



national treasury

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Provincial Budgets: 2013/14 Financial Year Mid-Term Provincial Budgets and Expenditure Report

SUMMARY

1. 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 six months (April to September 2013) of the 2013/14 financial year. The statement is available on the treasury website at www.treasury.gov.za.
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 national department administering the grant.
3. The budgeted figures in this statement are based on the 2013 Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during March 2013.
4. They exclude the adjustments proposed in the *2013 Adjusted Estimates of National Expenditure* and the *2013 Medium Term Budget Policy Statement* tabled on 23 October 2013, which are:
 - a. A total of R1.4 billion has been added to the Provincial Equitable Share. Of this total amount; R563.8 million is to provide for higher than budgeted wage costs due to increased inflation, R690.8 million is added to the provincial equitable share to assist provinces with the cost of re-grading clerical positions, a roll-over of R109.4 million was approved on the provincial equitable share for funds allocated to the Devolution of Property Rate Funds grant that were allocated but not transferred to provinces in 2012/13 and R424 000 to reimburse provinces for funeral costs incurred for those killed in the Marikana tragedy.
 - b. R11.5 million is added to the Further Education and Training Colleges grant to cover the higher than budgeted wage increases.
 - c. R103.2 million is approved for unforeseen and unavoidable expenditure for the repair and replacement of infrastructure damaged by floods.

- d. R14.7 million has been approved as a roll-over to provincial conditional grants.
 - e. R1 million has been added to the Expanded Public Works Programme Integrated grant.
5. Detailed information on the additional adjustments is set out in the *2013 Division of Revenue Amendment Bill*. The above-mentioned documents are available on the treasury website at www.treasury.gov.za.
 6. Provinces will have concluded their 2013 adjusted estimates by the end of November 2013.

Overall expenditure trends for the first six months

7. In aggregate, provinces had spent R202.8 billion, or 48.5 per cent, of their combined budgets of R418.5 billion, an increase of 7.2 per cent or R13.6 billion on the R189.3 billion spent last year.
8. Education expenditure, which at 41.4 per cent is the largest item on provincial budgets, was R87.6 billion or 50.5 per cent of the R173.5 billion combined education budgets, an increase of 6.3 per cent or R5.2 billion on the previous financial year.
9. Health expenditure, which at 30.9 per cent is the second largest item on provincial budgets, totalled R64.4 billion, or 49.9 per cent of the R129.2 billion combined health budgets. The expenditure represents an increase of 7.4 per cent or R4.4 billion on the same period for the 2012/13 financial year.
10. Social development expenditure for the half-year was R6.4 billion or 45.4 per cent of the R14 billion combined social development budgets.
11. Personnel expenditure (compensation of employees) was R126.6 billion or 50.3 per cent of the budgeted (main) R251.5 billion. National government made available R575.3 million through the *2013 Adjusted Estimates of National Expenditure* in October to provide for the higher than budgeted wage increases.
12. In aggregate, provinces spent R12.8 billion or 43.8 per cent of their R29.2 billion combined capital (payments for capital assets) budgets, an increase of 2.7 per cent on the expenditure for same period of the 2012/13 financial year.
13. Provincial education departments spent R4.1 billion or 45.9 per cent of the budgeted R9 billion for capital expenditure, which is R259.8 million or 6.7 per cent more than the expenditure for the previous financial year.
14. Provincial health departments spent R3.4 billion or 43.3 per cent of the budgeted R7.7 billion for capital expenditure, which is R304.2 million or 8.3 per cent less than the same period for 2012/13.
15. The biggest share (34.2 per cent) of provincial capital budgets is for the public works, roads and transport departments, which spent R4.4 billion or 44 per cent of the combined capital budget of R10 billion.
16. Provinces collected own revenue of R6.6 billion, or 52 per cent of the budgeted R12.7 billion. By 30 September 2013, national government had transferred R168.8 billion of the equitable share and R38.5 billion of conditional grants to provinces.
17. A more detailed analysis on the outcome of provincial finances as at 30 September 2013 is set out in Annexure A.

DETAILED ANALYSIS FOR THE FIRST SIX MONTHS OF THE 2013/14 FINANCIAL YEAR:

1. The budgeted figures for provinces are based on the 2013 Estimates of Provincial Revenue and Expenditure documents (main budgets) tabled in the provincial legislatures during March 2013.

