



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **PRESS RELEASE**

### **NOVEMBER 2015**

#### **Provincial Budgets: 2015/16 Financial Year Second Quarter Provincial Budgets and Expenditure Report**

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#### **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 second quarter and year to date (April to September 2015) of the 2015/16 financial year. The statement is available on the treasury website at [www.treasury.gov.za](http://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 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 that administers the grant.
3. The budgeted figures for the second quarter are based on the 2015 Estimates of Provincial Revenue and Expenditure which were presented to provincial legislatures during March 2015.

#### *Overall Expenditure Trends – as at the end of the Second Quarter*

4. In aggregate, provincial spending for the second quarter is R235.5 billion, or 48.7 per cent, of combined annual budgets of R483.6 billion. This represents an increase of 7.2 per cent or R15.8 billion on the expenditure of R219.6 billion for the same period last year.
5. Education expenditure for the second quarter is R96.9 billion or 49.1 per cent of the R197.6 billion combined education budgets, an increase of 4.5 per cent or R4.2 billion on the second quarter for the previous financial year. It remains the largest item on provincial budgets (40.9 per cent).
6. Health expenditure totalled R76.7 billion, or 50.8 per cent, of the R150.9 billion combined health budgets, and is the second largest item on provincial budgets (31.2 per cent). This represents an increase of 10.7 per cent or R7.4 billion on the second quarter for the 2014/15 financial year.
7. Social development expenditure for the second quarter is R8.1 billion or 48.5 per cent of the R16.6 billion combined social development budgets.

8. Personnel expenditure (compensation of employees) is in aggregate R143 billion or 49 per cent of the budgeted R291.7 billion as at 30 September 2015.
9. In aggregate, expenditure on combined capital (payments for capital assets) is R15 billion or 42.3 per cent of budgeted R35.4 billion. This is an increase of 10.5 per cent on expenditure for the same period of the 2014/15 financial year.
10. Capital expenditure by provincial education departments is R4.4 billion or 39.7 per cent of the budgeted R11.2 billion. This is R254.7 million or 6.1 per cent more than the expenditure for the second quarter for the previous financial year.
11. Expenditure on capital by provincial health departments is R3.7 billion or 48.3 per cent of the budgeted R7.6 billion, which is R854.8 million or 30.1 per cent more than the second quarter for 2014/15.
12. The biggest share of provincial capital budgets is for the public works, roads and transport departments (37.3 per cent), whose expenditure is R5.6 billion or 42.3 per cent of the combined capital budget of R13.2 billion.
13. Provincial own revenue collected for the second quarter is R8.3 billion or 54 per cent of the budgeted own revenue of R15.3 billion. By the end of the second quarter, national government had transferred R191.3 billion of the equitable share and R45.4 billion of conditional grants to provinces.
14. A more detailed analysis of the expenditure outcome as at 30 September 2015 is set out in Annexure A.

## DETAILED ANALYSIS AS AT THE END OF THE SECOND QUARTER FOR THE 2015/16 FINANCIAL YEAR

- The budgeted figures for provinces are based on the 2015 Estimates of Provincial Revenue and Expenditure documents tabled in the provincial legislatures during March 2015.

### Total Expenditure

- Table 1 indicates that in the second quarter provinces have spent R235.5 billion or 48.7 per cent of the combined budgeted expenditure of R483.6 billion. Spending against budgets is slightly higher in percentage terms when compared to the second quarter of the 2014/15 financial year. Spending in nominal terms is 7.2 per cent or R15.8 billion higher than last year, when provinces had spent R219.6 billion.
- Among provinces, spending is the lowest in Western Cape at 46.5 per cent and 47.9 per cent in Limpopo and the highest in the Free State at 51.4 per cent and KwaZulu-Natal at 49.7 per cent.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 30 September 2015**

