 billion followed by Gauteng at R3.5 billion and the Western Cape at R3.3 billion.

31. Provincial education departments spent R8 billion, or 90.9 per cent, of their capital adjusted budgets of R8.8 billion. This is an increase of R804 million, or 11.2 per cent, compared to spending in the previous financial year.

32. Provincial health departments spent R8.3 billion, or 85.5 per cent, of their capital adjusted budgets of R9.7 billion, which is R114.1 million or 1.4 per cent more than the 2011/12 financial year.

33. At 31.8 per cent, the public works, roads and transport departments had the highest share of the provincial capital adjusted budgets. The sector spent R9.8 billion or 100 per cent against its combined capital adjusted budgets of R9.8 billion.

Conditional Grants

34. The adjusted total for conditional grants was R77.9 billion (including Schedules 4 and 8 grants), with health making up the bulk at R26.6 billion.

35. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 March 2013 (preliminary outcome). It includes conditional grant roll-overs from the 2011/12 financial year and other provincial adjustments, and excludes spending on Schedules 4 and 8 grants.

Table 14: Provincial Conditional Grants Expenditure as at 31 March 2013

	Division of Revenue Act, 2012 (Act No. 5 of 2012)	Other gazetted amounts	Provincial roll-overs/ other provincial adjustments	Total available 2012/13	Transferred from National to provinces	Preliminary outcome as at 31 March 2013 (excluding Schedule 4, 8 grants)	Preliminary outcome as % of total available (excluding Schedule 4, 8 grants)
R thousand							
Agriculture, Forestry and Fisheries	2 066 450	-	65 657	2 132 107	2 062 388	510 710	91.5%
1. Comprehensive Agricultural Support Programme Grant	1 534 991	-	38 892	1 573 883	1 534 991		
Ilima/Letsema Projects Grant	415 798	-	24 317	440 115	415 798	400 220	90.9%
Land Care Programme Grant: Poverty Relief and Infrastructure	115 661	-	2 448	118 109	111 599	110 490	93.5%
Arts and Culture	564 574	-	50 581	615 155	564 574	518 756	84.3%
Community Library Services Grant	564 574	-	50 581	615 155	564 574	518 756	84.3%
Basic Education	11 246 587	-	246 879	11 493 466	11 205 853	5 393 588	96.0%
Dinaledi Schools Grant	99 700	-	5 765	105 465	95 633	86 268	81.8%
1. Education Infrastructure Grant	5 822 389	-	51 569	5 873 958	5 802 390		
HIV and Aids (Life Skills Education) Grant	208 665	-	4 753	213 418	202 677	184 322	86.4%
National School Nutrition Programme Grant	4 906 464	-	136 487	5 042 951	4 906 464	4 958 346	98.3%
Technical Secondary Schools Recapitalisation Grant	209 369	-	48 305	257 674	198 689	164 652	63.9%
Cooperative Governance and Traditional Affairs	180 000	-	-	180 000	850		
2. Provincial Disaster Grant	180 000	-	-	180 000	850		
Health	25 691 610	381 000	510 243	26 582 853	26 071 682	12 627 292	92.3%
Africa Cup of Nations 2013: Medical Services Grant	-	15 000	-	15 000	15 000	8 608	57.4%
Comprehensive HIV and Aids Grant	8 762 848	-	121 916	8 884 764	8 762 848	8 807 986	99.1%
1. Health Infrastructure Grant	1 620 981	180 000	110 497	1 911 478	1 800 981		
1. Health Professions Training and Development Grant	2 076 176	-	9 239	2 085 415	2 075 248		
Hospital Revitalisation Grant	4 103 595	186 000	237 472	4 527 067	4 289 595	3 660 301	80.9%
National Health Insurance Grant	150 000	-	-	150 000	150 000	78 019	52.0%
1. National Tertiary Services Grant	8 878 010	-	31 119	8 909 129	8 878 010		
Nursing Colleges and Schools Grant	100 000	-	-	100 000	100 000	72 378	72.4%
Higher Education and Training	4 757 271	87 336	5 035	4 849 642	4 844 607		
1. Further Education and Training Colleges Grant	4 757 271	87 336	5 035	4 849 642	4 844 607		
Human Settlements	15 725 959	-	252 130	15 978 089	15 395 032	15 292 282	95.7%
Human Settlements Development Grant	15 725 959	-	252 130	15 978 089	15 395 032	15 292 282	95.7%
Public Works	2 428 821	-11 123	72 599	2 490 297	2 428 905	2 285 684	91.8%
Devolution of Property Rate Funds Grant	1 918 659	-11 123	46 450	1 953 986	1 918 659	1 801 927	92.2%
Expanded Public Works Programme Integrated Grant for Provinces	292 761	-	22 500	315 261	292 846	322 397	102.3%
Social Sector Expanded Public Works Programme Incentive Grant	217 401	-	3 649	221 050	217 400	161 360	73.0%
Sport and Recreation South Africa	469 640	-	3 565	473 205	469 640	444 225	93.9%
Mass Participation and Sport Development Grant	469 640	-	3 565	473 205	469 640	444 225	93.9%
Transport	12 299 114	-	785 549	13 084 663	12 299 114		
1. Provincial Roads Maintenance Grant	7 981 845	-	781 499	8 763 344	7 981 845		
1. Public Transport Operations Grant	4 317 269	-	4 050	4 321 319	4 317 269		
Total	75 430 026	457 213	1 992 238	77 879 477	75 342 645		
Total excluding Schedules 4 and 8 grants	38 261 094	189 877	960 338	39 411 309	38 106 454	37 072 537	94.1%