Total Expenditure

2. Table 1 indicates that provinces spent R202.8 billion or 48.5 per cent of the combined budgeted expenditure of R418.5 billion. Spending against budgets is at a slightly lower level in percentage terms when compared to the same period of the 2012/13 financial year. Spending in nominal terms is 7.2 per cent or R13.6 billion higher than last year, when provinces spent R189.3 billion.
3. Spending was lowest in Limpopo (45.6 per cent of the budget) and the Western Cape (46.6 per cent), highest in both KwaZulu-Natal and the Northern Cape, at 50 per cent.

Table 1: Provincial Aggregated Budgets and Expenditure as at 30 September 2013

R thousand	Main budget 2013/14					Actual payments as at 30 September 2013					Actual payments as % of main budget	2012/13: Outcome as at 30 September 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	48 112 274	7 800 828	3 344 775	300	59 258 177	23 383 001	3 743 116	1 161 863	127	28 288 107	47.7%	26 425 177	7.0%
Free State	20 343 836	3 768 159	2 759 623	–	26 871 618	10 586 562	1 796 107	882 499	1 375	13 266 543	49.4%	12 812 652	3.5%
Gauteng	57 671 745	14 004 556	4 288 351	–	75 964 652	29 647 692	6 474 553	1 367 953	–	37 490 197	49.4%	35 892 918	4.5%
KwaZulu-Natal	72 290 458	10 105 857	7 393 389	2 500	89 792 204	35 404 775	5 326 420	4 206 647	2 511	44 940 353	50.0%	41 755 098	7.6%
Limpopo	41 495 000	4 991 637	1 948 183	–	48 434 820	19 752 203	1 760 297	564 890	–	22 077 390	45.6%	21 937 738	0.6%
Mpumalanga	26 786 505	4 167 573	2 695 602	9 685	33 659 365	13 096 387	1 834 440	1 318 439	5 000	16 254 266	48.3%	14 902 488	9.1%
Northern Cape	9 975 980	1 341 478	930 855	–	12 248 313	4 841 094	648 434	637 013	–	6 126 541	50.0%	5 409 602	13.3%
North West	22 008 299	4 357 484	2 200 270	–	28 566 053	10 796 319	1 916 639	1 338 767	–	14 051 725	49.2%	11 621 745	20.9%
Western Cape	32 858 726	7 190 848	3 646 798	7 325	43 703 698	15 676 719	3 355 905	1 313 383	1 668	20 347 675	46.6%	18 511 599	9.9%
Total	331 542 823	57 728 420	29 207 846	19 810	418 498 898	163 184 752	26 855 911	12 791 454	10 681	202 842 797	48.5%	189 269 017	7.2%

Social Services

4. The provincial budget for social services, including education, health and social development totals R316.6 billion.

Table 2: Provincial Social Services Expenditure as at 30 September 2013

R thousand	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of total provincial expenditure	% share of total Social Services expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
Education	173 456 360	87 639 818	50.5%	43.2%	55.3%	82 411 796	6.3%
Health	129 162 064	64 445 992	49.9%	31.8%	40.7%	60 010 090	7.4%
Social Development	13 983 630	6 352 031	45.4%	3.1%	4.0%	5 643 464	12.6%
Total	316 602 054	158 437 841	50.0%	78.1%	100.0%	148 065 350	7.0%

5. Expenditure at the end of the half-year was R158.4 billion, or 50 per cent of the total provincial social services budgets for 2013/14.

Education

6. At R173.5 billion, education budgets comprise 41.4 per cent of total provincial budgets. Table 3 shows that education expenditure by the end of the half-year totalled R87.6 billion or 50.5 per cent of the total education budget. This is an increase of 6.3 per cent, or R5.2 billion, on the R82.4 billion spent over the same period in 2012/13.
7. Spending by provinces on education ranges from 47.1 per cent in the Western Cape and 47.8 per cent in Limpopo, to 54.2 per cent in the Free State and 51.8 per cent in the Northern Cape.