R thousand	Main budget 2015/16					Actual payments as at 30 September 2015					Actual payments as % of main budget	2014/15: Outcome as at 30 September 2014	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	52 945 137	7 662 539	4 367 101	20 000	64 994 777	25 766 494	4 139 006	1 373 649	20 000	31 299 149	48.2%	29 879 581	4.8%
Free State	22 856 651	4 126 963	2 391 062	–	29 374 676	11 665 017	2 213 724	1 222 893	70	15 101 704	51.4%	13 858 225	9.0%
Gauteng	71 653 010	17 875 552	5 862 112	–	95 390 674	35 249 599	8 250 798	2 713 292	8 517	46 222 206	48.5%	41 043 334	12.6%
KwaZulu-Natal	83 026 013	11 049 595	7 728 031	157 598	101 961 237	40 615 633	6 482 835	3 541 903	46 278	50 686 649	49.7%	48 727 729	4.0%
Limpopo	45 384 185	5 626 940	1 717 093	–	52 728 218	21 902 830	2 505 759	854 912	117	25 263 618	47.9%	24 008 887	5.2%
Mpumalanga	30 370 411	4 706 798	3 619 993	5 000	38 702 202	14 686 645	2 847 826	1 382 127	349	18 916 947	48.9%	17 683 473	7.0%
Northern Cape	11 277 468	1 501 167	1 381 892	343	14 160 870	5 674 160	745 073	611 167	116	7 030 516	49.6%	6 734 685	4.4%
North West	25 691 698	5 208 885	3 323 836	–	34 224 419	12 545 424	2 756 136	1 415 784	18	16 717 362	48.8%	14 768 316	13.2%
Western Cape	38 838 619	8 191 946	5 023 684	5 229	52 059 478	18 312 816	4 032 658	1 871 483	5 802	24 222 759	46.5%	22 945 365	5.6%
<b>Total</b>	<b>382 043 192</b>	<b>65 950 386</b>	<b>35 414 803</b>	<b>188 170</b>	<b>483 596 550</b>	<b>186 418 618</b>	<b>33 973 815</b>	<b>14 987 210</b>	<b>81 267</b>	<b>235 460 910</b>	<b>48.7%</b>	<b>219 649 595</b>	<b>7.2%</b>

### Social Services

- Provinces have budgeted R365.1 billion for social services (education, health and social development).

**Table 2: Provincial Social Services Expenditure as at 30 September 2015**

R thousand	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of total provincial expenditure	% share of total Social Services expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
Education	197 564 533	96 916 127	49.1%	41.2%	53.4%	92 729 828	4.5%
Health	150 869 392	76 674 739	50.8%	32.6%	42.2%	69 253 841	10.7%
Social Development	16 618 219	8 053 198	48.5%	3.4%	4.4%	7 160 755	12.5%
<b>Total</b>	<b>365 052 144</b>	<b>181 644 064</b>	<b>49.8%</b>	<b>77.1%</b>	<b>100.0%</b>	<b>169 144 424</b>	<b>7.4%</b>

- The second quarter outcome on social services is recorded at R181.6 billion, or 49.8 per cent of the total provincial social services budgets for 2015/16.

## Education

6. Education budgets of R197.6 billion comprise 40.9 per cent of total provincial budgets. Table 3 indicates that education expenditure is at R96.9 billion or 49.1 per cent of the total education budget. This is an increase of 4.5 per cent, or R4.2 billion, on the R92.7 billion spent over the same period in 2014/15.
7. Spending by provinces on education in the second quarter ranges from 46 per cent in the Eastern Cape and 47.3 per cent in Limpopo, to 52.8 per cent in the Free State and 50.6 per cent in Gauteng.

**Table 3: Provincial Education Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	29 438 370	13 534 098	46.0%	43.2%	55.4%	13 606 025	-0.5%
Free State	11 538 104	6 097 299	52.8%	40.4%	56.7%	5 946 010	2.5%
Gauteng	36 043 909	18 253 633	50.6%	39.5%	48.7%	16 211 021	12.6%
KwaZulu-Natal	42 142 355	21 140 182	50.2%	41.7%	53.3%	20 092 659	5.2%
Limpopo	25 284 705	11 969 862	47.3%	47.4%	58.6%	12 219 171	-2.0%
Mpumalanga	16 856 769	8 283 144	49.1%	43.8%	60.7%	8 005 734	3.5%
Northern Cape	5 083 072	2 480 096	48.8%	35.3%	49.7%	2 478 591	0.1%
North West	13 432 321	6 466 146	48.1%	38.7%	55.7%	6 036 510	7.1%
Western Cape	17 744 928	8 691 667	49.0%	35.9%	46.6%	8 134 107	6.9%
<b>Total</b>	<b>197 564 533</b>	<b>96 916 127</b>	<b>49.1%</b>	<b>41.2%</b>	<b>53.4%</b>	<b>92 729 828</b>	<b>4.5%</b>

8. The second quarter outcome on goods and services (including learner and teacher support materials) in education is recorded at R7.5 billion, or 46.4 per cent of the budgeted amount of R16.1 billion.

