



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **MEDIA RELEASE**

**MAY 2014**

**Provincial Budgets: 2013/14 Financial Year  
Fourth Quarter Year to Date Provincial Budgets and Expenditure Report  
(Preliminary Outcome)**

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### **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 2013/14 financial year (1 April 2013 to 31 March 2014).

The statement is available on the treasury website ([www.treasury.gov.za](http://www.treasury.gov.za)). These figures may be revised as provincial departments have until 31 May 2014 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 include the adjusted estimates of provinces, which were presented to their provincial legislatures during November 2013. It also includes a second adjusted estimates tabled by eight provinces (all except the Eastern Cape). The second adjusted estimates was necessitated due to, among other things, the following:
  - a. Rescheduling of R2.453 million for the National Health Insurance grant to the Western Cape was gazetted on 30 December 2013 in terms of Section 20 the Division of Revenue Act, 2013, as amended.
  - b. A second *Gazette* was published on 24 February 2014 which was necessitated by the need to stop the flow of funds in terms of Section 18 of the Division of Revenue Act, 2013, as amended and the need to re-allocate the stopped funds to provinces, as approved in terms of Section 19 of the Division of Revenue Act, 2013, as amended. This gazette affects the Provincial Roads Maintenance grant, the Community Library Services grant and the Human Settlements Development grant.
4. Over and above the additional transfers, provinces increased their main budgets by R10.7 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 2012/13 financial year.

5. In light of the above, in aggregate, provinces increased their main budgets (on the expenditure side) by R12.4 billion, with the bulk of the increases going to education (R3.8 billion), health (R3.5 billion) and public works, roads and transport (R2.1 billion).

#### *Overall Expenditure Trends – Preliminary Outcomes*

6. In aggregate, provinces spent R424.9 billion, or 98.6 per cent, of their adjusted budgets of R430.9 billion in 2013/14. This represents a spending increase of 7.6 per cent or R30 billion compared to the 2012/13 financial year when provinces spent R394.9 billion.
7. The preliminary outcome for education expenditure is R176.6 billion or 99.6 per cent of the R177.2 billion combined education adjusted budgets, an increase of 6.3 per cent or R10.4 billion on the previous financial year. It remains the largest item on provincial budgets (41.1 per cent).
8. Health expenditure totalled R130.6 billion, or 98.5 per cent, of the R132.6 billion combined health adjusted budgets and is the second largest item on provincial budgets (30.8 per cent). This is 6.6 per cent or R8.1 billion more than the 2012/13 financial year.
9. Social development expenditure is R13.8 billion or 98.5 per cent of the R14 billion social development adjusted budgets.
10. Personnel expenditure (compensation of employees) is in aggregate R254.6 billion or 99.8 per cent of the budgeted R255.1 billion.
11. In aggregate, provinces spent R30 billion or 92.4 per cent of their R32.5 billion combined capital (payments for capital assets) adjusted budgets. This is an increase of 5.1 per cent on the 2012/13 financial year.
12. Provincial education departments spent R9 billion or 93.5 per cent of the budgeted R9.6 billion for capital expenditure. This is R1.1 billion or 14.2 per cent more than the previous financial year.
13. Provincial health departments spent R7.4 billion or 84 per cent of the budgeted R8.9 billion for capital expenditure, which is R970.7 million or 11.5 per cent less than the outcome for 2012/13.
14. The biggest share of provincial capital adjusted budgets was for public works, roads and transport departments (34.5 per cent), which spent R10.8 billion or 96 per cent of their combined capital adjusted budgets of R11.2 billion.
15. Provincial own revenue collected was R14.7 billion or 113.6 per cent of the budgeted own revenue of R13 billion. National government transferred R338.9 billion of the equitable share and R76.7 billion of conditional grants to provinces.
16. A more detailed analysis of the provincial preliminary outcome for the 2013/14 financial year is set out in Annexure A.

## DETAILED ANALYSIS OF THE 2013/14 FINANCIAL YEAR (PRELIMINARY OUTCOME)

- The budgeted figures for provinces are based on the 2013/14 adjusted estimates of provincial revenue and expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2013. The budgeted figures also take account of revisions effected in a second adjusted estimate for eight provinces during February and March 2014.

