



national treasury

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Provincial Budgets: 2013/14 Financial Year First Quarter 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 provincial budget statement of receipts and payments covers spending for the first quarter (April to June 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 administering national department.
3. The budgeted figures in the first quarter publication take account of the 2013 Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during March 2013.

Overall Expenditure Trends – First Quarter

4. In aggregate, provinces have spent R98.1 billion, or 23.5 per cent, of their combined budgets of R418.5 billion for the first quarter. This represents a spending increase of 8.8 per cent or R7.9 billion compared with the same period last year when provinces had spent R90.2 billion.
5. Education expenditure for the first quarter is R44.6 billion or 25.7 per cent of the R173.5 billion combined education budgets, an increase of 10.4 per cent or R4.2 billion on the first quarter for the previous financial year. It remains the largest item on provincial budgets (41.4 per cent).
6. Health expenditure totalled R31.2 billion, or 24.1 per cent, of the R129.2 billion combined health budgets, and is the second largest item on provincial budgets (30.9 per cent). This represents an increase of 8.7 per cent or R2.5 billion on the first quarter for the 2012/13 financial year.
7. Social development expenditure for the first quarter is R2.8 billion or 20.3 per cent of the R14 billion combined social development budgets.
8. Personnel expenditure (compensation of employees) is in aggregate R62.7 billion or 24.9 per cent of the budgeted R251.5 billion as at 30 June 2013.

9. In aggregate, provinces have spent R5.2 billion or 17.7 per cent of their R29.2 billion combined capital (payments for capital assets) budgets. This is a decrease of 9.8 per cent when compared to the same period of the 2012/13 financial year.
10. Provincial education departments have spent R1.7 billion or 19.1 per cent of the budgeted R9 billion for capital expenditure. This is R18.5 million or 1.1 per cent more than what was spent in the first quarter for the previous financial year.
11. Provincial health departments have spent R1.3 billion or 17.1 per cent of the budgeted R7.7 billion for capital expenditure, which is R539.5 million or 29 per cent less than the first quarter for 2012/13.
12. The biggest share of provincial capital budgets is for the public works, roads and transport departments (34.2 per cent), which have spent R1.8 billion or 18.3 per cent of the combined capital budget of R10 billion as at 30 June 2013.
13. Provincial own revenue collected for the first quarter is at R3 billion or 24.1 per cent of the budgeted own revenue of R12.7 billion. National government has transferred R84.4 billion of the equitable share and R18.5 billion of conditional grants to provinces during the first quarter of the 2013/14 financial year.
14. A more detailed analysis of the expenditure outcome as at 30 June 2013 is set out in Annexure A.

DETAILED ANALYSIS FOR THE FIRST QUARTER OF THE 2013/14 FINANCIAL YEAR

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

Total Expenditure

2. Table 1 indicates that in the first quarter provinces have spent R98.1 billion or 23.5 per cent of the combined budgeted expenditure of R418.5 billion. Spending against budgets is slightly higher in percentage terms when compared to the first quarter of the 2012/13 financial year. Spending in nominal terms is 8.8 per cent or R7.9 billion higher than last year, when provinces had spent R90.2 billion.
3. Among provinces, spending is the lowest in the North West at 21.7 per cent and 22.4 per cent in both the Western Cape and Limpopo and the highest in the Free State at 25 per cent and Gauteng at 24.4 per cent.