**Table 4: Provincial Personnel Expenditure: Education as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Education Personnel to total personnel expenditure	% share of Education Personnel to total Education expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	23 636 743	11 223 332	47.5%	54.4%	82.9%	11 312 247	-0.8%
Free State	8 681 725	4 728 525	54.5%	52.1%	77.6%	4 581 866	3.2%
Gauteng	26 428 946	12 819 759	48.5%	50.5%	70.2%	12 397 533	3.4%
KwaZulu-Natal	34 371 860	17 075 044	49.7%	55.0%	80.8%	16 138 370	5.8%
Limpopo	21 515 773	10 258 828	47.7%	55.0%	85.7%	10 240 966	0.2%
Mpumalanga	13 094 156	6 562 861	50.1%	58.3%	79.2%	6 243 867	5.1%
Northern Cape	3 911 066	1 930 825	49.4%	50.0%	77.9%	1 876 340	2.9%
North West	10 272 967	4 957 541	48.3%	52.3%	76.7%	4 856 154	2.1%
Western Cape	13 206 134	6 526 483	49.4%	48.1%	75.1%	6 220 646	4.9%
<b>Total</b>	<b>155 119 370</b>	<b>76 083 198</b>	<b>49.0%</b>	<b>53.2%</b>	<b>78.5%</b>	<b>73 867 989</b>	<b>3.0%</b>

9. The bulk of education expenditure (78.5 per cent) is on personnel. Current spending on education personnel amounts to R76.1 billion, or 49 per cent, of the R155.1 billion budgeted for personnel (table 4). Spending by provinces on personnel expenditure in education ranges from 47.5 per cent in the Eastern Cape, to 47.7 per cent in Limpopo.
10. Education capital expenditure is at R4.4 billion, or 39.7 per cent, of the R11.2 billion budget. This is 6.1 per cent more than the spending over the same period of the previous

financial year. Education capital expenditure is lowest in the Eastern Cape at 17.7 per cent and highest in Limpopo at 64.8 per cent.

**Table 5: Provincial Capital Expenditure: Education as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	1 642 327	290 079	17.7%	21.1%	2.1%	341 262	-15.0%
Free State	750 206	355 248	47.4%	29.0%	5.8%	178 749	98.7%
Gauteng	2 262 416	886 106	39.2%	32.7%	4.9%	338 958	161.4%
KwaZulu-Natal	2 356 660	1 065 266	45.2%	30.1%	5.0%	1 400 628	-23.9%
Limpopo	786 789	509 843	64.8%	59.6%	4.3%	638 382	-20.1%
Mpumalanga	956 730	202 237	21.1%	14.6%	2.4%	392 815	-48.5%
Northern Cape	380 257	160 015	42.1%	26.2%	6.5%	169 531	-5.6%
North West	964 053	414 381	43.0%	29.3%	6.4%	283 499	46.2%
Western Cape	1 106 372	564 599	51.0%	30.2%	6.5%	449 266	25.7%
<b>Total</b>	<b>11 205 809</b>	<b>4 447 774</b>	<b>39.7%</b>	<b>29.7%</b>	<b>4.6%</b>	<b>4 193 090</b>	<b>6.1%</b>

## Health

11. Health budgets, totalling R150.9 billion, comprise 31.2 per cent of total provincial budgets.

**Table 6: Provincial Health Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	18 495 913	9 718 985	52.5%	31.1%	39.8%	8 435 134	15.2%
Free State	8 675 429	4 178 252	48.2%	27.7%	38.9%	4 006 784	4.3%
Gauteng	34 175 179	17 284 895	50.6%	37.4%	46.1%	15 280 793	13.1%
KwaZulu-Natal	32 981 786	17 295 641	52.4%	34.1%	43.6%	15 825 790	9.3%
Limpopo	14 754 135	7 781 403	52.7%	30.8%	38.1%	6 866 688	13.3%
Mpumalanga	9 995 809	4 717 778	47.2%	24.9%	34.6%	4 271 203	10.5%
Northern Cape	4 074 388	2 180 134	53.5%	31.0%	43.7%	1 934 328	12.7%
North West	8 904 071	4 563 684	51.3%	27.3%	39.3%	4 274 479	6.8%
Western Cape	18 812 682	8 953 967	47.6%	37.0%	48.0%	8 358 642	7.1%
<b>Total</b>	<b>150 869 392</b>	<b>76 674 739</b>	<b>50.8%</b>	<b>32.6%</b>	<b>42.2%</b>	<b>69 253 841</b>	<b>10.7%</b>

12. Table 6 indicates that at R76.7 billion or 50.8 per cent of the total health budget, health expenditure increased by 10.7 per cent, or R7.4 billion, on the same period in 2014/15.

13. Mpumalanga and the Western Cape provinces spent the lowest share of their health budgets at 47.2 per cent and 47.6 per cent respectively. The highest shares are recorded in the Northern Cape at 53.5 per cent and Limpopo at 52.7 per cent.

