



**national treasury**

Department:  
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## **PRESS RELEASE**

**29 FEBRUARY 2012**

### **Provincial Budgets: 2011/12 Financial Year Third Quarter Year to Date 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 first nine months (April to December 2011) of the 2011/12 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 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 publication take account of the 2011 Adjusted Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during November 2011. It includes R5.3 billion allocated by national government to the provincial equitable share (R3.243 billion) and R2.028 billion to conditional grants through the Adjustments Appropriation Act and Division of Revenue Amendment Act.
4. The additional transfers to provinces are:
  - a. Higher than budgeted for personnel remuneration increases.
  - b. Some of the conditional grants withheld by national departments during 2010/11, have been approved for roll-overs.
  - c. Additional funding through new and existing conditional grants for repair of infrastructure damaged by floods in January and February 2011.
5. Over and above the additional transfers, provinces increased their main budgets by R2.4 billion. The increases consist 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 2010/11 financial year.

6. In light of the above, in aggregate, provinces increased their main budgets (expenditure side) by R7.6 billion with the bulk going to education (R2.6 billion), health (R1.9 billion) and public works, roads and transport (R1.5 billion).

#### *Overall Expenditure Trends*

7. In aggregate, provinces have spent R272.1 billion, or 72.9 per cent, of their combined adjusted budgets of R373.1 billion. This represents a spending increase of 12.1 per cent or R29.3 billion compared with the same period last year when provinces had spent R242.8 billion.
8. Education expenditure for the third quarter year to date is R118.2 billion or 75.4 per cent of the R156.8 billion combined education adjusted budgets, an increase of 13.1 per cent or R13.7 billion on the same period for the previous financial year. It is the largest item on provincial budgets (42 per cent).
9. Health expenditure totalled R81.8 billion, or 73.2 per cent, of the R111.9 billion combined health adjusted budgets, and is the second largest item on provincial budgets (30 per cent). This represents an increase of 13.3 per cent or R9.6 billion on the same period for the 2010/11 financial year.
10. Social development expenditure for the first nine months is R8.3 billion or 70.5 per cent of the R11.8 billion combined social development adjusted budgets.
11. Personnel expenditure (compensation of employees) is in aggregate R163.1 billion or 75.7 per cent of the adjusted budgeted R215.4 billion as at 31 December 2011. National government made available R3.3 billion through the *2011 Adjusted Estimates of National Expenditure* in October 2011 to provide for higher than budgeted for wage agreements. This amount is shared between provinces primarily in proportion to their shares of total expenditure on education and health personnel and balanced with shares of expenditure on personnel in other sectors.
12. In aggregate, provinces have spent R18.1 billion or 61.5 per cent of their R29.5 billion combined capital (payments for capital assets) adjusted budgets. This is an increase of 27.4 per cent when compared to the same period of the 2010/11 financial year.
13. Provincial education departments have spent R5.1 billion or 62.6 per cent of the adjusted budgeted R8.1 billion for capital expenditure. This is R1.5 billion or 41.6 per cent more than what was spent in the first nine months for the previous financial year.
14. Provincial health departments have spent R5.6 billion or 55.9 per cent of the adjusted budgeted R9.9 billion for capital expenditure, which is R929.5 million or 20.1 per cent more than the same period for 2010/11.
15. After health, the second biggest share of provincial capital adjusted budgets is for the public works, roads and transport departments (30.5 per cent), which have spent R6.3 billion or 70.5 per cent of the combined capital adjusted budget of R9 billion as at 31 December 2011.
16. Provincial own revenue collected for the first nine months of 2011/12 is at R8.9 billion or 85.2 per cent of the adjusted budgeted own revenue of R10.4 billion. National government has transferred R216.4 billion of the equitable share and R53.7 billion of conditional grants to provinces as at 31 December 2011.
17. A more detailed analysis of the expenditure outcome as at 31 December 2011 is set out in Annexure A.

## DETAILED ANALYSIS FOR THE THIRD QUARTER YEAR TO DATE OF THE 2011/12 FINANCIAL YEAR

1. The budgeted figures for provinces are based on the 2011 Adjusted Estimates of Provincial Revenue and Expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2011.