### Total Expenditure

- Table 1 indicates that in the 2013/14 financial year provinces spent R424.9 billion (preliminary outcome) or 98.6 per cent of the budgeted expenditure of R430.9 billion. Spending against adjusted budgets was slightly higher in percentage terms compared to the 2012/13 financial year, when it stood at 98.1 per cent. Spending in nominal terms was 7.6 per cent or R30 billion more than last year's R394.9 billion.
- Among provinces, spending was lowest in Limpopo (96.7 per cent of the adjusted budget) and Gauteng (97.3 per cent) and highest in KwaZulu-Natal at 100.1 per cent and the North West at 99.8 per cent.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2014**

R thousand	Adjusted budget 2013/14					Actual payments as at 31 March 2014 (Preliminary outcome)					Actual payments as % of adjusted budget	2012/13: Outcome as at 31 March 2013	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	49 628 368	8 050 734	3 696 795	–	61 375 897	48 983 682	8 188 052	3 418 390	1 059	60 591 183	98.7%	56 157 451	7.9%
Free State	20 503 886	4 263 564	2 880 920	800	27 649 170	20 694 396	4 239 220	2 423 166	3 468	27 360 251	99.0%	25 642 759	6.7%
Gauteng	60 280 922	14 813 314	4 501 607	–	79 595 843	59 144 875	14 705 967	3 421 567	142 291	77 414 700	97.3%	73 807 892	4.9%
Kw aZulu-Natal	72 426 204	11 268 220	8 268 614	2 511	91 965 549	72 469 773	11 333 584	8 240 605	28 059	92 072 020	100.1%	85 642 237	7.5%
Limpopo	41 664 309	4 747 243	1 994 015	1 358	48 406 925	40 751 315	4 313 462	1 755 559	4 008	46 824 344	96.7%	45 648 241	2.6%
Mpumalanga	27 128 054	4 169 803	2 919 828	7 830	34 225 515	26 880 970	4 051 398	2 769 857	5 763	33 707 988	98.5%	31 352 860	7.5%
Northern Cape	9 990 024	1 869 047	1 433 661	–	13 292 732	9 828 276	1 700 821	1 602 421	44	13 131 562	98.8%	11 236 987	16.9%
North West	22 613 370	4 683 887	2 969 443	–	30 266 700	22 697 388	4 625 538	2 878 887	871	30 202 684	99.8%	25 476 851	18.5%
Western Cape	32 913 338	7 326 811	3 820 630	19 927	44 080 706	32 562 164	7 505 208	3 510 615	15 942	43 593 929	98.9%	39 979 745	9.0%
<b>Total</b>	<b>337 148 475</b>	<b>61 192 623</b>	<b>32 485 513</b>	<b>32 426</b>	<b>430 859 037</b>	<b>334 012 839</b>	<b>60 663 250</b>	<b>30 021 067</b>	<b>201 505</b>	<b>424 898 661</b>	<b>98.6%</b>	<b>394 945 022</b>	<b>7.6%</b>

### Social Services

- Provinces had budgeted R323.9 billion for social services, including education, health and social development.

**Table 2: Provincial Social Services Expenditure as at 31 March 2014**

R thousand	Adjusted budget	Actual payments as at 31 March 2014	Actual payments as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2012/13: Outcome as at 31 March 2013	Year-on-year growth
Education	177 213 948	176 553 781	99.6%	41.6%	55.0%	166 165 930	6.3%
Health	132 628 804	130 622 284	98.5%	30.7%	40.7%	122 493 204	6.6%
Social Development	14 044 256	13 839 631	98.5%	3.3%	4.3%	12 092 345	14.4%
<b>Total</b>	<b>323 887 008</b>	<b>321 015 696</b>	<b>99.1%</b>	<b>75.6%</b>	<b>100.0%</b>	<b>300 751 479</b>	<b>6.7%</b>

- The preliminary spending outcome on social services was R321 billion, or 99.1 per cent of the total provincial social services adjusted budgets for 2013/14.

## Education

6. Adjusted education budgets of R177.2 billion comprised 41.1 per cent of total adjusted provincial budgets. Table 3 indicates that the preliminary outcome for education expenditure was R176.6 billion or 99.6 per cent of the total adjusted education budget. This is an increase of 6.3 per cent, or R10.4 billion, on the R166.2 billion spent in 2012/13.
7. Spending by provinces on education ranged from 98.4 per cent in Limpopo and 98.9 per cent in Mpumalanga, to the highest in the Free State at 102.9 per cent, followed by the North West at 101.3 per cent.

**Table 3: Provincial Education Expenditure as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Education to total provincial expenditure</b>	<b>% share of Education to total Social Services expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	27 538 880	27 346 313	99.3%	45.1%	59.1%	26 220 593	4.3%
Free State	10 613 011	10 919 437	102.9%	39.9%	55.5%	10 502 510	4.0%
Gauteng	30 695 257	30 425 469	99.1%	39.3%	50.1%	28 317 035	7.4%
Kw aZulu-Natal	37 596 762	37 628 714	100.1%	40.9%	54.2%	35 588 285	5.7%
Limpopo	23 948 402	23 554 577	98.4%	50.3%	61.9%	21 923 538	7.4%
Mpumalanga	15 102 897	14 929 496	98.9%	44.3%	61.9%	14 356 024	4.0%
Northern Cape	4 527 959	4 563 107	100.8%	34.7%	53.2%	4 233 621	7.8%
North West	11 521 995	11 677 133	101.3%	38.7%	55.3%	10 736 214	8.8%
Western Cape	15 668 785	15 509 535	99.0%	35.6%	47.0%	14 288 110	8.5%
<b>Total</b>	<b>177 213 948</b>	<b>176 553 781</b>	<b>99.6%</b>	<b>41.6%</b>	<b>55.0%</b>	<b>166 165 930</b>	<b>6.3%</b>