14. Table 7 indicates that health personnel expenditure is R47.7 billion, or 49.7 per cent of the health personnel budget, an increase of R3.2 billion, or 7.3 per cent more than the R44.4 billion spent over the same period in 2014/15.

**Table 7: Provincial Personnel Expenditure: Health as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Health Personnel to total personnel expenditure	% share of Health Personnel to total Health expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	12 393 421	6 252 675	50.5%	30.3%	64.3%	5 632 475	11.0%
Free State	5 662 530	2 820 114	49.8%	31.1%	67.5%	2 665 775	5.8%
Gauteng	20 409 052	9 990 930	49.0%	39.3%	57.8%	9 427 957	6.0%
KwaZulu-Natal	21 138 481	10 783 402	51.0%	34.7%	62.3%	10 039 090	7.4%
Limpopo	11 166 906	5 564 425	49.8%	29.8%	71.5%	5 142 732	8.2%
Mpumalanga	6 213 604	2 934 402	47.2%	26.1%	62.2%	2 791 857	5.1%
Northern Cape	2 111 611	1 065 670	50.5%	27.6%	48.9%	969 177	10.0%
North West	5 834 800	2 797 967	48.0%	29.5%	61.3%	2 706 978	3.4%
Western Cape	10 937 246	5 460 130	49.9%	40.2%	61.0%	5 048 691	8.1%
<b>Total</b>	<b>95 867 651</b>	<b>47 669 715</b>	<b>49.7%</b>	<b>33.3%</b>	<b>62.2%</b>	<b>44 424 732</b>	<b>7.3%</b>

15. Spending on non-personnel non-capital items, including medicines, drugs and other current expenditure, is at R25.3 billion, or 53.4 per cent, of the R47.4 billion budget.

16. Capital expenditure in the health sector is at R3.7 billion, or 48.3 per cent, an increase of R854.8 million or 30.1 per cent on the R2.8 billion spent over the same period last year.

**Table 8: Provincial Capital Expenditure: Health as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Health Capital to total capital expenditure	% share of Health Capital to total Health expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	1 255 054	554 995	44.2%	40.4%	5.7%	392 883	41.3%
Free State	565 285	286 960	50.8%	23.5%	6.9%	242 052	18.6%
Gauteng	1 410 890	747 606	53.0%	27.6%	4.3%	450 791	65.8%
KwaZulu-Natal	1 445 448	793 079	54.9%	22.4%	4.6%	791 252	0.2%
Limpopo	232 526	210 166	90.4%	24.6%	2.7%	99 945	110.3%
Mpumalanga	557 746	219 030	39.3%	15.8%	4.6%	131 460	66.6%
Northern Cape	630 365	308 686	49.0%	50.5%	14.2%	225 965	36.6%
North West	807 792	295 059	36.5%	20.8%	6.5%	235 616	25.2%
Western Cape	743 978	279 916	37.6%	15.0%	3.1%	270 706	3.4%
<b>Total</b>	<b>7 649 084</b>	<b>3 695 497</b>	<b>48.3%</b>	<b>24.7%</b>	<b>4.8%</b>	<b>2 840 670</b>	<b>30.1%</b>

17. Spending by provinces varied, with the lowest rates of health capital expenditure recorded in the North West at 36.5 per cent and the Western Cape at 37.6 per cent, and the highest being Limpopo and KwaZulu-Natal at 90.4 per cent and 54.9 per cent respectively.

### *Social Development*

18. At R16.6 billion, the social development budget comprises 3.4 per cent of total provincial budgets.

19. Provinces registered spending of R8.1 billion, or 48.5 per cent, of the total R16.6 billion budget. This represents an increase of R892.4 million, or 12.5 per cent, on the R7.2 billion spent over the same period last year.

20. There are varying degrees of spending among provinces, the lowest being in the North West at 43.2 per cent and Limpopo at 43.9 per cent while the highest are the Eastern Cape at 53.3 per cent and the Western Cape at 52.5 per cent.