### Total Expenditure

2. Table 1 indicates that in the first nine months provinces have spent R272.1 billion or 72.9 per cent of the combined adjusted budget of R373.1 billion. Spending against adjusted budgets is at a higher level in percentage terms when compared to the same period of the 2010/11 financial year. Spending in nominal terms is 12.1 per cent or R29.3 billion higher than last year, when provinces had spent R242.8 billion.
3. Among provinces, spending is the lowest in the North West (68.6 per cent of the adjusted budget) and the Western Cape (71.2 per cent) and highest in both the Free State and the Eastern Cape at 74.1 per cent and KwaZulu-Natal at 74 per cent.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 31 December 2011**

| R thousand     | 2011/12: Adjusted budget |                         |                             |                               |                    | Actual payments as at 31 December 2011 |                         |                             |                               |                    | Actual spending as % of adjusted budget | 2010/11: Outcome as at 31 December 2010 | 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   | 42 785 953               | 7 403 318               | 4 137 848                   | —                             | 54 327 119         | 32 823 891                             | 5 509 290               | 1 908 953                   | 1 102                         | 40 243 236         | 74.1%                                   | 36 970 961                              | 8.9%                |
| Free State     | 18 032 563               | 3 482 920               | 2 670 191                   | 66                            | 24 185 740         | 13 316 293                             | 2 722 255               | 1 867 884                   | 11 232                        | 17 917 664         | 74.1%                                   | 15 299 309                              | 17.1%               |
| Gauteng        | 52 019 396               | 14 480 611              | 2 386 111                   | 570                           | 68 886 688         | 38 734 148                             | 10 213 983              | 1 187 236                   | 7 868                         | 50 143 235         | 72.8%                                   | 46 197 423                              | 8.5%                |
| Kw aZulu-Natal | 60 836 833               | 9 774 851               | 7 761 854                   | 13 497                        | 78 387 035         | 46 052 481                             | 6 908 605               | 5 071 998                   | 540                           | 58 033 624         | 74.0%                                   | 48 927 762                              | 18.6%               |
| Limpopo        | 35 971 352               | 5 194 729               | 3 151 744                   | 2 701                         | 44 320 526         | 26 663 058                             | 3 810 695               | 2 244 823                   | 1 101                         | 32 719 677         | 73.8%                                   | 29 388 958                              | 11.3%               |
| Mpumalanga     | 23 330 604               | 3 766 440               | 2 870 158                   | —                             | 29 967 202         | 16 933 025                             | 2 745 104               | 1 836 468                   | 15                            | 21 514 612         | 71.8%                                   | 19 234 160                              | 11.9%               |
| Northern Cape  | 8 235 727                | 1 358 815               | 1 367 695                   | —                             | 10 962 237         | 5 954 578                              | 980 127                 | 1 015 441                   | 6                             | 7 950 152          | 72.5%                                   | 6 738 942                               | 18.0%               |
| North West     | 19 009 611               | 4 059 358               | 1 967 348                   | —                             | 25 036 317         | 13 315 251                             | 2 868 967               | 983 750                     | —                             | 17 167 968         | 68.6%                                   | 15 798 199                              | 8.7%                |
| Western Cape   | 27 719 206               | 6 170 084               | 3 156 153                   | 5 437                         | 37 050 880         | 19 761 515                             | 4 600 967               | 1 997 420                   | 1 971                         | 26 361 873         | 71.2%                                   | 24 203 276                              | 8.9%                |
| <b>Total</b>   | <b>287 941 245</b>       | <b>55 691 126</b>       | <b>29 469 102</b>           | <b>22 271</b>                 | <b>373 123 744</b> | <b>213 554 240</b>                     | <b>40 359 993</b>       | <b>18 113 973</b>           | <b>23 835</b>                 | <b>272 052 041</b> | <b>72.9%</b>                            | <b>242 758 990</b>                      | <b>12.1%</b>        |

### Social Services

4. Provinces have an adjusted budgeted R280.4 billion for social services, including education, health and social development.