Table 3: Provincial Education Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	26 972 077	13 743 833	51.0%	48.6%	61.6%	12 806 691	7.3%
Free State	10 456 217	5 664 960	54.2%	42.7%	56.5%	5 380 439	5.3%
Gauteng	29 275 841	15 034 641	51.4%	40.1%	49.4%	14 476 130	3.9%
Kw aZulu-Natal	37 008 579	19 136 954	51.7%	42.6%	54.8%	18 178 092	5.3%
Limpopo	23 475 305	11 231 761	47.8%	50.9%	61.4%	10 559 627	6.4%
Mpumalanga	14 896 956	7 512 447	50.4%	46.2%	62.2%	6 969 853	7.8%
Northern Cape	4 448 073	2 305 084	51.8%	37.6%	54.2%	2 154 525	7.0%
North West	11 321 394	5 655 782	50.0%	40.2%	54.6%	5 083 186	11.3%
Western Cape	15 601 918	7 354 356	47.1%	36.1%	46.7%	6 803 253	8.1%
Total	173 456 360	87 639 818	50.5%	43.2%	55.3%	82 411 796	6.3%

8. Expenditure on goods and services (including learner and teacher support materials) came in at R6.2 billion, or 41.3 per cent of the budgeted amount of R15.1 billion.
9. The bulk of education expenditure (R69.6 billion, or 79.4 per cent of total education expenditure) was on personnel. The half-year expenditure accounted for 51.2 per cent of the R135.9 billion budgeted for personnel. Spending by provinces on personnel expenditure in education ranged from 49.3 per cent in Mpumalanga to 54.8 per cent in the Free State.

Table 4: Provincial Personnel Expenditure: Education as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Education Personnel to total personnel expenditure	% share of Education Personnel to total Education expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	21 974 857	11 005 637	50.1%	58.5%	80.1%	10 414 579	5.7%
Free State	7 971 147	4 366 619	54.8%	52.9%	77.1%	4 024 308	8.5%
Gauteng	22 066 953	11 481 002	52.0%	51.7%	76.4%	10 433 790	10.0%
Kw aZulu-Natal	28 746 193	15 031 143	52.3%	55.5%	78.5%	13 897 299	8.2%
Limpopo	19 315 759	9 740 803	50.4%	57.6%	86.7%	9 061 640	7.5%
Mpumalanga	11 939 540	5 883 040	49.3%	59.4%	78.3%	5 470 214	7.5%
Northern Cape	3 416 818	1 755 453	51.4%	52.7%	76.2%	1 572 635	11.6%
North West	8 844 040	4 572 830	51.7%	54.2%	80.9%	4 153 832	10.1%
Western Cape	11 621 100	5 777 464	49.7%	49.3%	78.6%	5 328 369	8.4%
Total	135 896 407	69 613 991	51.2%	55.0%	79.4%	64 356 666	8.2%

10. Capital expenditure by provincial education departments was R4.1 billion, or 45.9 per cent, of the R9 billion budget, which is 6.7 per cent higher than the spending

over the same period of the previous financial year. Education capital expenditure was lowest in the Western Cape (25 per cent) and highest in Mpumalanga (68.2 per cent).

Table 5: Provincial Capital Expenditure: Education as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	1 201 767	520 250	43.3%	44.8%	3.8%	282 577	84.1%
Free State	473 791	149 218	31.5%	16.9%	2.6%	276 229	-46.0%
Gauteng	1 044 353	509 232	48.8%	37.2%	3.4%	713 634	-28.6%
Kw aZulu-Natal	2 669 741	1 427 470	53.5%	33.9%	7.5%	1 608 920	-11.3%
Limpopo	928 836	358 094	38.6%	63.4%	3.2%	247 989	44.4%
Mpumalanga	609 891	415 782	68.2%	31.5%	5.5%	211 977	96.1%
Northern Cape	297 232	145 917	49.1%	22.9%	6.3%	148 121	-1.5%
North West	557 397	303 478	54.4%	22.7%	5.4%	188 997	60.6%
Western Cape	1 208 749	301 779	25.0%	23.0%	4.1%	192 998	56.4%
Total	8 991 757	4 131 220	45.9%	32.3%	4.7%	3 871 442	6.7%

Health

11. Health budgets, totalling R129.2 billion, comprise 30.9 per cent of total provincial budgets.

Table 6: Provincial Health Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	16 584 328	7 687 633	46.4%	27.2%	34.4%	7 528 760	2.1%
Free State	7 894 778	3 874 191	49.1%	29.2%	38.7%	4 067 554	-4.8%
Gauteng	27 992 680	14 020 716	50.1%	37.4%	46.1%	13 708 483	2.3%
Kw aZulu-Natal	28 647 877	14 800 361	51.7%	32.9%	42.4%	13 363 135	10.8%
Limpopo	13 076 949	6 451 160	49.3%	29.2%	35.2%	6 285 357	2.6%
Mpumalanga	8 084 505	4 031 475	49.9%	24.8%	33.4%	3 409 920	18.2%
Northern Cape	3 341 990	1 676 251	50.2%	27.4%	39.4%	1 571 859	6.6%
North West	7 667 281	4 232 884	55.2%	30.1%	40.8%	3 194 711	32.5%
Western Cape	15 871 676	7 671 321	48.3%	37.7%	48.7%	6 880 311	11.5%
Total	129 162 064	64 445 992	49.9%	31.8%	40.7%	60 010 090	7.4%

12. Table 6 indicates that, at R64.4 billion or 49.9 per cent of the total health budget, health expenditure increased by 7.4 per cent, or R4.4 billion, on the same period in 2012/13.