**Table 9: Provincial Social Development Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 230 784	1 188 923	53.3%	3.8%	4.9%	1 055 946	12.6%
Free State	1 020 074	473 242	46.4%	3.1%	4.4%	457 843	3.4%
Gauteng	3 963 972	1 929 544	48.7%	4.2%	5.1%	1 568 661	23.0%
KwaZulu-Natal	2 630 481	1 243 933	47.3%	2.5%	3.1%	1 164 684	6.8%
Limpopo	1 537 757	675 242	43.9%	2.7%	3.3%	673 343	0.3%
Mpumalanga	1 293 198	636 786	49.2%	3.4%	4.7%	566 395	12.4%
Northern Cape	709 856	332 542	46.8%	4.7%	6.7%	293 486	13.3%
North West	1 334 112	575 919	43.2%	3.4%	5.0%	550 320	4.7%
Western Cape	1 897 985	997 067	52.5%	4.1%	5.3%	830 077	20.1%
<b>Total</b>	<b>16 618 219</b>	<b>8 053 198</b>	<b>48.5%</b>	<b>3.4%</b>	<b>4.4%</b>	<b>7 160 755</b>	<b>12.5%</b>

### *Human Settlements and Local Government*

21. The human settlements and local government budgets, at R26.1 billion, comprise 5.4 per cent of total provincial budgets.

**Table 10: Provincial Human Settlements and Local Government Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	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	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	3 255 594	1 733 399	53.2%	5.5%	63.2%	1 662 573	4.3%
Free State	1 600 822	921 510	57.6%	6.1%	68.4%	630 787	46.1%
Gauteng	6 345 986	2 046 053	32.2%	4.4%	75.7%	2 029 396	0.8%
KwaZulu-Natal	4 952 728	2 789 183	56.3%	5.5%	74.3%	2 800 388	-0.4%
Limpopo	2 269 327	955 442	42.1%	3.8%	47.6%	580 805	64.5%
Mpumalanga	2 121 375	1 085 271	51.2%	5.7%	66.6%	941 762	15.2%
Northern Cape	668 407	326 389	48.8%	4.6%	54.3%	286 126	14.1%
North West	2 516 024	1 264 002	50.2%	7.6%	85.8%	847 027	49.2%
Western Cape	2 389 922	1 061 563	44.4%	4.4%	82.2%	1 001 270	6.0%
<b>Total</b>	<b>26 120 185</b>	<b>12 182 812</b>	<b>46.6%</b>	<b>5.2%</b>	<b>71.1%</b>	<b>10 780 134</b>	<b>13.0%</b>

22. Spending by human settlements and local government is R12.2 billion, or 46.6 per cent, of the R26.1 billion budget. This represents an increase of R1.4 billion, or 13 per cent, on the R10.8 billion spent over the same period last year.

23. Spending levels by provinces varied, with the lowest being Gauteng at 32.2 per cent and Limpopo at 42.1 per cent, while the highest spenders are the Free State at 57.6 per cent and KwaZulu-Natal at 56.3 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 R8.7 billion, or 47.6 per cent, of the R18.2 billion Human Settlements Development grant budget. These spending figures are R1.2 billion or 16.8 per cent more than the same period last year.

**Table 11: Provincial Human Settlements Development Grant Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	1 962 372	1 095 771	55.8%	3.5%	12.7%	1 057 813	3.6%
Free State	1 057 284	630 416	59.6%	4.2%	7.3%	390 382	61.5%
Gauteng	4 979 844	1 547 858	31.1%	3.3%	17.9%	1 683 186	-8.0%
KwaZulu-Natal	3 235 475	2 072 212	64.0%	4.1%	23.9%	1 995 467	3.8%
Limpopo	1 283 877	454 820	35.4%	1.8%	5.3%	103 506	339.4%
Mpumalanga	1 265 162	722 794	57.1%	3.8%	8.3%	598 673	20.7%
Northern Cape	380 408	177 299	46.6%	2.5%	2.0%	142 257	24.6%
North West	2 063 131	1 084 227	52.6%	6.5%	12.5%	626 418	73.1%
Western Cape	1 975 122	872 807	44.2%	3.6%	10.1%	818 239	6.7%
<b>Total</b>	<b>18 202 675</b>	<b>8 658 204</b>	<b>47.6%</b>	<b>3.7%</b>	<b>100.0%</b>	<b>7 415 941</b>	<b>16.8%</b>

#### *Personnel expenditure*

26. Personnel expenditure (compensation of employees) for the second quarter of the 2015/16 financial year is at R143 billion, or 49 per cent, of the combined R291.7 billion budget.