8. The preliminary outcome on goods and services (including learner and teacher support materials) in education was R14.5 billion, or 89.9 per cent of the budgeted amount of R16.1 billion.
9. The bulk of education expenditure (79.1 per cent) was on personnel, amounting to R139.6 billion, or 100.9 per cent, of the R138.4 billion budgeted for personnel. Spending by provinces on personnel in education ranged from 98.8 per cent in Mpumalanga and 99.4 per cent in the Western Cape, to 107.4 per cent in the Free State and 102.1 per cent in the North West.

**Table 4: Provincial Personnel Expenditure: Education as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Education Personnel to total provincial expenditure</b>	<b>% share of Education Personnel to total Education expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	22 124 862	22 059 400	99.7%	57.7%	80.7%	21 074 592	4.7%
Free State	8 119 384	8 721 865	107.4%	53.0%	79.9%	8 119 926	7.4%
Gauteng	22 747 164	22 938 658	100.8%	51.8%	75.4%	21 040 358	9.0%
Kw aZulu-Natal	29 865 345	30 346 266	101.6%	55.6%	80.6%	27 976 652	8.5%
Limpopo	19 582 239	19 593 429	100.1%	57.8%	83.2%	18 255 081	7.3%
Mpumalanga	11 889 952	11 750 688	98.8%	59.2%	78.7%	11 042 338	6.4%
Northern Cape	3 504 979	3 499 038	99.8%	52.2%	76.7%	3 166 791	10.5%
North West	8 968 417	9 159 447	102.1%	53.4%	78.4%	8 449 817	8.4%
Western Cape	11 640 672	11 572 519	99.4%	49.2%	74.6%	10 735 885	7.8%
<b>Total</b>	<b>138 443 014</b>	<b>139 641 310</b>	<b>100.9%</b>	<b>54.8%</b>	<b>79.1%</b>	<b>129 861 440</b>	<b>7.5%</b>

10. The preliminary outcome for education capital spending was R9 billion, or 93.5 per cent, of the R9.6 billion adjusted budget. This is higher than the spending in the previous financial year by 14.2 per cent. Education capital expenditure is lowest in the Western Cape at 80.5 per cent and the Eastern Cape at 84.6 per cent and highest in Limpopo at 106.8 per cent and the North West at 99.1 per cent.

**Table 5: Provincial Capital Expenditure: Education as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Education Capital to total capital expenditure</b>	<b>% share of Education Capital to total Education expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	1 489 805	1 261 013	84.6%	36.9%	4.6%	1 037 900	21.5%
Free State	416 400	365 318	87.7%	15.1%	3.3%	488 133	-25.2%
Gauteng	1 508 333	1 364 891	90.5%	39.9%	4.5%	1 387 443	-1.6%
Kw aZulu-Natal	2 477 315	2 421 433	97.7%	29.4%	6.4%	2 580 462	-6.2%
Limpopo	1 070 897	1 143 447	106.8%	65.1%	4.9%	568 425	101.2%
Mpumalanga	705 356	695 945	98.7%	25.1%	4.7%	645 989	7.7%
Northern Cape	352 846	339 670	96.3%	21.2%	7.4%	258 990	31.2%
North West	602 514	597 053	99.1%	20.7%	5.1%	307 543	94.1%
Western Cape	961 129	773 310	80.5%	22.0%	5.0%	571 481	35.3%
<b>Total</b>	<b>9 584 595</b>	<b>8 962 080</b>	<b>93.5%</b>	<b>29.9%</b>	<b>5.1%</b>	<b>7 846 366</b>	<b>14.2%</b>

### Health

11. Adjusted health budgets (R132.6 billion), comprised 30.8 per cent of total adjusted provincial budgets.

**Table 6: Provincial Health Expenditure as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Health to total provincial expenditure</b>	<b>% share of Health to total Social Services expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	17 183 547	16 959 483	98.7%	28.0%	36.7%	15 602 512	8.7%
Free State	7 992 328	7 778 236	97.3%	28.4%	39.6%	7 611 720	2.2%
Gauteng	28 770 785	27 415 799	95.3%	35.4%	45.1%	26 834 347	2.2%
Kw aZulu-Natal	29 219 210	29 517 228	101.0%	32.1%	42.5%	27 390 533	7.8%
Limpopo	13 480 970	13 190 781	97.8%	28.2%	34.6%	12 764 612	3.3%
Mpumalanga	8 121 974	8 066 373	99.3%	23.9%	33.4%	7 501 291	7.5%
Northern Cape	3 476 988	3 405 147	97.9%	25.9%	39.7%	3 166 498	7.5%
North West	8 353 022	8 393 726	100.5%	27.8%	39.7%	7 020 834	19.6%
Western Cape	16 029 981	15 895 511	99.2%	36.5%	48.2%	14 600 857	8.9%
<b>Total</b>	<b>132 628 804</b>	<b>130 622 284</b>	<b>98.5%</b>	<b>30.7%</b>	<b>40.7%</b>	<b>122 493 204</b>	<b>6.6%</b>