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

R thousand	Main budget 2012/13					Actual payments as at 30 June 2013					Actual payments as % of main budget	2012/13: Outcome as at 30 June 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	59 258 176	11 333 764	1 978 700	472 943	36	13 785 443	23.3%	12 406 005	11.1%
Free State	20 343 836	3 768 159	2 759 623	-	26 871 618	5 314 538	994 639	400 393	899	6 710 469	25.0%	6 179 847	8.6%
Gauteng	57 671 745	14 004 556	4 288 351	-	75 964 652	14 628 988	3 375 848	555 189	-	18 560 025	24.4%	17 998 391	3.1%
KwaZulu-Natal	72 290 458	10 105 857	7 393 389	2 500	89 792 204	17 225 874	2 564 250	1 828 550	-	21 618 674	24.1%	19 727 291	9.6%
Limpopo	41 495 000	4 991 637	1 948 183	-	48 434 820	9 721 468	946 898	198 182	-	10 866 548	22.4%	10 538 391	3.1%
Mpumalanga	26 786 505	4 167 573	2 695 602	9 685	33 659 365	6 389 450	879 492	551 462	-	7 820 404	23.2%	7 095 791	10.2%
Northern Cape	9 975 980	1 341 478	930 855	-	12 248 313	2 218 249	310 589	263 600	-	2 792 438	22.8%	2 562 578	9.0%
North West	22 008 299	4 357 484	2 200 270	-	28 566 053	5 040 496	859 544	310 123	-	6 210 163	21.7%	5 285 219	17.5%
Western Cape	32 858 727	7 190 848	3 646 799	7 325	43 703 699	7 608 567	1 578 782	595 688	725	9 783 762	22.4%	8 410 097	16.3%
Total	331 542 823	57 728 420	29 207 846	19 810	418 498 900	79 481 394	13 488 742	5 176 130	1 660	98 147 926	23.5%	90 203 610	8.8%

Social Services

4. Provinces have budgeted R316.6 billion for social services, including education, health and social development.

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

R thousand	Main budget	Actual payments as at 30 June 2013	Actual payments as % of main budget	% share of total provincial expenditure	% share of total Social Services expenditure	2012/13: Outcome as at 30 June 2012	Year-on-year growth
Education	173 456 360	44 595 928	25.7%	45.4%	56.7%	40 405 151	10.4%
Health	129 162 064	31 161 405	24.1%	31.7%	39.6%	28 666 599	8.7%
Social Development	13 983 631	2 836 318	20.3%	2.9%	3.6%	2 480 862	14.3%
Total	316 602 055	78 593 651	24.8%	80.1%	100.0%	71 552 612	9.8%

5. The first quarter outcome on social services is recorded at R78.6 billion, or 24.8 per cent of the total provincial social services budgets for 2013/14.

Education

6. Education budgets of R173.5 billion comprise 41.4 per cent of total provincial budgets. Table 3 indicates that education expenditure is at R44.6 billion or 25.7 per cent of the total education budget. This is an increase of 10.4 per cent, or R4.2 billion, on the R40.4 billion spent over the same period in 2012/13.
7. Spending by provinces on education in the first quarter ranges from 23.8 per cent in Limpopo and 24.3 per cent in the North West, to 28.1 per cent in the Free State and 27.6 per cent in Gauteng.

Table 3: Provincial Education Expenditure as at 30 June 2013

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	26 972 077	7 012 385	26.0%	50.9%	63.0%	6 079 674	15.3%
Free State	10 456 217	2 936 650	28.1%	43.8%	57.6%	2 671 125	9.9%
Gauteng	29 275 841	8 072 224	27.6%	43.5%	52.5%	7 455 201	8.3%
KwaZulu-Natal	37 008 579	9 515 498	25.7%	44.0%	54.8%	8 699 100	9.4%
Limpopo	23 475 305	5 592 893	23.8%	51.5%	61.9%	5 109 094	9.5%
Mpumalanga	14 896 956	3 670 237	24.6%	46.9%	62.1%	3 518 554	4.3%
Northern Cape	4 448 073	1 109 409	24.9%	39.7%	53.8%	1 044 763	6.2%
North West	11 321 394	2 749 959	24.3%	44.3%	59.3%	2 484 492	10.7%
Western Cape	15 601 918	3 936 673	25.2%	40.2%	49.5%	3 343 148	17.8%
Total	173 456 360	44 595 928	25.7%	45.4%	56.7%	40 405 151	10.4%