**Table 12: Provincial Personnel Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	42 478 337	20 622 110	48.5%	65.9%	14.4%	19 846 244	3.9%
Free State	17 520 232	9 077 217	51.8%	60.1%	6.3%	8 651 584	4.9%
Gauteng	52 636 496	25 403 932	48.3%	55.0%	17.8%	24 108 336	5.4%
KwaZulu-Natal	62 371 719	31 050 997	49.8%	61.3%	21.7%	29 121 532	6.6%
Limpopo	38 427 000	18 657 867	48.6%	73.9%	13.0%	18 019 834	3.5%
Mpumalanga	22 854 834	11 257 496	49.3%	59.5%	7.9%	10 711 111	5.1%
Northern Cape	7 823 516	3 859 754	49.3%	54.9%	2.7%	3 634 896	6.2%
North West	19 886 318	9 485 259	47.7%	56.7%	6.6%	9 090 023	4.3%
Western Cape	27 686 886	13 575 870	49.0%	56.0%	9.5%	12 729 347	6.7%
<b>Total</b>	<b>291 685 338</b>	<b>142 990 501</b>	<b>49.0%</b>	<b>60.7%</b>	<b>100.0%</b>	<b>135 912 907</b>	<b>5.2%</b>

27. Spending to date is R7.1 billion or 5.2 per cent higher than the R135.9 billion spent over the same period last year.

28. Spending ranges from 47.7 per cent in the North West, to 51.8 per cent in the Free State.

#### *Overall Capital Budgets and Expenditure*

29. By the end of September 2015, provinces had spent R15 billion or 42.3 per cent of the R35.4 billion capital budget (payments for capital assets). This is an increase of 10.5 per cent on the same period in 2014/15.



**Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 30 September 2015**

	Main budget	Actual payments as at 30 September 2015	Actual payments as % of main budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2014/15: Outcome as at 30 September 2014	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	4 367 101	1 373 649	31.5%	4.4%	9.2%	1 153 178	19.1%
Free State	2 391 062	1 222 893	51.1%	8.1%	8.2%	792 432	54.3%
Gauteng	5 862 112	2 713 292	46.3%	5.9%	18.1%	1 300 420	108.6%
KwaZulu-Natal	7 728 031	3 541 903	45.8%	7.0%	23.6%	4 365 733	-18.9%
Limpopo	1 717 093	854 912	49.8%	3.4%	5.7%	843 831	1.3%
Mpumalanga	3 619 993	1 382 127	38.2%	7.3%	9.2%	1 324 485	4.4%
Northern Cape	1 381 892	611 167	44.2%	8.7%	4.1%	681 184	-10.3%
North West	3 323 836	1 415 784	42.6%	8.5%	9.4%	1 144 023	23.8%
Western Cape	5 023 684	1 871 483	37.3%	7.7%	12.5%	1 957 732	-4.4%
<b>Total</b>	<b>35 414 803</b>	<b>14 987 210</b>	<b>42.3%</b>	<b>6.4%</b>	<b>100.0%</b>	<b>13 563 018</b>	<b>10.5%</b>

30. Table 13 provides capital spending information by province and shows low rates of spending in the Eastern Cape at 31.5 per cent and the Western Cape at 37.3 per cent, and high rates in the Free State at 51.1 per cent and Limpopo at 49.8 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R3.5 billion followed by the Gauteng at R2.7 billion.

31. Provincial education departments have spent R4.4 billion, or 39.7 per cent, of their R11.2 billion education capital budgets. This is an increase of R254.7 million, or 6.1 per cent more, compared to spending over the same period in the previous financial year.

32. Provincial health departments have spent R3.7 billion, or 48.3 per cent, of their R7.6 billion health capital budgets, which is R854.8 million or 30.1 per cent more than the same period for 2014/15.

33. At 37.3 per cent, the public works, roads and transport departments have the highest share of provincial capital budgets. The sector has spent R5.6 billion or 42.3 per cent against its combined capital budgets of R13.2 billion as at 30 September 2015.

#### *Conditional Grants*

34. The total provincial conditional grant allocation is R85.4 billion (excluding the Provincial Disaster Grant), with health making up the bulk at R31.9 billion.

35. Table 14 (overleaf) reflects spending by all provinces on conditional grant allocations as at 30 September 2015. It excludes expected conditional grant roll-overs from the 2014/15 financial year, and excludes spending for grants set out in Part A of Schedule 4 and Part A of Schedule 7.

36. Part A of Schedule 4 specifies allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets. Part A of Schedule 5 specifies specific-purpose allocations to provinces. The Provincial Disaster grant (Part A of Schedule 7) specifies funds that are not allocated to specific provinces, that may be released to provinces to fund immediate disaster response.