12. Table 6 indicates that, at R130.6 billion or 98.5 per cent of the total health adjusted budget, health expenditure increased by 6.6 per cent, or R8.1 billion, on the 2012/13 financial year.

13. Spending by provinces on health range from 95.3 per cent in Gauteng and 97.3 per cent in the Free State, to the highest in KwaZulu-Natal at 101 per cent, followed by the North West at 100.5 per cent.

14. Table 7 indicates that the preliminary spending on health personnel was R81.9 billion, or 99.4 per cent, of the adjusted budget, an increase of R7.7 billion, or 10.3 per cent, on the R74.2 billion spent in 2012/13.

**Table 7: Provincial Personnel Expenditure: Health as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Health Personnel to total personnel expenditure</b>	<b>% share of Health Personnel to total Health expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	11 057 612	10 695 143	96.7%	28.0%	63.1%	9 827 473	8.8%
Free State	5 125 999	5 154 542	100.6%	31.3%	66.3%	4 944 006	4.3%
Gauteng	16 998 724	17 096 853	100.6%	38.6%	62.4%	15 244 542	12.2%
Kw aZulu-Natal	18 652 036	18 677 970	100.1%	34.2%	63.3%	16 886 345	10.6%
Limpopo	9 507 324	9 380 404	98.7%	27.7%	71.1%	8 691 688	7.9%
Mpumalanga	5 001 470	4 989 840	99.8%	25.1%	61.9%	4 474 576	11.5%
Northern Cape	1 805 172	1 788 708	99.1%	26.7%	52.5%	1 578 733	13.3%
North West	4 847 433	4 860 866	100.3%	28.4%	57.9%	4 129 321	17.7%
Western Cape	9 352 602	9 237 938	98.8%	39.3%	58.1%	8 436 689	9.5%
<b>Total</b>	<b>82 348 372</b>	<b>81 882 264</b>	<b>99.4%</b>	<b>32.2%</b>	<b>62.7%</b>	<b>74 213 373</b>	<b>10.3%</b>

15. Non-personnel non-capital items, including medicines, drugs and other current expenditure, were R41.3 billion, or 99.7 per cent, of the R41.4 billion adjusted budget.

16. The preliminary outcome for health capital spending was R7.4 billion, or 84 per cent, a decrease of R970.7 million or 11.5 per cent on the R8.4 billion spent last year.

**Table 8: Provincial Capital Expenditure: Health as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Health Capital to total capital expenditure</b>	<b>% share of Health Capital to total Health expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	992 010	992 431	100.0%	29.0%	5.9%	872 087	13.8%
Free State	698 244	521 384	74.7%	21.5%	6.7%	732 919	-28.9%
Gauteng	1 601 082	832 158	52.0%	24.3%	3.0%	941 464	-11.6%
Kw aZulu-Natal	1 838 385	1 865 358	101.5%	22.6%	6.3%	2 156 924	-13.5%
Limpopo	484 535	309 032	63.8%	17.6%	2.3%	1 042 280	-70.4%
Mpumalanga	685 693	553 947	80.8%	20.0%	6.9%	639 160	-13.3%
Northern Cape	582 141	492 237	84.6%	30.7%	14.5%	552 139	-10.8%
North West	1 056 146	1 040 849	98.6%	36.2%	12.4%	599 895	73.5%
Western Cape	921 929	834 464	90.5%	23.8%	5.2%	875 661	-4.7%
<b>Total</b>	<b>8 860 165</b>	<b>7 441 860</b>	<b>84.0%</b>	<b>24.8%</b>	<b>5.7%</b>	<b>8 412 529</b>	<b>-11.5%</b>

17. Spending by provinces varied, with the lowest rate of health capital expenditure being in Gauteng at 52 per cent, Limpopo at 63.8 per cent, and the highest being in KwaZulu-Natal and the Eastern Cape at 101.5 per cent and 100 per cent respectively.

### *Social Development*

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

19. Provinces registered a preliminary expenditure outcome of R13.8 billion, or 98.5 per cent, of the total R14 billion adjusted budget. This represents an increase of R1.7 billion, or 14.4 per cent, on the R12.1 billion spent last year.