**Table 2: Provincial Social Services Expenditure as at 31 December 2011**

| R thousand         | Adjusted budget    | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of total provincial expenditure | % share of total Social Services expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|--------------------|--------------------|--|---|---|--|---|---------------------|
| Education          | 156 767 834        | 118 217 063                            | 75.4%                                   | 43.5%                                   | 56.7%  | 104 479 905                             | 13.1%               |
| Health             | 111 872 245        | 81 844 979                             | 73.2%                                   | 30.1%                                   | 39.3%  | 72 243 761                              | 13.3%               |
| Social Development | 11 798 633         | 8 317 679                              | 70.5%                                   | 3.1%                                    | 4.0%   | 6 989 611                               | 19.0%               |
| <b>Total</b>       | <b>280 438 712</b> | <b>208 379 721</b>                     | <b>74.3%</b>                            | <b>76.6%</b>                            | <b>100.0%</b>                                | <b>183 713 277</b>                      | <b>13.4%</b>        |

5. The spending on social services is recorded at R208.4 billion, or 74.3 per cent of the total provincial social services adjusted budgets as at 31 December 2011.

## Education

6. Adjusted education budgets of R156.8 billion comprise 42 per cent of total provincial adjusted budgets. Table 3 indicates that education expenditure is at R118.2 billion or 75.4 per cent of the total education adjusted budget. This is an increase of 13.1 per cent, or R13.7 billion, on the R104.5 billion spent over the same period in 2010/11.
7. Spending by provinces on education ranges from 69.9 per cent in the North West and 73.2 per cent in the Western Cape, to 77.8 per cent in KwaZulu-Natal and 76.4 per cent in the Eastern Cape.

**Table 3: Provincial Education Expenditure as at 31 December 2011**

|                | Adjusted budget    | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Education to total provincial expenditure | %share of Education to total Social Services expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|----------------|--------------------|--|---|---|--|---|---------------------|
| R thousand     |                    |  |   |   |  |   |                     |
| Eastern Cape   | 25 144 885         | 19 212 152                             | 76.4%                                   | 47.7%   | 60.6%  | 17 751 574                              | 8.2%                |
| Free State     | 9 777 756          | 7 230 100                              | 73.9%                                   | 40.4%   | 56.0%  | 6 192 968                               | 16.7%               |
| Gauteng        | 26 437 607         | 19 887 543                             | 75.2%                                   | 39.7%   | 50.7%  | 16 767 367                              | 18.6%               |
| Kw aZulu-Natal | 33 227 001         | 25 835 169                             | 77.8%                                   | 44.5%   | 57.4%  | 22 171 428                              | 16.5%               |
| Limpopo        | 21 068 160         | 16 073 424                             | 76.3%                                   | 49.1%   | 62.8%  | 14 646 483                              | 9.7%                |
| Mpumalanga     | 13 200 830         | 9 872 658                              | 74.8%                                   | 45.9%   | 63.1%  | 8 769 065                               | 12.6%               |
| Northern Cape  | 4 110 387          | 3 026 146                              | 73.6%                                   | 38.1%   | 54.2%  | 2 580 039                               | 17.3%               |
| North West     | 10 424 056         | 7 284 933                              | 69.9%                                   | 42.4%   | 58.3%  | 6 777 294                               | 7.5%                |
| Western Cape   | 13 377 152         | 9 794 938                              | 73.2%                                   | 37.2%   | 48.4%  | 8 823 687                               | 11.0%               |
| <b>Total</b>   | <b>156 767 834</b> | <b>118 217 063</b>                     | <b>75.4%</b>                            | <b>43.5%</b>  | <b>56.7%</b>   | <b>104 479 905</b>                      | <b>13.1%</b>        |

8. Spending by education departments on goods and services (including learner and teacher support materials) is recorded at R9.8 billion, or 65.7 per cent of the adjusted budget amount of R14.9 billion.
9. The bulk of education expenditure is on personnel (77.8 per cent). Current spending on education personnel amounts to R91.9 billion, or 76.4 per cent, of the R120.4 billion adjusted budget for personnel. Spending by provinces on personnel expenditure in education ranges from 73.3 per cent in the North West and 73.6 per cent in the Western Cape, to 80.3 per cent in KwaZulu-Natal and 77.3 per cent in the Eastern Cape.