13. The Eastern Cape and Western Cape provinces spent the lowest share of their health budgets at 46.4 per cent and 48.3 per cent respectively. The highest shares are recorded by the North West at 55.2 per cent and KwaZulu-Natal at 51.7 per cent.

14. Table 7 indicates that health personnel expenditure was R40.7 billion, or 50.1 per cent, of the health personnel budget, an increase of R4 billion, or 11 per cent, on the R36.7 billion spent over the same period in 2012/13.

Table 7: Provincial Personnel Expenditure: Health as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Health Personnel to total personnel expenditure	% share of Health Personnel to total Health expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	10 956 019	5 136 582	46.9%	27.3%	66.8%	4 905 005	4.7%
Free State	5 197 263	2 605 665	50.1%	31.6%	67.3%	2 454 261	6.2%
Gauteng	16 822 501	8 639 418	51.4%	38.9%	61.6%	7 557 299	14.3%
Kw aZulu-Natal	18 355 557	9 306 521	50.7%	34.4%	62.9%	8 268 098	12.6%
Limpopo	9 498 261	4 689 992	49.4%	27.7%	72.7%	4 347 677	7.9%
Mpumalanga	5 043 020	2 473 598	49.0%	25.0%	61.4%	2 168 471	14.1%
Northern Cape	1 739 261	869 808	50.0%	26.1%	51.9%	787 590	10.4%
North West	4 405 847	2 389 764	54.2%	28.3%	56.5%	2 003 955	19.3%
Western Cape	9 345 609	4 611 664	49.3%	39.3%	60.1%	4 182 862	10.3%
Total	81 363 338	40 723 012	50.1%	32.2%	63.2%	36 675 218	11.0%

15. Spending on non-capital items, including medicines, drugs and other current expenditure (but excluding expenditure on personnel), was R20.4 billion, or 50.9 per cent, of the R40.1 billion budget.

16. Capital expenditure in the health sector was R3.4 billion, or 43.3 per cent, a decrease of R304.2 million or 8.3 per cent on the R3.7 billion spent over the same period last year.

Table 8: Provincial Capital Expenditure: Health as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Health Capital to total capital expenditure	% share of Health Capital to total Health expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	897 662	267 871	29.8%	23.1%	3.5%	251 127	6.7%
Free State	640 002	169 769	26.5%	19.2%	4.4%	438 721	-61.3%
Gauteng	1 793 729	391 877	21.8%	28.6%	2.8%	376 224	4.2%
Kw aZulu-Natal	1 406 995	975 920	69.4%	23.2%	6.6%	1 104 010	-11.6%
Limpopo	502 043	84 640	16.9%	15.0%	1.3%	394 817	-78.6%
Mpumalanga	567 286	275 150	48.5%	20.9%	6.8%	247 876	11.0%
Northern Cape	459 696	251 607	54.7%	39.5%	15.0%	295 249	-14.8%
North West	630 451	648 155	102.8%	48.4%	15.3%	268 957	141.0%
Western Cape	837 770	285 617	34.1%	21.7%	3.7%	277 867	2.8%
Total	7 735 634	3 350 606	43.3%	26.2%	5.2%	3 654 848	-8.3%

17. Spending levels by provinces varied, with Limpopo (16.9 per cent) and Gauteng (21.8 per cent) being the lowest and the North West (102.8 per cent) and KwaZulu-Natal (69.4 per cent) being the highest.

Social Development

18. At R14 billion, the social development budget comprises 3.3 per cent of total provincial budgets.

19. Provinces registered expenditure of R6.4 billion, or 45.4 per cent, of the total budget of R14 billion, which represents an increase of R708.6 million, or 12.6 per cent, on the R5.6 billion spent over the same period last year.