20. There were varying degrees of spending among provinces, the lowest rate of social development being the Eastern Cape at 95.7 per cent and Limpopo at 96.9 per cent, while the highest are KwaZulu-Natal at 100 per cent and the Free State at 99.8 per cent.

**Table 9: Provincial Social Development Expenditure as at 31 March 2014**

	Adjusted budget	Actual payments as at 31 March 2014	Actual payments as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2012/13: Outcome as at 31 March 2013	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 043 842	1 956 761	95.7%	3.2%	4.2%	1 751 212	11.7%
Free State	965 096	963 091	99.8%	3.5%	4.9%	867 136	11.1%
Gauteng	2 916 748	2 899 683	99.4%	3.7%	4.8%	2 524 726	14.9%
Kw aZulu-Natal	2 315 947	2 316 844	100.0%	2.5%	3.3%	1 985 386	16.7%
Limpopo	1 380 779	1 337 915	96.9%	2.9%	3.5%	1 191 502	12.3%
Mpumalanga	1 169 633	1 135 166	97.1%	3.4%	4.7%	916 261	23.9%
Northern Cape	607 507	604 460	99.5%	4.6%	7.1%	531 722	13.7%
North West	1 057 461	1 046 758	99.0%	3.5%	5.0%	922 173	13.5%
Western Cape	1 587 244	1 578 953	99.5%	3.6%	4.8%	1 402 227	12.6%
<b>Total</b>	<b>14 044 256</b>	<b>13 839 631</b>	<b>98.5%</b>	<b>3.3%</b>	<b>4.3%</b>	<b>12 092 345</b>	<b>14.4%</b>

#### *Human Settlements and Local Government*

21. At R24.4 billion, the adjusted budget for human settlements and local government comprised 5.7 per cent of total adjusted provincial budgets.

**Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 March 2014**

	Adjusted budget	Actual payments as at 31 March 2014	Actual payments as % of adjusted 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 31 March 2013	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	3 885 573	3 827 855	98.5%	6.3%	65.9%	3 067 290	24.8%
Free State	1 801 623	1 788 907	99.3%	6.5%	75.5%	1 368 582	30.7%
Gauteng	4 932 344	4 820 101	97.7%	6.2%	84.3%	4 630 911	4.1%
Kw aZulu-Natal	4 894 712	4 882 068	99.7%	5.3%	68.3%	4 692 321	4.0%
Limpopo	1 588 993	1 175 176	74.0%	2.5%	25.1%	2 122 091	-44.6%
Mpumalanga	1 768 403	1 618 333	91.5%	4.8%	62.6%	1 476 887	9.6%
Northern Cape	863 401	841 661	97.5%	6.4%	68.6%	581 941	44.6%
North West	2 268 164	2 258 287	99.6%	7.5%	59.4%	1 603 535	40.8%
Western Cape	2 391 545	2 387 527	99.8%	5.5%	82.1%	2 148 067	11.1%
<b>Total</b>	<b>24 394 758</b>	<b>23 599 915</b>	<b>96.7%</b>	<b>5.6%</b>	<b>69.7%</b>	<b>21 691 625</b>	<b>8.8%</b>

22. Spending by human settlements and local government was R23.6 billion, or 96.7 per cent, of the R24.4 billion adjusted budget. This represents an increase of R1.9 billion, or 8.8 per cent, on the R21.7 billion spent in 2012/13.

## 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 R16.5 billion, or 96.7 per cent, of the R17 billion Human Settlements Development grant adjusted budget. These spending figures are R1.3 billion or 8.3 per cent more than the outcome for last year.
25. Spending levels by provinces varied, with the lowest being Limpopo at 43.2 per cent and Mpumalanga at 90 per cent while the highest spenders were KwaZulu-Natal, the Eastern Cape, the Free State, the Western Cape and the North West at 100 per cent.

**Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2014**

	Adjusted budget	Actual payments as at 31 March 2014	Actual payments as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2012/13: Outcome as at 31 March 2013	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 523 803	2 523 803	100.0%	4.2%	15.3%	2 002 175	26.1%
Free State	1 350 936	1 350 936	100.0%	4.9%	8.2%	975 608	38.5%
Gauteng	4 108 399	4 064 035	98.9%	5.2%	24.7%	4 003 776	1.5%
Kw aZulu-Natal	3 332 584	3 333 988	100.0%	3.6%	20.3%	2 942 934	13.3%
Limpopo	682 110	294 961	43.2%	0.6%	1.8%	1 188 808	-75.2%
Mpumalanga	1 126 096	1 013 078	90.0%	3.0%	6.2%	953 065	6.3%
Northern Cape	603 624	577 531	95.7%	4.4%	3.5%	339 540	70.1%
North West	1 341 537	1 341 303	100.0%	4.4%	8.1%	1 064 317	26.0%
Western Cape	1 959 237	1 959 237	100.0%	4.5%	11.9%	1 725 180	13.6%
<b>Total</b>	<b>17 028 326</b>	<b>16 458 872</b>	<b>96.7%</b>	<b>3.9%</b>	<b>100.0%</b>	<b>15 195 403</b>	<b>8.3%</b>

## Personnel expenditure

26. Personnel expenditure (compensation of employees) for the 2013/14 financial year was R254.6 billion, or 99.8 per cent, of the combined adjusted budget of R255.1 billion.