8. The first quarter outcome on goods and services (including learner and teacher support materials) in education is recorded at R2.7 billion, or 17.5 per cent of the budgeted amount of R15.1 billion.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	21 974 857	5 474 946	24.9%	58.4%	78.1%	4 888 204	12.0%
Free State	7 971 147	2 175 738	27.3%	53.0%	74.1%	1 904 698	14.2%
Gauteng	22 066 953	5 718 592	25.9%	52.2%	70.8%	4 903 080	16.6%
KwaZulu-Natal	28 746 193	7 413 061	25.8%	55.5%	77.9%	6 536 017	13.4%
Limpopo	19 315 759	4 859 756	25.2%	57.6%	86.9%	4 319 110	12.5%
Mpumalanga	11 939 540	2 942 762	24.6%	59.8%	80.2%	2 606 074	12.9%
Northern Cape	3 416 818	866 636	25.4%	52.6%	78.1%	740 299	17.1%
North West	8 844 040	2 255 583	25.5%	54.3%	82.0%	1 961 247	15.0%
Western Cape	11 621 100	2 874 780	24.7%	49.6%	73.0%	2 519 497	14.1%
Total	135 896 407	34 581 854	25.4%	55.1%	77.5%	30 378 226	13.8%

9. The bulk of education expenditure is on personnel (77.5 per cent). Current spending on education personnel amounts to R34.6 billion, or 25.4 per cent, of the R135.9 billion budgeted for personnel (table 4). Spending by provinces on personnel expenditure in education ranges from 24.6 per cent in Mpumalanga, to 27.3 per cent in the Free State.

10. Education capital expenditure is at R1.7 billion, or 19.1 per cent, of the R9 billion budget. This is 1.1 per cent more than the spending over the same period of the previous financial year. Education capital expenditure is lowest in the Western Cape at 10.9 per cent and highest in Mpumalanga at 27.5 per cent.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	1 201 767	208 223	17.3%	44.0%	3.0%	74 380	179.9%
Free State	473 791	78 445	16.6%	19.6%	2.7%	140 891	-44.3%
Gauteng	1 044 353	189 159	18.1%	34.1%	2.3%	319 995	-40.9%
KwaZulu-Natal	2 669 741	664 869	24.9%	36.4%	7.0%	651 850	2.0%
Limpopo	928 836	102 458	11.0%	51.7%	1.8%	158 143	-35.2%
Mpumalanga	609 891	167 471	27.5%	30.4%	4.6%	105 704	58.4%
Northern Cape	297 232	58 267	19.6%	22.1%	5.3%	73 730	-21.0%
North West	557 397	114 848	20.6%	37.0%	4.2%	79 729	44.0%
Western Cape	1 208 749	131 282	10.9%	22.0%	3.3%	92 058	42.6%
Total	8 991 757	1 715 022	19.1%	33.1%	3.8%	1 696 480	1.1%

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 June 2013

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	16 584 328	3 784 092	22.8%	27.4%	34.0%	3 651 859	3.6%
Free State	7 894 778	1 936 275	24.5%	28.9%	37.9%	1 939 866	-0.2%
Gauteng	27 992 680	6 699 414	23.9%	36.1%	43.5%	7 156 151	-6.4%
KwaZulu-Natal	28 647 877	7 393 180	25.8%	34.2%	42.6%	6 253 314	18.2%
Limpopo	13 076 949	3 144 568	24.0%	28.9%	34.8%	2 962 124	6.2%
Mpumalanga	8 084 505	1 993 246	24.7%	25.5%	33.7%	1 509 209	32.1%
Northern Cape	3 341 990	828 741	24.8%	29.7%	40.2%	740 071	12.0%
North West	7 667 281	1 688 126	22.0%	27.2%	36.4%	1 378 356	22.5%
Western Cape	15 871 676	3 693 763	23.3%	37.8%	46.4%	3 075 649	20.1%
Total	129 162 064	31 161 405	24.1%	31.7%	39.6%	28 666 599	8.7%

12. Table 6 indicates that, at R31.2 billion or 24.1 per cent of the total health budget, health expenditure increased by 8.7 per cent, or R2.5 billion, on the same period in 2012/13.