20. Expenditure levels varied, with KwaZulu-Natal (42.8 per cent) and the Eastern Cape (43.9 per cent) being the lowest, and the Free State (50.9 per cent) and both Gauteng and the Western Cape (46.6 per cent) being the highest.

Table 9: Provincial Social Development Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	2 015 205	884 058	43.9%	3.1%	4.0%	819 494	7.9%
Free State	951 229	484 067	50.9%	3.6%	4.8%	426 178	13.6%
Gauteng	2 896 320	1 349 947	46.6%	3.6%	4.4%	1 211 139	11.5%
Kw aZulu-Natal	2 325 185	995 463	42.8%	2.2%	2.8%	857 880	16.0%
Limpopo	1 377 843	620 374	45.0%	2.8%	3.4%	652 770	-5.0%
Mpumalanga	1 154 294	534 690	46.3%	3.3%	4.4%	435 853	22.7%
Northern Cape	603 823	269 736	44.7%	4.4%	6.3%	244 288	10.4%
North West	1 082 130	478 906	44.3%	3.4%	4.6%	380 169	26.0%
Western Cape	1 577 602	734 790	46.6%	3.6%	4.7%	615 693	19.3%
Total	13 983 630	6 352 031	45.4%	3.1%	4.0%	5 643 464	12.6%

Human Settlements and Local Government

21. The human settlements and local government budgets, at R23.9 billion, comprise 5.7 per cent of total provincial budgets.

Table 10: Provincial Human Settlements and Local Government Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of HS and LG to total provincial expenditure	% share of HSD Grant to total HS and LG expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	3 670 949	1 482 019	40.4%	5.2%	62.7%	1 130 577	31.1%
Free State	1 582 038	437 312	27.6%	3.3%	54.8%	447 809	-2.3%
Gauteng	4 929 058	1 675 884	34.0%	4.5%	79.5%	1 350 148	24.1%
Kw aZulu-Natal	4 798 372	1 965 988	41.0%	4.4%	67.4%	1 867 318	5.3%
Limpopo	2 231 625	602 158	27.0%	2.7%	26.1%	922 880	-34.8%
Mpumalanga	1 776 576	518 743	29.2%	3.2%	47.4%	638 982	-18.8%
Northern Cape	652 413	273 405	41.9%	4.5%	53.2%	222 499	22.9%
North West	1 922 068	857 802	44.6%	6.1%	69.0%	745 596	15.0%
Western Cape	2 321 920	1 138 530	49.0%	5.6%	82.6%	808 832	40.8%
Total	23 885 019	8 951 841	37.5%	4.4%	66.0%	8 134 641	10.0%

22. Expenditure by human settlements and local government was R9 billion, or 37.5 per cent of the R23.9 billion budget, which is an increase of R817.2 million, or 10 per cent on the R8.1 billion spent last year.

23. Spending levels by provinces varied, with Limpopo (27 per cent) and the Free State (27.6 per cent) being the lowest, and the Western Cape (49 per cent) and the North West (44.6 per cent) being the highest spenders.

Human Settlements Development Conditional Grant

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

25. Table 11 indicates that provinces spent R5.9 billion, or 34.8 per cent of the R17 billion Human Settlements Development grant budget, which is an increase of R431.4 million or 7.9 per cent on the expenditure for the same period last year.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	2 523 803	929 961	36.8%	3.3%	15.7%	628 292	48.0%
Free State	1 120 936	239 781	21.4%	1.8%	4.1%	272 646	-12.1%
Gauteng	4 108 399	1 332 153	32.4%	3.6%	22.5%	1 051 451	26.7%
Kw aZulu-Natal	3 235 428	1 325 729	41.0%	2.9%	22.4%	1 297 040	2.2%
Limpopo	1 324 742	157 078	11.9%	0.7%	2.7%	500 998	-68.6%
Mpumalanga	1 124 332	245 939	21.9%	1.5%	4.2%	400 088	-38.5%
Northern Cape	395 724	145 456	36.8%	2.4%	2.5%	108 361	34.2%
North West	1 224 537	591 753	48.3%	4.2%	10.0%	522 828	13.2%
Western Cape	1 925 971	940 309	48.8%	4.6%	15.9%	695 058	35.3%
Total	16 983 872	5 908 159	34.8%	2.9%	100.0%	5 476 762	7.9%

Personnel Expenditure

26. Personnel expenditure (compensation of employees) for the first half of the 2013/14 financial year was R126.6 billion, or 50.3 per cent, of the combined R251.5 billion budget, which is R10.9 billion or 9.4 per cent higher than the R115.8 billion spent during the same period last year.