**Table 4: Provincial Personnel Expenditure: Education as at 31 December 2011**

|                | Adjusted budget    | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Education Personnel to total personnel expenditure | %share of Education personnel to total Education expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|----------------|--------------------|--|---|--|--|---|---------------------|
| R thousand     |                    |  |   |  |  |   |                     |
| Eastern Cape   | 19 991 328         | 15 455 612                             | 77.3%                                   | 59.3%  | 80.4%  | 14 540 661                              | 6.3%                |
| Free State     | 7 520 211          | 5 680 944                              | 75.5%                                   | 54.0%  | 78.6%  | 5 088 933                               | 11.6%               |
| Gauteng        | 19 329 196         | 14 465 041                             | 74.8%                                   | 52.3%  | 72.7%  | 13 038 840                              | 10.9%               |
| Kw aZulu-Natal | 25 061 155         | 20 129 336                             | 80.3%                                   | 58.1%  | 77.9%  | 17 533 163                              | 14.8%               |
| Limpopo        | 17 168 362         | 12 995 395                             | 75.7%                                   | 58.9%  | 80.9%  | 11 838 544                              | 9.8%                |
| Mpumalanga     | 10 141 429         | 7 644 678                              | 75.4%                                   | 60.3%  | 77.4%  | 6 976 751                               | 9.6%                |
| Northern Cape  | 3 021 194          | 2 238 806                              | 74.1%                                   | 53.5%  | 74.0%  | 2 050 952                               | 9.2%                |
| North West     | 7 989 372          | 5 855 015                              | 73.3%                                   | 55.9%  | 80.4%  | 5 293 968                               | 10.6%               |
| Western Cape   | 10 131 650         | 7 461 601                              | 73.6%                                   | 50.4%  | 76.2%  | 6 823 873                               | 9.3%                |
| <b>Total</b>   | <b>120 353 897</b> | <b>91 926 428</b>                      | <b>76.4%</b>                            | <b>56.4%</b>   | <b>77.8%</b>   | <b>83 185 685</b>                       | <b>10.5%</b>        |

10. Capital expenditure by education departments is at R5.1 billion, or 62.6 per cent, of the R8.1 billion adjusted budget. This is 41.6 per cent higher than the spending over the same period of the previous financial year. Education capital expenditure is lowest in the Eastern Cape at 30.1 per cent and the North West at 44.9 per cent and the highest in Limpopo at 85.8 per cent and Mpumalanga at 84.5 per cent.

**Table 5: Provincial Capital Expenditure: Education as at 31 December 2011**

|                   | Adjusted budget  | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Education Capital to total Capital expenditure | %share of Capital to total Education expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|------------------|--|---|--|--|---|---------------------|
| <b>R thousand</b> |                  |  |   |  |  |   |                     |
| Eastern Cape      | 1 384 175        | 417 063                                | 30.1%                                   | 21.8%  | 2.2%   | 297 296                                 | 40.3%               |
| Free State        | 421 261          | 251 285                                | 59.7%                                   | 13.5%  | 3.5%   | 71 469                                  | 251.6%              |
| Gauteng           | 384 015          | 300 268                                | 78.2%                                   | 25.3%  | 1.5%   | 411 058                                 | -27.0%              |
| Kw aZulu-Natal    | 2 479 550        | 1 529 895                              | 61.7%                                   | 30.2%  | 5.9%   | 1 398 177                               | 9.4%                |
| Limpopo           | 1 282 769        | 1 100 836                              | 85.8%                                   | 49.0%  | 6.8%   | 622 295                                 | 76.9%               |
| Mpumalanga        | 713 765          | 603 013                                | 84.5%                                   | 32.8%  | 6.1%   | 276 766                                 | 117.9%              |
| Northern Cape     | 222 904          | 158 307                                | 71.0%                                   | 15.6%  | 5.2%   | 54 391                                  | 191.1%              |
| North West        | 553 234          | 248 481                                | 44.9%                                   | 25.3%  | 3.4%   | 142 518                                 | 74.4%               |
| Western Cape      | 657 925          | 459 947                                | 69.9%                                   | 23.0%  | 4.7%   | 305 134                                 | 50.7%               |
| <b>Total</b>      | <b>8 099 598</b> | <b>5 069 095</b>                       | <b>62.6%</b>                            | <b>28.0%</b>   | <b>4.3%</b>                                      | <b>3 579 104</b>                        | <b>41.6%</b>        |