13. The North West and the Eastern Cape provinces spent the lowest share of their health budgets at 22 per cent and 22.8 per cent respectively. The highest shares are recorded by KwaZulu-Natal at 25.8 per cent and the Northern Cape at 24.8 per cent.

14. Table 7 indicates that health personnel expenditure is R20.1 billion, or 24.7 per cent of the health personnel budget, an increase of R2.8 billion, or 15.9 per cent more than the R17.3 billion spent over the same period in 2012/13.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	10 956 019	2 559 068	23.4%	27.3%	67.6%	2 336 918	9.5%
Free State	5 197 263	1 292 817	24.9%	31.5%	66.8%	1 157 183	11.7%
Gauteng	16 822 501	4 217 710	25.1%	38.5%	63.0%	3 578 337	17.9%
KwaZulu-Natal	18 355 557	4 593 225	25.0%	34.4%	62.1%	3 872 161	18.6%
Limpopo	9 498 261	2 314 723	24.4%	27.4%	73.6%	2 098 833	10.3%
Mpumalanga	5 043 020	1 220 150	24.2%	24.8%	61.2%	1 021 158	19.5%
Northern Cape	1 739 261	429 879	24.7%	26.1%	51.9%	370 237	16.1%
North West	4 405 847	1 175 378	26.7%	28.3%	69.6%	943 493	24.6%
Western Cape	9 345 609	2 259 272	24.2%	39.0%	61.2%	1 930 756	17.0%
Total	81 363 338	20 062 222	24.7%	32.0%	64.4%	17 309 076	15.9%

15. Spending on non-personnel non-capital items, including medicines, drugs and other current expenditure, is at R9.8 billion, or 24.4 per cent, of the R40.1 billion budget.

16. Capital expenditure in the health sector is at R1.3 billion, or 17.1 per cent, a decrease of R539.5 million or 29 per cent on the R1.9 billion spent over the same period last year.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	897 662	111 517	12.4%	23.6%	2.9%	104 124	7.1%
Free State	640 002	87 103	13.6%	21.8%	4.5%	258 848	-66.3%
Gauteng	1 793 729	177 094	9.9%	31.9%	2.6%	224 967	-21.3%
KwaZulu-Natal	1 406 995	449 340	31.9%	24.6%	6.1%	575 326	-21.9%
Limpopo	502 043	42 536	8.5%	21.5%	1.4%	218 095	-80.5%
Mpumalanga	567 286	135 144	23.8%	24.5%	6.8%	77 234	75.0%
Northern Cape	459 696	131 654	28.6%	49.9%	15.9%	144 907	-9.1%
North West	630 451	59 994	9.5%	19.3%	3.6%	133 841	-55.2%
Western Cape	837 770	124 680	14.9%	20.9%	3.4%	121 219	2.9%
Total	7 735 634	1 319 062	17.1%	25.5%	4.2%	1 858 561	-29.0%

17. Spending by provinces varied, with the lowest rates of health capital expenditure recorded in Limpopo at 8.5 per cent and the North West at 9.5 per cent, and the highest being KwaZulu-Natal and the Northern Cape at 31.9 per cent and 28.6 per cent respectively.

Social Development

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

19. Provinces registered spending of R2.8 billion, or 20.3 per cent, of the total R14 billion budget. This represents an increase of R355.5 million, or 14.3 per cent, on the R2.5 billion spent over the same period last year.

20. There are varying degrees of spending among provinces, the lowest being in the Eastern Cape at 16.8 per cent and the North West at 18.6 per cent while the highest are the Free State at 24.1 per cent and Mpumalanga at 21.6 per cent.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	2 015 205	337 976	16.8%	2.5%	3.0%	364 802	-7.4%
Free State	951 229	229 353	24.1%	3.4%	4.5%	199 187	15.1%
Gauteng	2 896 320	615 449	21.2%	3.3%	4.0%	496 666	23.9%
KwaZulu-Natal	2 325 185	463 775	19.9%	2.1%	2.7%	377 278	22.9%
Limpopo	1 377 843	293 682	21.3%	2.7%	3.3%	326 880	-10.2%
Mpumalanga	1 154 294	249 068	21.6%	3.2%	4.2%	155 807	59.9%
Northern Cape	603 823	123 552	20.5%	4.4%	6.0%	111 095	11.2%
North West	1 082 130	200 980	18.6%	3.2%	4.3%	166 349	20.8%
Western Cape	1 577 603	322 483	20.4%	3.3%	4.1%	282 798	14.0%
Total	13 983 631	2 836 318	20.3%	2.9%	3.6%	2 480 862	14.3%