1. Schedule 4 grants specifying allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets.

2. Schedule 8 grants specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response.

36. Schedule 4 grants specify allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets. The Provincial Disaster grant (Schedule 8 grant) specifies funds that are currently not allocated to specific provinces that may be released to provinces to fund disaster response.

37. Against the total adjusted allocation of R39.4 billion (which excludes Schedules 4 and 8 grants), the preliminary spending outcome for conditional grants amounted to R37.1 billion, or 94.1 per cent.

38. Specific grants that show low rates of spending for the 2012/13 financial year include:

- a. National Health Insurance (52 per cent)
- b. Africa Cup of Nations 2013: Medical Services (57.4 per cent)
- c. Technical Secondary Schools Recapitalisation (63.9 per cent)
- d. Nursing Colleges and Schools (72.4 per cent)
- e. Social Sector EPWP Incentive (73 per cent)
- f. Hospital Revitalisation (80.9 per cent)
- g. Dinaledi Schools (81.8 per cent)

39. Table 15 indicates selected conditional grant spending rates as at 31 March 2013 (preliminary outcome).

Table 15: Selected Conditional Grants Spending Rates as at 31 March 2013

	Number of provinces spent less than 85%	Number of provinces spent between 85% and 95% (inclusive)	Number of provinces spent more than 95%
Agriculture, Forestry and Fisheries			
Ilima/Letsema Projects Grant	2 GT, NC	3 EC, FS, LIM	4 KZN, MPU, NW, WC
Land Care Programme Grant: Poverty Relief and Infrastructure Development	1 NW	3 EC, GT, KZN	5 FS, LIM, MPU, NC, WC
Arts and Culture			
Community Library Services Grant	3 EC, LIM, NW	3 FS, MPU, NC	3 GT, KZN, WC
Basic Education			
Dinaledi Schools Grant	4 FS, LIM, NW, WC		5 EC, GT, KZN, MPU, NC
HIV and Aids (Life Skills Education) Grant	3 FS, GT, LIM		6 EC, KZN, MPU, NC, NW, WC
National School Nutrition Programme Grant		2 GT, KZN	7 EC, FS, LIM, MPU, NC, NW, WC
Technical Secondary Schools Recapitalisation Grant	7 EC, GT, KZN, LIM, MPU, NW, WC		2 FS, NC
Health			
Comprehensive HIV and Aids Grant	1 LIM	1 NC	7 EC, FS, GT, KZN, MPU, NW, WC
Hospital Revitalisation Grant	3 FS, GT, MPU	4 EC, LIM, NW, WC	2 KZN, NC
National Health Insurance Grant	8 EC, FS, GT, KZN, LIM, MPU, NC, NW	1 WC	
Nursing Colleges and Schools Grant	6 EC, FS, GT, MPU, NC, WC	1 LIM	2 KZN, NW
Human Settlements			
Human Settlements Development Grant	1 LIM	1 EC	7 FS, GT, KZN, MPU, NC, NW, WC
Public Works			