Table 12: Provincial Personnel Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	38 478 302	18 819 823	48.9%	66.5%	14.9%	17 777 702	5.9%
Free State	15 862 671	8 256 199	52.0%	62.2%	6.5%	7 643 551	8.0%
Gauteng	43 328 363	22 190 150	51.2%	59.2%	17.5%	19 792 582	12.1%
Kw aZulu-Natal	52 837 966	27 059 155	51.2%	60.2%	21.4%	24 601 832	10.0%
Limpopo	33 881 885	16 917 194	49.9%	76.6%	13.4%	15 710 673	7.7%
Mpumalanga	20 214 158	9 906 981	49.0%	61.0%	7.8%	9 052 853	9.4%
Northern Cape	6 645 373	3 329 468	50.1%	54.3%	2.6%	2 988 118	11.4%
North West	16 413 274	8 430 814	51.4%	60.0%	6.7%	7 493 330	12.5%
Western Cape	23 864 498	11 722 821	49.1%	57.6%	9.3%	10 711 554	9.4%
Total	251 526 489	126 632 605	50.3%	62.4%	100.0%	115 772 195	9.4%

27. Spending ranged from 48.9 per cent (Eastern Cape), 49 per cent (Mpumalanga), to 52 per cent (Free State) and 51.4 per cent (North West).

Overall Capital Budgets and Expenditure

28. By the end of September 2013, provinces had spent R12.8 billion or 43.8 per cent of the R29.2 billion capital budget (payments for capital assets), an increase of 2.7 per cent on the expenditure for the same period in 2012/13.

Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 30 September 2013

	Main budget	Actual payments as at 30 September 2013	Actual payments as % of main budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2012/13: Outcome as at 30 September 2012	Year-on-year growth
R thousand							
Eastern Cape	3 344 775	1 161 863	34.7%	4.1%	9.1%	912 642	27.3%
Free State	2 759 623	882 499	32.0%	6.7%	6.9%	1 205 382	-26.8%
Gauteng	4 288 351	1 367 953	31.9%	3.6%	10.7%	1 606 160	-14.8%
Kw aZulu-Natal	7 393 389	4 206 647	56.9%	9.4%	32.9%	4 441 292	-5.3%
Limpopo	1 948 183	564 890	29.0%	2.6%	4.4%	811 003	-30.3%
Mpumalanga	2 695 602	1 318 439	48.9%	8.1%	10.3%	978 168	34.8%
Northern Cape	930 855	637 013	68.4%	10.4%	5.0%	696 492	-8.5%
North West	2 200 270	1 338 767	60.8%	9.5%	10.5%	625 998	113.9%
Western Cape	3 646 798	1 313 383	36.0%	6.5%	10.3%	1 173 031	12.0%
Total	29 207 846	12 791 454	43.8%	6.3%	100.0%	12 450 168	2.7%

29. Table 13 provides capital spending information by province and shows low rates of spending in Limpopo (29 per cent) and Gauteng (31.9 per cent), and high rates in the Northern Cape (68.4 per cent) and the North West (60.8 per cent). However, KwaZulu-Natal (R4.2 billion) spent the most in absolute terms, followed by Gauteng (R1.4 billion) and the North West, Mpumalanga and the Western Cape (R1.3 billion).

30. Provincial education departments spent R4.1 billion, or 45.9 per cent, of their R9 billion capital budgets, which is an increase of R259.8 million, or 6.7 per cent on the expenditure for the same period last year.

31. Provincial health departments spent R3.4 billion, or 43.3 per cent, of their R7.7 billion health capital budgets, which is R304.2 million or 8.3 per cent less than the same period for 2012/13.

32. The public works, roads and transport departments, which have the biggest share (34.2 per cent) of provincial capital budgets, spent R4.4 billion or 44 per cent of their combined capital budgets of R10 billion.

Conditional Grants

33. The total conditional grant allocation is R76.6 billion (including Schedules 4a and 7a grants), with health making up the bulk at R27.5 billion.

34. Table 14 (overleaf) reflects spending by all provinces on conditional grant allocations as at 30 September 2013. It excludes expected conditional grant roll-overs from the 2012/13 financial year, and excludes spending on Schedules 4a and 7a grants. Schedule 4a grants specify allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets. The Provincial Disaster grant (Schedule 7a grant) specifies funds that are currently not allocated to specific provinces that may be released to provinces to fund disaster response.