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 June 2013

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	3 670 949	585 035	15.9%	4.2%	55.1%	481 209	21.6%
Free State	1 582 038	197 425	12.5%	2.9%	45.9%	262 354	-24.7%
Gauteng	4 929 058	793 243	16.1%	4.3%	77.4%	649 116	22.2%
KwaZulu-Natal	4 798 372	881 692	18.4%	4.1%	67.5%	753 710	17.0%
Limpopo	2 231 625	320 358	14.4%	2.9%	30.3%	435 939	-26.5%
Mpumalanga	1 776 576	202 601	11.4%	2.6%	38.4%	298 310	-32.1%
Northern Cape	652 413	123 873	19.0%	4.4%	49.9%	100 255	23.6%
North West	1 922 068	394 990	20.6%	6.4%	69.8%	359 730	9.8%
Western Cape	2 321 920	344 496	14.8%	3.5%	70.7%	296 790	16.1%
Total	23 885 019	3 843 713	16.1%	3.9%	61.9%	3 637 413	5.7%

22. Spending by human settlements and local government is R3.8 billion, or 16.1 per cent, of the R23.9 billion budget. This represents an increase of R206.3 million, or 5.7 per cent, on the R3.6 billion spent over the same period last year.

23. Spending levels by provinces varied, with the lowest being Mpumalanga at 11.4 per cent and the Free State at 12.5 per cent, while the highest spenders are the North West at 20.6 per cent and the Northern Cape at 19 per cent.

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 have spent R2.4 billion, or 14.0 per cent, of the R17 billion Human Settlements Development grant budget. These spending figures are R13.6 million or 0.6 per cent less than the same period last year.

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

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	2 523 803	322 069	12.8%	2.3%	13.5%	242 312	32.9%
Free State	1 120 936	90 548	8.1%	1.3%	3.8%	180 271	-49.8%
Gauteng	4 108 399	614 238	15.0%	3.3%	25.8%	514 085	19.5%
KwaZulu-Natal	3 235 428	595 123	18.4%	2.8%	25.0%	526 977	12.9%
Limpopo	1 324 742	96 909	7.3%	0.9%	4.1%	235 045	-58.8%
Mpumalanga	1 124 332	77 893	6.9%	1.0%	3.3%	187 554	-58.5%
Northern Cape	395 724	61 840	15.6%	2.2%	2.6%	44 562	38.8%
North West	1 224 537	275 601	22.5%	4.4%	11.6%	255 950	7.7%
Western Cape	1 925 971	243 516	12.6%	2.5%	10.2%	204 584	19.0%
Total	16 983 872	2 377 737	14.0%	2.4%	100.0%	2 391 340	-0.6%

Personnel expenditure

26. Personnel expenditure (compensation of employees) for the first quarter of the 2013/14 financial year is at R62.7 billion, or 24.9 per cent, of the combined R251.5 billion budget.