Devolution of Property Rate Funds Grant	2 MPU, NW	2 KZN, LIM	5 EC, FS, GT, NC, WC
Expanded Public Works Programme Integrated Grant for Provinces	5 FS, GT, NC, NW, WC	1 MPU	3 EC, KZN, LIM
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 FS, LIM	1 EC	6 GT, KZN, MPU, NC, NW, WC
Sport and Recreation South Africa			
Mass Participation and Sport Development Grant	2 LIM, NW	2 EC, MPU	5 FS, GT, KZN, NC, WC

Note: Percentages represent actual expenditure against the total available.

40. The table further indicates that five or more provinces have spent less than 85 per cent on the Technical Secondary Schools Recapitalisation grant, National Health Insurance grant, Nursing Colleges and Schools grant and the Expanded Public Works Programme Integrated grant for Provinces.

Provincial Revenue

41. The total provincial revenue transferred from national government and collected by provinces for 2012/13 was R401.6 billion, or 100.2 per cent, of total adjusted revenue of R400.6 billion. This included adjusted equitable share allocations of R313 billion, conditional grants of R75.7 billion and own revenue of R11.9 billion.

42. National government transferred R313 billion or 100 per cent of the equitable share, and R75.3 billion or 99.3 per cent in conditional grants to provinces.
43. Provinces collected R13.3 billion or 111.5 per cent of the budgeted own revenue of R11.9 billion, which was R824.5 million, or 6.6 per cent, more than the previous financial year.
44. The collection rate varied from 98 per cent in the Free State and 104.4 per cent in Gauteng, to a high of 131.6 per cent in the Eastern Cape and 123.6 per cent in Limpopo.

Table 16: Provincial Own Revenue Collection as at 31 March 2013

R thousand	Adjusted budget	Actual collection as at 31 March 2013	Actual collection as % of adjusted budget	% share of Own Revenue collected to total provincial	% share of Own Revenue collected to total Own Revenue	2011/12: Outcome as at 31 March 2012	Year-on-year growth
Eastern Cape	774 477	1 019 034	131.6%	1.8%	7.7%	840 995	21.2%
Free State	820 966	804 556	98.0%	3.2%	6.1%	865 214	-7.0%
Gauteng	3 779 326	3 946 391	104.4%	5.3%	29.8%	3 615 757	9.1%
Kw aZulu-Natal	2 338 953	2 664 702	113.9%	3.1%	20.1%	2 726 959	-2.3%
Limpopo	550 499	680 632	123.6%	1.4%	5.1%	582 033	16.9%
Mpumalanga	672 383	703 634	104.6%	2.2%	5.3%	560 662	25.5%
Northern Cape	228 186	263 591	115.5%	2.3%	2.0%	222 763	18.3%
North West	782 957	866 284	110.6%	3.2%	6.5%	783 321	10.6%
Western Cape	1 937 590	2 301 793	118.8%	5.7%	17.4%	2 228 411	3.3%
Total	11 885 337	13 250 616	111.5%	3.3%	100.0%	12 426 115	6.6%