Table 14: Provincial Conditional Grants Expenditure as at 30 September 2013

	Division of Revenue Act, 2013 (Act No. 2 of 2013)	Transferred from National to provinces	Actual payments as at 30 September 2013 (excluding Schedule 4A, 7A grants)	Actual payments as % of main budgets (excluding Schedule 4A, 7A grants)
R thousand				
Agriculture, Forestry and Fisheries	2 147 473	910 334	187 211	34.2%
1. Comprehensive Agricultural Support Programme Grant	1 600 020	695 147		
Ilima/Letsema Projects Grant	438 456	175 384	148 172	33.8%
Land Care Programme Grant: Poverty Relief and Infrastructure	108 997	39 803	39 039	35.8%
Arts and Culture	597 786	306 578	238 423	39.9%
Community Library Services Grant	597 786	306 578	238 423	39.9%
Basic Education	12 343 272	6 690 740	2 893 442	50.7%
Dinaledi Schools Grant	105 168	34 758	38 250	36.4%
1. Education Infrastructure Grant	6 630 664	3 509 181		
HIV and Aids (Life Skills Education) Grant	213 507	85 404	66 771	31.3%
National School Nutrition Programme Grant	5 173 081	3 028 269	2 747 354	53.1%
Technical Secondary Schools Recapitalisation Grant	220 852	33 128	41 067	18.6%
Cooperative Governance and Traditional Affairs	188 100	–		
2. Provincial Disaster Grant	188 100	–		
Health	27 516 651	13 910 544	6 441 370	41.0%
Comprehensive HIV and Aids Grant	10 533 886	5 229 411	4 654 578	44.2%
Health Facility Revitalisation Grant	5 123 542	2 722 449	1 757 182	34.3%
Health Infrastructure Component	1 295 634	731 064	505 117	39.0%
Hospital Revitalisation Component	3 751 933	1 949 431	1 218 902	32.5%
Nursing Colleges and Schools Component	75 975	41 954	33 163	43.6%
1. Health Professions Training and Development Grant	2 190 366	1 124 276		
National Health Insurance Grant	48 500	24 250	29 610	61.1%
1. National Tertiary Services Grant	9 620 357	4 810 158		
Higher Education and Training	2 442 679	1 371 907		
1. Further Education and Training Colleges Grant	2 442 679	1 371 907		
Human Settlements	16 983 872	7 633 586	5 908 159	34.8%
Human Settlements Development Grant	16 983 872	7 633 586	5 908 159	34.8%
Public Works	613 478	385 608	252 512	41.2%
Expanded Public Works Programme Integrated Grant for Provincial	355 914	222 453	170 371	47.9%
Social Sector Expanded Public Works Programme Incentive Grant	257 564	163 155	82 141	31.9%
Sport and Recreation South Africa	497 591	275 997	168 973	34.0%
Mass Participation and Sport Development Grant	497 591	275 997	168 973	34.0%
Transport	13 248 731	6 987 971		
1. Provincial Roads Maintenance Grant	8 696 210	4 630 889		
1. Public Transport Operations Grant	4 552 521	2 357 082		
Total	76 579 633	38 473 265		
Total excluding Schedules 4A and 7A grants	40 658 716	19 974 625	16 090 090	39.6%

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

2. Schedule 7A grants specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response.

35. Of the R40.7 billion allocated to provinces as conditional grants (excluding Schedules 4a and 7a grants), R16.1 billion, or 39.6 per cent, had been spent by the end of September.

36. Specific grants that show low rates of spending include:

- a. Technical Secondary Schools Recapitalisation (18.6 per cent)
- b. HIV and Aids (Life Skills Education) (31.3 per cent)
- c. Social Sector Expanded Public Works Programme Incentive (31.9 per cent)
- d. Ilima/Letsema Projects (33.8 per cent)
- e. Mass Participation and Sport Development (34 per cent)
- f. Health Facility Revitalisation (34.3 per cent)
- g. Human Settlements Development (34.8 per cent)