Table 12: Provincial Personnel Expenditure as at 30 June 2013

	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
R thousand							
Eastern Cape	38 478 302	9 371 296	24.4%	68.0%	14.9%	8 394 879	11.6%
Free State	15 862 671	4 104 863	25.9%	61.2%	6.5%	3 610 575	13.7%
Gauteng	43 328 363	10 958 323	25.3%	59.0%	17.5%	9 341 752	17.3%
KwaZulu-Natal	52 837 966	13 352 846	25.3%	61.8%	21.3%	11 566 052	15.4%
Limpopo	33 881 885	8 437 179	24.9%	77.6%	13.4%	7 520 815	12.2%
Mpumalanga	20 214 158	4 920 062	24.3%	62.9%	7.8%	4 294 608	14.6%
Northern Cape	6 645 373	1 646 921	24.8%	59.0%	2.6%	1 408 351	16.9%
North West	16 413 274	4 156 522	25.3%	66.9%	6.6%	3 538 775	17.5%
Western Cape	23 864 498	5 790 945	24.3%	59.2%	9.2%	5 020 113	15.4%
Total	251 526 489	62 738 957	24.9%	63.9%	100.0%	54 695 920	14.7%

27. Spending to date is R8 billion or 14.7 per cent higher than the R54.7 billion spent over the same period last year.

28. Spending ranges from 24.3 per cent in both the Western Cape and Mpumalanga, to 25.9 per cent in the Free State and 25.3 per cent in the North West, Gauteng and KwaZulu-Natal.

Overall Capital Budgets and Expenditure

29. By the end of June 2013, provinces had spent R5.2 billion or 17.7 per cent of the R29.2 billion capital budget (payments for capital assets). This is a decrease of 9.8 per cent compared to the same period in 2012/13.

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

R thousand	Main budget	Actual payments as at 30 June 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 June 2012	Year-on-year growth
Eastern Cape	3 344 775	472 943	14.1%	3.4%	9.1%	325 069	45.5%
Free State	2 759 623	400 393	14.5%	6.0%	7.7%	550 696	-27.3%
Gauteng	4 288 351	555 189	12.9%	3.0%	10.7%	682 455	-18.6%
KwaZulu-Natal	7 393 389	1 828 550	24.7%	8.5%	35.3%	2 107 562	-13.2%
Limpopo	1 948 183	198 182	10.2%	1.8%	3.8%	469 823	-57.8%
Mpumalanga	2 695 602	551 462	20.5%	7.1%	10.7%	437 498	26.0%
Northern Cape	930 855	263 600	28.3%	9.4%	5.1%	355 649	-25.9%
North West	2 200 270	310 123	14.1%	5.0%	6.0%	266 735	16.3%
Western Cape	3 646 799	595 688	16.3%	6.1%	11.5%	545 130	9.3%
Total	29 207 846	5 176 130	17.7%	5.3%	100.0%	5 740 617	-9.8%

30. Table 13 provides capital spending information by province and shows low rates of spending in Limpopo at 10.2 per cent and Gauteng at 12.9 per cent, and high rates in the Northern Cape at 28.3 per cent and KwaZulu-Natal at 24.7 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R1.8 billion followed by the Western Cape at R595.7 million and Gauteng at R555.2 million.
31. Provincial education departments have spent R1.7 billion, or 19.1 per cent, of their R9 billion education capital budgets. This is an increase of R18.5 million, or 1.1 per cent more, compared to spending over the same period in the previous financial year.
32. Provincial health departments have spent R1.3 billion, or 17.1 per cent, of their R7.7 billion health capital budgets, which is R539.5 million or 29 per cent less than the same period for 2012/13.
33. At 34.2 per cent, the public works, roads and transport departments have the highest share of provincial capital budgets. The sector has spent R1.8 billion or 18.3 per cent against its combined capital budgets of R10 billion as at 30 June 2013.

Conditional Grants

34. 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.
35. Table 14 (overleaf) reflects spending by all provinces on conditional grant allocations as at 30 June 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 June 2013