**Table 12: Provincial Personnel Expenditure as at 31 March 2014**

	Adjusted budget	Actual payments as at 31 March 2014	Actual payments as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2012/13: Outcome as at 31 March 2013	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	38 817 772	38 231 101	98.5%	63.1%	15.0%	35 915 890	6.4%
Free State	15 869 750	16 460 014	103.7%	60.2%	6.5%	15 421 506	6.7%
Gauteng	44 235 602	44 274 403	100.1%	57.2%	17.4%	40 045 623	10.6%
Kw aZulu-Natal	54 264 214	54 544 718	100.5%	59.2%	21.4%	49 784 507	9.6%
Limpopo	34 138 574	33 920 861	99.4%	72.4%	13.3%	31 616 187	7.3%
Mpumalanga	20 061 174	19 856 307	99.0%	58.9%	7.8%	18 357 477	8.2%
Northern Cape	6 983 132	6 702 892	96.0%	51.0%	2.6%	6 031 171	11.1%
North West	16 960 011	17 140 548	101.1%	56.8%	6.7%	15 293 062	12.1%
Western Cape	23 756 320	23 504 543	98.9%	53.9%	9.2%	21 627 639	8.7%
<b>Total</b>	<b>255 086 548</b>	<b>254 635 387</b>	<b>99.8%</b>	<b>59.9%</b>	<b>100.0%</b>	<b>234 093 062</b>	<b>8.8%</b>

27. The preliminary outcome is R20.5 billion more or 8.8 per cent higher than the R234.1 billion spent in the 2012/13 financial year.



28. Spending ranged from 96 per cent in the Northern Cape and 98.5 per cent in the Eastern Cape, to 103.7 per cent in the Free State and 101.1 per cent in the North West.

#### *Overall Capital Budgets and Expenditure*

29. Provinces spent R30 billion or 92.4 per cent of the capital (payments for capital assets) adjusted budget of R32.5 billion. This is an increase of 5.1 per cent compared to the 2012/13 financial year.

**Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual payments as at 31 March 2014</b>	<b>Actual payments as % of adjusted budget</b>	<b>% share of Capital to total provincial expenditure</b>	<b>% share of Capital to total Capital expenditure</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	3 696 795	3 418 390	92.5%	5.6%	11.4%	3 041 365	12.4%
Free State	2 880 920	2 423 166	84.1%	8.9%	8.1%	2 496 600	-2.9%
Gauteng	4 501 607	3 421 567	76.0%	4.4%	11.4%	3 726 792	-8.2%
Kw aZulu-Natal	8 268 614	8 240 605	99.7%	9.0%	27.4%	8 522 716	-3.3%
Limpopo	1 994 015	1 755 559	88.0%	3.7%	5.8%	2 020 353	-13.1%
Mpumalanga	2 919 828	2 769 857	94.9%	8.2%	9.2%	2 548 976	8.7%
Northern Cape	1 433 661	1 602 421	111.8%	12.2%	5.3%	1 416 260	13.1%
North West	2 969 443	2 878 887	97.0%	9.5%	9.6%	1 450 399	98.5%
Western Cape	3 820 630	3 510 615	91.9%	8.1%	11.7%	3 345 846	4.9%
<b>Total</b>	<b>32 485 513</b>	<b>30 021 067</b>	<b>92.4%</b>	<b>7.1%</b>	<b>100.0%</b>	<b>28 569 307</b>	<b>5.1%</b>

30. Table 13 provides capital spending information by province and shows low rates of spending in Gauteng at 76 per cent and the Free State at 84.1 per cent, and high rates in the Northern Cape at 111.8 per cent and KwaZulu-Natal at 99.7 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R8.2 billion followed by the Western Cape at R3.5 billion and both the Eastern Cape and Gauteng at R3.4 billion.

31. Provincial education departments spent R9 billion, or 93.5 per cent, of their capital adjusted budgets of R9.6 billion. This is an increase of R1.1 billion, or 14.2 per cent, compared to spending in the previous financial year.

32. Provincial health departments spent R7.4 billion, or 84 per cent, of their capital adjusted budgets of R8.9 billion, which is R970.7 million or 11.5 per cent less than the 2012/13 financial year.