37. Table 15 indicates selected conditional grant spending rates as at 30 September 2013.

Table 15: Selected Conditional Grants Spending Rates as at 30 September 2013

	Number of provinces spent less than 35%	Number of provinces spent between 35% and 45% (inclusive)	Number of provinces spent more than 45%
Agriculture, Forestry and Fisheries			
Ilima/Letsema Projects Grant	6 FS, GT, KZN, MPU, NC, NW	1 WC	2 EC, LIM
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 FS, KZN, MPU, NC, NW		4 EC, GT, LIM, WC
Arts and Culture			
Community Library Services Grant	3 FS, GT, LIM	3 MPU, NW, WC	3 EC, KZN, NC
Basic Education			
Dinaledi Schools Grant	3 GT, KZN, NW	2 EC, WC	4 FS, LIM, MPU, NC
HIV and Aids (Life Skills Education) Grant	5 GT, KZN, LIM, NC, WC	1 NW	3 EC, FS, MPU
National School Nutrition Programme Grant		1 LIM	8 EC, FS, GT, KZN, MPU, NC, NW, WC
Technical Secondary Schools Recapitalisation Grant	8 EC, FS, KZN, LIM, MPU, NC, NW, WC	1 GT	
Health			
Comprehensive HIV and Aids Grant	2 LIM, NC	3 FS, GT, WC	4 EC, KZN, MPU, NW
Health Facility Revitalisation Grant	4 FS, GT, LIM, WC	3 EC, KZN, NW	2 MPU, NC
National Health Insurance Grant	3 FS, MPU, NC	2 LIM, WC	4 EC, GT, KZN, NW
Human Settlements			
Human Settlements Development Grant	4 FS, GT, LIM, MPU	3 EC, KZN, NC	2 NW, WC
Public Works			
Expanded Public Works Programme Integrated Grant for Provinces	4 FS, GT, NC, WC	1 NW	4 EC, KZN, LIM, MPU
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	5 EC, FS, KZN, LIM, MPU	2 GT, NC	2 NW, WC
Sport and Recreation South Africa			
Mass Participation and Sport Development Grant	5 LIM, MPU, NC, NW, WC	3 EC, GT, KZN	1 FS

Note: Percentages represent actual expenditure against main budgets. The main budgets are published in the Division of Revenue Act, 2013 (Act No. 2 of 2013).

38. The table further indicates that at least five or more provinces have spent less than 35 per cent for the following grants: Ilima/Letsema Projects; Land Care Programme; HIV and Aids (Life Skills Education); Technical Secondary Schools Recapitalisation; Social Sector Expanded Public Works Programme Incentive; and Mass Participation and Sport Development.

Provincial Revenue

39. The budgeted provincial revenue of R426.8 billion includes equitable share allocations of R337.6 billion, conditional grants of R76.6 billion and own revenue of R12.7 billion. Of the budgeted revenue, provinces had received and collected R213.8 billion, or 50.1 per cent by the end of September.

40. By the end of September, national government had transferred to provinces R168.8 billion or 50 per cent of the equitable share, and R38.5 billion or 50.2 per cent in conditional grants.
41. Of budgeted own revenue of R12.7 billion, provinces had collected R6.6 billion or 52 per cent by the end of September, which is R520.2 million, or 8.6 per cent more than what was collected during the same period last year.
42. The collection rate varied from a low of 43.1 per cent (Limpopo), 47 per cent (Mpumalanga), to a high of 57.9 per cent (Eastern Cape) and 55.2 per cent (Northern Cape).

Table 16: Provincial Own Revenue Collection as at 30 September 2013

R thousand	Main budget	Actual collection as at 30 September 2013	Actual collection as % of Main budget	% share of Own Revenue collected to total provincial	% share of Own Revenue collected to total Own Revenue	2012/13: Outcome as at 30 September 2012	Year-on-year growth
Eastern Cape	836 061	484 271	57.9%	1.6%	7.4%	401 723	20.5%
Free State	850 563	400 308	47.1%	3.0%	6.1%	393 326	1.8%
Gauteng	3 972 410	2 031 561	51.1%	5.0%	30.9%	1 882 202	7.9%
Kw aZulu-Natal	2 505 115	1 359 626	54.3%	3.0%	20.7%	1 198 034	13.5%
Limpopo	629 537	271 296	43.1%	1.1%	4.1%	309 700	-12.4%
Mpumalanga	722 474	339 814	47.0%	2.0%	5.2%	290 005	17.2%
Northern Cape	245 507	135 635	55.2%	2.2%	2.1%	118 715	14.3%
North West	822 106	438 030	53.3%	3.0%	6.7%	412 782	6.1%
Western Cape	2 077 791	1 121 292	54.0%	5.0%	17.0%	1 055 173	6.3%
Total	12 661 564	6 581 832	52.0%	3.1%	100.0%	6 061 660	8.6%