R thousand	Division of Revenue Act, 2013 (Act No. 2 of 2013)	Transferred from National to provinces	Actual payments as at 30 June 2013 (excluding Schedule 4A, 7A grants)	Actual payments as % of main budgets (excluding Schedule 4A, 7A grants)
Agriculture, Forestry and Fisheries	2 147 473	251 833	30 495	5.6%
1. Comprehensive Agricultural Support Programme Grant	1 600 020	187 441		
Ilima/Letsema Projects Grant	438 456	53 492	20 600	4.7%
Land Care Programme Grant: Poverty Relief and Infrastructure Dev	108 997	10 900	9 895	9.1%
Arts and Culture	597 786	87 566	71 776	12.0%
Community Library Services Grant	597 786	87 566	71 776	12.0%
Basic Education	12 343 272	3 706 797	1 234 540	21.6%
Dinaledi Schools Grant	105 168	26 292	12 612	12.0%
1. Education Infrastructure Grant	6 630 664	1 879 196		
HIV and Aids (Life Skills Education) Grant	213 507	21 348	20 864	9.8%
National School Nutrition Programme Grant	5 173 081	1 746 833	1 189 563	23.0%
Technical Secondary Schools Recapitalisation Grant	220 852	33 128	11 501	5.2%
Cooperative Governance and Traditional Affairs	188 100	–		
2. Provincial Disaster Grant	188 100	–		
Health	27 516 651	6 932 953	2 941 877	18.7%
Comprehensive HIV and Aids Grant	10 533 886	2 604 450	2 175 374	20.7%
Health Facility Revitalisation Grant	5 123 542	1 361 627	751 815	14.7%
Health Infrastructure Component	1 295 634	387 611	180 866	14.0%
Hospital Revitalisation Component	3 751 933	953 623	556 623	14.8%
Nursing Colleges and Schools Component	75 975	20 393	14 326	18.9%
1. Health Professions Training and Development Grant	2 190 366	552 112		
National Health Insurance Grant	48 500	9 700	14 688	30.3%
1. National Tertiary Services Grant	9 620 357	2 405 064		
Higher Education and Training	2 442 679	783 943		
1. Further Education and Training Colleges Grant	2 442 679	783 943		
Human Settlements	16 983 872	2 940 582	2 377 737	14.0%
Human Settlements Development Grant	16 983 872	2 940 582	2 377 737	14.0%
Public Works	613 478	239 957	78 663	12.8%
Expanded Public Works Programme Integrated Grant for Provinces	355 914	140 607	62 283	17.5%
Social Sector Expanded Public Works Programme Incentive Grant f	257 564	99 350	16 380	6.4%
Sport and Recreation South Africa	497 591	156 051	45 149	9.1%
Mass Participation and Sport Development Grant	497 591	156 051	45 149	9.1%
Transport	13 248 731	3 379 385		
1. Provincial Roads Maintenance Grant	8 696 210	2 196 976		
1. Public Transport Operations Grant	4 552 521	1 182 409		
Total	76 579 633	18 479 067		
Total excluding Schedules 4A and 7A grants	40 658 716	9 291 926	6 780 237	16.7%

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. Against the total allocation of R40.7 billion (which excludes Schedules 4a and 7a grants), the rate of conditional grants spending amounts to R6.8 billion, or 16.7 per cent.

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

- a. Ilima/Letsema Projects (4.7 per cent)
- b. Technical Secondary Schools Recapitalisation (5.2 per cent)
- c. Social Sector Expanded Public Works Programme Incentive (6.4 per cent)
- d. Mass Participation and Sport Development (9.1 per cent)
- e. Land Care Programme (9.1 per cent)
- f. HIV and Aids (Life Skills Education) (9.8 per cent)