**Table 14: Provincial Conditional Grants Expenditure as at 30 September 2015**

	Division of Revenue Act, 2015 (Act No. 1 of 2015)	Transferred from National to provinces	Actual payments as at 30 September 2015 (excluding Schedules 4A, 7A grants)	Actual payments as % of main budget (excluding Schedules 4A, 7A grants)
<b>R thousand</b>				
<b>Agriculture, Forestry and Fisheries</b>	<b>2 188 083</b>	<b>1 120 022</b>	<b>165 839</b>	<b>30.9%</b>
1. Comprehensive Agricultural Support Programme Grant	1 650 952	854 774		
Ilima/Letsema Projects Grant	470 768	235 385	145 446	30.9%
Land Care Programme Grant: Poverty Relief and Infrastructure Dev	66 363	29 863	20 393	30.7%
<b>Arts and Culture</b>	<b>1 311 026</b>	<b>620 035</b>	<b>511 474</b>	<b>39.0%</b>
Community Library Services Grant	1 311 026	620 035	511 474	39.0%
<b>Basic Education</b>	<b>15 856 485</b>	<b>9 541 034</b>	<b>3 080 693</b>	<b>49.1%</b>
1. Education Infrastructure Grant	9 517 555	5 948 471		
HIV and Aids (Life Skills Education) Grant	221 030	88 415	96 749	43.8%
Maths, Science and Technology Grant	347 185	135 071	79 877	23.0%
National School Nutrition Programme Grant	5 703 715	3 324 410	2 904 067	50.9%
1. Occupation Specific Dispensation for Education Sector Therapists Grant	67 000	44 667		
<b>Cooperative Governance and Traditional Affairs</b>	<b>103 194</b>	<b>-</b>	<b>-</b>	<b>-</b>
2. Provincial Disaster Grant	103 194	-	-	-
<b>Health</b>	<b>31 857 873</b>	<b>15 956 370</b>	<b>9 162 802</b>	<b>48.0%</b>
Comprehensive HIV and Aids Grant	13 737 312	6 799 370	6 533 763	47.6%
Health Facility Revitalisation Grant	5 275 762	2 734 618	2 609 245	49.5%
1. Health Professions Training and Development Grant	2 374 722	1 187 333		
National Health Insurance Grant	72 042	36 027	19 794	27.5%
1. National Tertiary Services Grant	10 398 035	5 199 022		
<b>Human Settlements</b>	<b>18 202 675</b>	<b>9 914 551</b>	<b>8 658 204</b>	<b>47.6%</b>
Human Settlements Development Grant	18 202 675	9 914 551	8 658 204	47.6%
<b>Public Works</b>	<b>591 175</b>	<b>395 595</b>	<b>272 551</b>	<b>46.1%</b>
Expanded Public Works Programme Integrated Grant for Provinces	350 612	229 153	171 484	48.9%
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	240 563	166 442	101 067	42.0%
<b>Social Development</b>	<b>47 500</b>	<b>-</b>	<b>4 358</b>	<b>9.2%</b>
Substance Abuse Treatment Grant	47 500	-	4 358	9.2%
<b>Sport and Recreation South Africa</b>	<b>537 294</b>	<b>264 251</b>	<b>176 377</b>	<b>32.8%</b>
Mass Participation and Sport Development Grant	537 294	264 251	176 377	32.8%
<b>Transport</b>	<b>14 790 103</b>	<b>7 582 261</b>	<b>-</b>	<b>-</b>
1. Provincial Roads Maintenance Grant	9 850 655	5 449 001		
1. Public Transport Operations Grant	4 939 448	2 133 260		
<b>Total</b>	<b>85 485 408</b>	<b>45 394 120</b>	<b>22 032 298</b>	<b>47.3%</b>
<b>Total excluding Schedules 4A and 7A grants</b>	<b>46 583 847</b>	<b>24 577 591</b>	<b>22 032 298</b>	<b>47.3%</b>

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

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

37. Against the allocation of R46.6 billion (which excludes Part A of Schedule 4 and Part A of Schedule 7 grants), spending amounts to R22 billion, or 47.3 per cent.

38. Specific grants that show low rates of spending (less than 30 per cent) include:

- a. Substance Abuse Treatment Grant (9.2 per cent)
- b. Maths, Science and Technology Grant (23 per cent)
- c. National Health Insurance Grant (27.5 per cent)
- d. Comprehensive Agricultural Support Programme Grant (27.6 per cent)