## Health

11. Adjusted health budgets, totalling R111.9 billion, comprise 30 per cent of total provincial adjusted budgets.

**Table 6: Provincial Health Expenditure as at 31 December 2011**

|                   | Adjusted budget    | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Health to total provincial expenditure | %share of Health to total Social Services expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|--------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                    |  |   |  |   |   |                     |
| Eastern Cape      | 14 812 568         | 11 288 681                             | 76.2%                                   | 28.1%  | 35.6%   | 10 274 230                              | 9.9%                |
| Free State        | 6 930 347          | 5 101 345                              | 73.6%                                   | 28.5%  | 39.5%   | 4 262 001                               | 19.7%               |
| Gauteng           | 23 386 833         | 17 598 204                             | 75.2%                                   | 35.1%  | 44.9%   | 15 458 909                              | 13.8%               |
| Kw aZulu-Natal    | 24 669 096         | 17 905 632                             | 72.6%                                   | 30.9%  | 39.8%   | 15 160 740                              | 18.1%               |
| Limpopo           | 11 671 685         | 8 575 236                              | 73.5%                                   | 26.2%  | 33.5%   | 7 373 078                               | 16.3%               |
| Mpumalanga        | 7 547 909          | 5 068 052                              | 67.1%                                   | 23.6%  | 32.4%   | 4 817 999                               | 5.2%                |
| Northern Cape     | 3 011 355          | 2 168 594                              | 72.0%                                   | 27.3%  | 38.8%   | 1 953 076                               | 11.0%               |
| North West        | 6 413 542          | 4 549 725                              | 70.9%                                   | 26.5%  | 36.4%   | 4 083 168                               | 11.4%               |
| Western Cape      | 13 428 910         | 9 589 510                              | 71.4%                                   | 36.4%  | 47.4%   | 8 860 560                               | 8.2%                |
| <b>Total</b>      | <b>111 872 245</b> | <b>81 844 979</b>                      | <b>73.2%</b>                            | <b>30.1%</b>                                     | <b>39.3%</b>  | <b>72 243 761</b>                       | <b>13.3%</b>        |

12. Table 6 indicates that, at R81.8 billion or 73.2 per cent of the total adjusted budget, health expenditure increased by 13.3 per cent, or R9.6 billion, on the same period in 2010/11.
13. The Mpumalanga and North West provinces spent the lowest share of their adjusted budgets at 67.1 per cent and 70.9 per cent respectively. The highest shares are recorded by the Eastern Cape at 76.2 per cent and Gauteng at 75.2 per cent.

14. Table 7 indicates that health personnel expenditure is R50.7 billion, or 76.1 per cent, of the adjusted budget for health personnel, an increase of R7.1 billion, or 16.4 per cent, on the R43.6 billion spent over the same period in 2010/11.

**Table 7: Provincial Personnel Expenditure: Health as at 31 December 2011**

|                | Adjusted budget   | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Health Personnel to total personnel expenditure | %share of Health personnel to total Health expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|----------------|-------------------|--|---|---|--|---|---------------------|
| R thousand     |                   |  |   |   |  |   |                     |
| Eastern Cape   | 9 183 760         | 7 182 943                              | 78.2%                                   | 27.5%   | 63.6%  | 6 289 860                               | 14.2%               |
| Free State     | 4 337 445         | 3 240 811                              | 74.7%                                   | 30.8%   | 63.5%  | 2 811 549                               | 15.3%               |
| Gauteng        | 13 425 885        | 10 566 994                             | 78.7%                                   | 38.2%   | 60.0%  | 9 031 356                               | 17.0%               |
| Kw aZulu-Natal | 15 074 380        | 11 265 215                             | 74.7%                                   | 32.5%   | 62.9%  | 9 542 832                               | 18.0%               |
| Limpopo        | 7 359 270         | 5 810 422                              | 79.0%                                   | 26.3%   | 67.8%  | 4 823 961                               | 20.4%               |
| Mpumalanga     | 4 299 156         | 3 036 961                              | 70.6%                                   | 23.9%   | 59.9%  | 2 657 667                               | 14.3%               |
| Northern Cape  | 1 479 622         | 1 060 458                              | 71.7%                                   | 25.4%   | 48.9%  | 953 826                                 | 11.2%               |
| North West     | 3 710 738         | 2 795 590                              | 75.3%                                   | 26.7%   | 61.4%  | 2 425 603                               | 15.3%               |
| Western Cape   | 7 698 894         | 5 721 702                              | 74.3%                                   | 38.6%   | 59.7%  | 5 021 302                               | 13.9%               |
| <b>Total</b>   | <b>66 569 150</b> | <b>50 681 096</b>                      | <b>76.1%</b>                            | <b>31.1%</b>  | <b>61.9%</b>   | <b>43 557 956</b>                       | <b>16.4%</b>        |