38. Table 15 indicates selected conditional grant spending rates as at 30 June 2013.

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

	Number of provinces spent less than 10%	Number of provinces spent between 10% and 15% (inclusive)	Number of provinces spent more than 15%
Agriculture, Forestry and Fisheries			
Ilima/Letsema Projects Grant	7 EC, FS, KZN, MPU, NC, NW, WC	1 LIM,	1 GT,
Land Care Programme Grant: Poverty Relief and Infrastructure Development	6 EC, FS, GT, MPU, NC, NW,	2 KZN, WC,	1 LIM,
Arts and Culture			
Community Library Services Grant	3 GT, LIM, WC	3 FS, KZN, NW,	3 EC, MPU, NC,
Basic Education			
Dinaledi Schools Grant	6 EC, KZN, LIM, MPU, NC, NW,		3 FS, GT, WC
HIV and Aids (Life Skills Education) Grant	7 EC, GT, KZN, MPU, NC, NW, WC		2 FS, LIM,
National School Nutrition Programme Grant			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
Technical Secondary Schools Recapitalisation Grant	6 EC, KZN, LIM, MPU, NC, NW,	2 GT, WC,	1 FS,
Health			
Comprehensive HIV and Aids Grant	1 LIM,		8 EC, FS, GT, KZN, MPU, NC, NW, WC
Hospital Revitalisation Component	3 LIM, NW, WC	2 FS, GT,	4 EC, KZN, MPU, NC,
Nursing Colleges and Schools Grant	3 FS, LIM, WC	1 GT,	5 EC, KZN, MPU, NC, NW,
National Health Insurance Grant	2 MPU, NW,	1 FS,	6 EC, GT, KZN, LIM, NC, WC
Human Settlements			
Human Settlements Development Grant	3 FS, LIM, MPU,	3 EC, GT, WC,	3 KZN, NC, NW,
Public Works			
Expanded Public Works Programme Integrated Grant for Provinces	4 FS, GT, MPU, NW,	2 KZN, LIM,	3 EC, NC, WC
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	7 EC, FS, GT, KZN, LIM, NC, WC	1 MPU,	1 NW,
Sport and Recreation South Africa			
Mass Participation and Sport Development Grant	6 EC, FS, LIM, MPU, NC, NW,	2 GT, WC,	1 KZN,

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).

39. The table further indicates that at least six provinces have spent less than 10 per cent for the following grants: Ilima/Letsema Projects; Land Care Programme; Dinaledi Schools; HIV and Aids (Life Skills Education); Technical Secondary Schools Recapitalisation; EPWP Integrated; Social Sector EPWP Incentive; and Mass Participation and Sport Development.

Provincial Revenue

40. Provincial revenue includes equitable share allocations of R337.6 billion, conditional grants of R76.6 billion and own revenue of R12.7 billion. The total provincial revenue

received and collected as at 30 June 2013 is R105.9 billion, or 24.8 per cent, of total revenue of R426.8 billion.

41. Within the first quarter of the current financial year, national government has transferred R84.4 billion or 25 per cent of the equitable share and R18.5 billion or 24.1 per cent in conditional grants to provinces.
42. After three months, provinces have collected R3 billion or 24.1 per cent of the budgeted own revenue of R12.7 billion, which is R106.4 million, or 3.6 per cent, more than what was collected by the end of June for the previous financial year.
43. The collection rate varies from 17.5 per cent in Mpumalanga and 18.6 per cent in Limpopo, to a high of 26.8 per cent in KwaZulu-Natal and 26.6 per cent in the Eastern Cape.

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

R thousand	Main budget	Actual collection as at 30 June 2013	Actual collection as % of main budget	% share of Own Revenue collected to total provincial revenue	% share of Own Revenue collected to total Own Revenue collected	2012/13: Outcome as at 30 June 2012	Year-on-year growth
Eastern Cape	836 061	222 287	26.6%	1.5%	7.3%	198 295	12.1%
Free State	850 563	177 839	20.9%	2.7%	5.8%	173 738	2.4%
Gauteng	3 972 410	998 909	25.1%	5.0%	32.8%	833 453	19.9%
KwaZulu-Natal	2 505 115	670 329	26.8%	3.0%	22.0%	635 071	5.6%
Limpopo	629 537	117 383	18.6%	1.0%	3.8%	115 850	1.3%
Mpumalanga	722 474	126 664	17.5%	1.6%	4.2%	169 601	-25.3%
Northern Cape	245 507	64 392	26.2%	2.1%	2.1%	59 680	7.9%
North West	822 106	197 447	24.0%	2.7%	6.5%	200 736	-1.6%
Western Cape	2 077 791	474 710	22.8%	4.3%	15.6%	557 132	-14.8%
Total	12 661 564	3 049 960	24.1%	2.9%	100.0%	2 943 556	3.6%