39. Table 15 indicates selected conditional grant spending rates as at 30 September 2015.

**Table 15: Selected Conditional Grants Spending Rates as at 30 September 2015**

	Number of provinces spent less than 35%	Number of provinces spent between 35% and 45% (inclusive)	Number of provinces spent more than 45%
<b>Agriculture, Forestry and Fisheries</b>			
Ilima/Letsema Projects Grant	4 EC, GT, KZN, NC,	3 LIM, MPU, NW,	2 FS, WC
Land Care Programme Grant: Poverty Relief and Infrastructure Development	6 GT, KZN, LIM, MPU, NC, NW,		3 EC, FS, WC
<b>Arts and Culture</b>			
Community Library Services Grant	5 EC, LIM, MPU, NC, NW,	1 FS,	3 GT, KZN, WC
<b>Basic Education</b>			
Education Infrastructure Grant	2 EC, MPU,	3 GT, NC, WC,	4 FS, KZN, LIM, NW,
Maths, Science And Technology Grant	7 EC, FS, KZN, LIM, NC, NW, WC		2 GT, MPU,
HIV and Aids (Life Skills Education) Grant	2 LIM, NC,	3 EC, GT, KZN,	4 FS, MPU, NW, WC
National School Nutrition Programme Grant		1 LIM,	8 EC, FS, GT, KZN, MPU, NC, NW, WC
<b>Health</b>			
Comprehensive HIV and Aids Grant		3 FS, LIM, NC,	6 EC, GT, KZN, MPU, NW, WC
Health Facility Revitalisation Grant	1 WC	1 NW,	7 EC, FS, GT, KZN, LIM, MPU, NC,
National Health Insurance Grant	7 EC, FS, KZN, LIM, MPU, NC, NW,	1 GT,	1 WC
<b>Human Settlements</b>			
Human Settlements Development Grant	1 GT,	2 LIM, WC,	6 EC, FS, KZN, MPU, NC, NW,
<b>Public Works</b>			
Expanded Public Works Programme Integrated Grant for Provinces	2 NC, NW,	4 FS, KZN, LIM, MPU,	3 EC, GT, WC
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 NC, NW,	1 FS,	6 EC, GT, KZN, LIM, MPU, WC
<b>Sport and Recreation South Africa</b>			
Mass Participation and Sport Development Grant	6 FS, GT, KZN, LIM, MPU, NC,	3 EC, NW, WC,	

*Note: Percentages represent actual expenditure against main budget as per the Division of Revenue Act, 2015.*

40. Table 15 further indicates that at least five provinces have spent less than 35 per cent for the following grants: Land Care Programme Grant; Community Library Services Grant; Maths, Science and Technology Grant; National Health Insurance Grant and Mass Participation and Sport Development Grant.

### *Provincial Revenue*

41. Provincial revenue includes equitable share allocations of R382.7 billion, conditional grants of R85.4 billion and own revenue of R15.3 billion. The total provincial revenue received and collected as at 30 September 2015 is R245 billion, or 50.7 per cent, of total revenue of R483.4 billion.

42. During the second quarter of the current financial year, national government transferred R191.3 billion or 50 per cent of the equitable share and R45.4 billion or 53.2 per cent of conditional grants to provinces.

43. After six months, provinces have collected R8.3 billion or 54 per cent of the budgeted own revenue of R15.3 billion, which is R388.6 billion, or 4.9 per cent, more than what was collected by the end of September for the previous financial year.

44. The collection rate varies from 40.4 per cent in the North West and 43.9 per cent in the Northern Cape, to a high of 63.6 per cent in Limpopo and 57.7 per cent in Gauteng.

**Table 16: Provincial Own Revenue Collection as at 30 September 2015**

<b>R thousand</b>	<b>Main budget</b>	<b>Actual collection as at 30 September 2015</b>	<b>Actual collection as % of Main budget</b>	<b>% share of Own Revenue collected to total provincial revenue received</b>	<b>% share of Own Revenue collected to total Own Revenue collected</b>	<b>2014/15: Outcome as at 30 September 2014</b>	<b>Year-on-year growth</b>
Eastern Cape	1 090 615	626 872	57.5%	1.9%	7.6%	690 543	-9.2%
Free State	1 008 183	470 542	46.7%	3.1%	5.7%	454 061	3.6%
Gauteng	4 584 695	2 643 187	57.7%	5.5%	32.0%	2 384 868	10.8%
KwaZulu-Natal	2 995 146	1 656 395	55.3%	3.2%	20.0%	1 459 996	13.5%
Limpopo	976 707	621 070	63.6%	2.3%	7.5%	521 071	19.2%
Mpumalanga	821 638	401 053	48.8%	2.0%	4.8%	417 940	-4.0%
Northern Cape	340 960	149 633	43.9%	2.1%	1.8%	145 291	3.0%
North West	1 031 528	416 264	40.4%	2.4%	5.0%	474 138	-12.2%
Western Cape	2 474 644	1 286 583	52.0%	5.0%	15.6%	1 335 100	-3.6%
<b>Total</b>	<b>15 324 116</b>	<b>8 271 599</b>	<b>54.0%</b>	<b>3.4%</b>	<b>100.0%</b>	<b>7 883 007</b>	<b>4.9%</b>