33. At 34.5 per cent, the public works, roads and transport departments had the highest share of the provincial capital adjusted budgets. The sector spent R10.8 billion or 96 per cent against its combined capital adjusted budgets of R11.2 billion.

#### *Conditional Grants*

34. The adjusted total for conditional grants was R78.4 billion (including Schedules 4A and 7A grants), with health making up the bulk at R28.2 billion.

35. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 March 2014 (preliminary outcome). It includes conditional grant roll-overs from the 2012/13 financial year and other provincial adjustments, and excludes spending on Schedules 4A and 7A grants.

**Table 14: Provincial Conditional Grants Expenditure as at 31 March 2014**

	Division of Revenue Act, 2013 (Act No. 2 of 2013)	Other gazetted amounts	Provincial roll-overs/other provincial adjustments	Total available 2013/14	Transferred from National to provinces	Preliminary outcome as at 31 March 2014 (excluding Schedule 4A, 7A grants)	Preliminary outcome as % of total available (excluding Schedule 4A, 7A grants)
<b>R thousand</b>							
<b>Agriculture, Forestry and Fisheries</b>	<b>2 147 473</b>	<b>4 295</b>	<b>323 428</b>	<b>2 475 196</b>	<b>2 148 594</b>	<b>525 923</b>	<b>93.3%</b>
1. Comprehensive Agricultural Support Programme Grant	1 600 020	4 295	307 347	1 911 662	1 604 315		
Ilima/Letsema Projects Grant	438 456	–	16 081	454 537	438 456	423 801	93.2%
Land Care Programme Grant: Poverty Relief and Infrastructure	108 997	–	–	108 997	105 823	102 123	93.7%
<b>Arts and Culture</b>	<b>597 786</b>	<b>-3 000</b>	<b>42 649</b>	<b>637 435</b>	<b>594 786</b>	<b>586 992</b>	<b>92.1%</b>
Community Library Services Grant	597 786	-3 000	42 649	637 435	594 786	586 992	92.1%
<b>Basic Education</b>	<b>12 343 272</b>	<b>27 350</b>	<b>468 428</b>	<b>12 839 050</b>	<b>12 326 288</b>	<b>5 648 979</b>	<b>95.2%</b>
Dinaledi Schools Grant	105 168	4 067	14 010	123 245	109 235	99 153	80.5%
1. Education Infrastructure Grant	6 630 664	12 603	263 358	6 906 625	6 643 267		
HIV and Aids (Life Skills Education) Grant	213 507	–	19 131	232 638	203 780	168 768	72.5%
National School Nutrition Programme Grant	5 173 081	–	143 827	5 316 908	5 173 081	5 207 655	97.9%
Technical Secondary Schools Recapitalisation Grant	220 852	10 680	28 102	259 634	196 925	173 403	66.8%
<b>Cooperative Governance and Traditional Affairs</b>	<b>188 100</b>	<b>–</b>	<b>–</b>	<b>188 100</b>	<b>43 630</b>		
2. Provincial Disaster Grant	188 100	–	–	188 100	43 630		
<b>Health</b>	<b>27 516 651</b>	<b>169 727</b>	<b>508 762</b>	<b>28 195 140</b>	<b>27 686 378</b>	<b>15 333 650</b>	<b>94.0%</b>
Comprehensive HIV and Aids Grant	10 533 886	–	95 486	10 629 372	10 533 886	10 606 868	99.8%
Health Facility Revitalisation Grant	5 123 542	167 274	300 434	5 591 250	5 290 816	4 657 623	83.3%
Health Infrastructure Component	1 295 634	167 274	27 944	1 490 852	1 462 908	1 318 344	88.4%
Hospital Revitalisation Component	3 751 933	–	261 369	4 013 302	3 751 933	3 281 142	81.8%
Nursing Colleges and Schools Component	75 975	–	11 121	87 096	75 975	58 137	66.8%
1. Health Professions Training and Development Grant	2 190 366	–	3 896	2 194 262	2 190 366		
National Health Insurance Grant	48 500	2 453	36 731	87 684	50 953	69 159	78.9%
1. National Tertiary Services Grant	9 620 357	–	72 215	9 692 572	9 620 357		
<b>Higher Education and Training</b>	<b>2 442 679</b>	<b>11 509</b>	<b>–</b>	<b>2 454 188</b>	<b>2 454 188</b>		
1. Further Education and Training Colleges Grant	2 442 679	11 509	–	2 454 188	2 454 188		
<b>Human Settlements</b>	<b>16 983 872</b>	<b>44 454</b>	<b>–</b>	<b>17 028 326</b>	<b>17 028 326</b>	<b>16 458 872</b>	<b>96.7%</b>
Human Settlements Development Grant	16 983 872	44 454	–	17 028 326	17 028 326	16 458 872	96.7%
<b>Public Works</b>	<b>613 478</b>	<b>1 000</b>	<b>13 547</b>	<b>628 025</b>	<b>610 167</b>	<b>606 359</b>	<b>96.6%</b>
Expanded Public Works Programme Integrated Grant for Provincial	355 914	1 000	9 689	366 603	354 214	359 707	98.1%
Social Sector Expanded Public Works Programme Incentive Grant	257 564	–	3 858	261 422	255 953	246 652	94.4%
<b>Sport and Recreation South Africa</b>	<b>497 591</b>	<b>–</b>	<b>18 166</b>	<b>515 757</b>	<b>497 591</b>	<b>511 826</b>	<b>99.2%</b>
Mass Participation and Sport Development Grant	497 591	–	18 166	515 757	497 591	511 826	99.2%
<b>Transport</b>	<b>13 248 731</b>	<b>41 565</b>	<b>197 782</b>	<b>13 488 078</b>	<b>13 290 296</b>		
1. Provincial Roads Maintenance Grant	8 696 210	41 565	197 782	8 935 557	8 737 775		
1. Public Transport Operations Grant	4 552 521	–	–	4 552 521	4 552 521		
<b>Total</b>	<b>76 579 633</b>	<b>296 900</b>	<b>1 572 762</b>	<b>78 449 295</b>	<b>76 680 244</b>		
<b>Total excluding Schedules 4A and 7A grants</b>	<b>40 658 716</b>	<b>226 928</b>	<b>728 164</b>	<b>41 613 808</b>	<b>40 833 825</b>	<b>39 672 601</b>	<b>95.3%</b>

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.

36. 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.

37. Against the total adjusted allocation of R41.6 billion (which excludes Schedules 4A and 7A grants), the preliminary spending outcome for conditional grants amounted to R39.7 billion, or 95.3 per cent.

38. Specific grants that show low rates of spending for the 2013/14 financial year include:

- a. Technical Secondary Schools Recapitalisation (66.8 per cent)
- b. HIV and Aids (Life Skills Education) (72.5 per cent)
- c. National Health Insurance (78.9 per cent)
- d. Dinaledi Schools (80.5 per cent)
- e. Health Facility Revitalisation (83.3 per cent)
- f. Community Library Services (92.1 per cent)

39. Table 15 indicates selected conditional grant spending rates as at 31 March 2014 (preliminary outcome).

**Table 15: Selected Conditional Grants Spending Rates as at 31 March 2014**

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

Note: Percentages represent actual expenditure against total available.

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

## Provincial Revenue

41. The total provincial revenue transferred from national government and collected by provinces for 2013/14 was R430.3 billion, or 100.4 per cent, of total adjusted revenue of R428.6 billion. This included adjusted equitable share allocations of R338.9 billion, allocated conditional grants of R76.7 billion (excluding provincial roll-overs) and own revenue of R13 billion.
42. National government transferred R338.9 billion or 100 per cent of the equitable share, and R76.7 billion or 100 per cent in conditional grants to provinces.
43. Provinces collected R14.7 billion or 113.6 per cent of the budgeted own revenue of R13 billion, which was R1.4 billion, or 10.4 per cent, more than the previous financial year.
44. The collection rate varied from 102.1 per cent in Limpopo and 103.8 per cent in the Free State, to a high of 169.9 per cent in the Northern Cape and 130.8 per cent in the Eastern Cape.

**Table 16: Provincial Own Revenue Collection as at 31 March 2014**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Actual collection as at 31 March 2014</b>	<b>Actual collection as % of adjusted budget</b>	<b>% share of Own Revenue collected to total provincial</b>	<b>% share of Own Revenue collected to total Own Revenue</b>	<b>2012/13: Outcome as at 31 March 2013</b>	<b>Year-on-year growth</b>
Eastern Cape	821 701	1 074 612	130.8%	1.8%	7.3%	1 100 679	-2.4%
Free State	856 330	889 019	103.8%	3.2%	6.0%	858 279	3.6%
Gauteng	4 081 807	4 345 877	106.5%	5.3%	29.5%	3 991 739	8.9%
Kw aZulu-Natal	2 505 115	2 804 786	112.0%	3.1%	19.0%	2 444 546	14.7%
Limpopo	781 399	797 872	102.1%	1.6%	5.4%	703 254	13.5%
Mpumalanga	727 399	771 926	106.1%	2.3%	5.2%	697 547	10.7%
Northern Cape	250 669	425 878	169.9%	3.3%	2.9%	269 908	57.8%
North West	892 421	1 158 968	129.9%	4.0%	7.9%	947 353	22.3%
Western Cape	2 050 912	2 460 390	120.0%	5.6%	16.7%	2 326 385	5.8%
<b>Total</b>	<b>12 967 753</b>	<b>14 729 329</b>	<b>113.6%</b>	<b>3.4%</b>	<b>100.0%</b>	<b>13 339 690</b>	<b>10.4%</b>