15. Spending on non-personnel non-capital items, including medicines, drugs and other current expenditure, is at R25.6 billion, or 72.4 per cent, of the R35.4 billion adjusted budget.
16. Capital expenditure in the health sector is at R5.6 billion, or 55.9 per cent, an increase of R929.5 million or 20.1 per cent on the R4.6 billion spent over the same period last year.

**Table 8: Provincial Capital Expenditure: Health as at 31 December 2011**

|                | Adjusted budget  | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | %share of Health Capital to total Capital expenditure | %share of Capital to total Health expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|----------------|------------------|--|---|---|---|---|---------------------|
| R thousand     |                  |  |   |   |   |   |                     |
| Eastern Cape   | 1 265 236        | 623 576                                | 49.3%                                   | 32.7%   | 5.5%  | 602 808                                 | 3.4%                |
| Free State     | 705 622          | 490 662                                | 69.5%                                   | 26.3%   | 9.6%  | 209 952                                 | 133.7%              |
| Gauteng        | 1 631 890        | 779 162                                | 47.7%                                   | 65.6%   | 4.4%  | 770 121                                 | 1.2%                |
| Kw aZulu-Natal | 2 291 664        | 1 262 269                              | 55.1%                                   | 24.9%   | 7.0%  | 796 489                                 | 58.5%               |
| Limpopo        | 1 220 109        | 740 278                                | 60.7%                                   | 33.0%   | 8.6%  | 578 614                                 | 27.9%               |
| Mpumalanga     | 793 937          | 341 742                                | 43.0%                                   | 18.6%   | 6.7%  | 442 006                                 | -22.7%              |
| Northern Cape  | 549 086          | 351 525                                | 64.0%                                   | 34.6%   | 16.2%   | 264 104                                 | 33.1%               |
| North West     | 625 394          | 440 951                                | 70.5%                                   | 44.8%   | 9.7%  | 349 111                                 | 26.3%               |
| Western Cape   | 853 025          | 524 120                                | 61.4%                                   | 26.2%   | 5.5%  | 611 571                                 | -14.3%              |
| <b>Total</b>   | <b>9 935 963</b> | <b>5 554 285</b>                       | <b>55.9%</b>                            | <b>30.7%</b>  | <b>6.8%</b>                                   | <b>4 624 776</b>                        | <b>20.1%</b>        |

17. Spending by provinces varied, with the lowest rates of health capital expenditure being in Mpumalanga at 43 per cent and Gauteng at 47.7 per cent, and the highest being the North West and the Free State at 70.5 per cent and 69.5 per cent respectively.

### *Social Development*

18. At R11.8 billion, the adjusted budget for social development comprises 3.2 per cent of total provincial adjusted budgets.

19. Provinces registered spending of R8.3 billion, or 70.5 per cent, of the total R11.8 billion adjusted budget. This represents an increase of R1.3 billion, or 19 per cent, on the R7 billion spent over the same period last year.
20. There are varying degrees of spending among provinces, the lowest being KwaZulu-Natal at 63.1 per cent and the Western Cape at 65.1 per cent while the highest are Limpopo at 81.8 per cent and the North West at 74.8 per cent.

**Table 9: Provincial Social Development Expenditure as at 31 December 2011**

|                   | Adjusted budget   | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of Soc Dev to total provincial expenditure | % share of Soc Dev to total Social Services expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|-------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                   |  |   |  |   |   |                     |
| Eastern Cape      | 1 711 206         | 1 208 978                              | 70.7%                                   | 3.0%   | 3.8%  | 1 135 596                               | 6.5%                |
| Free State        | 822 787           | 580 733                                | 70.6%                                   | 3.2%   | 4.5%  | 514 432                                 | 12.9%               |
| Gauteng           | 2 433 081         | 1 710 974                              | 70.3%                                   | 3.4%   | 4.4%  | 1 327 672                               | 28.9%               |
| Kw aZulu-Natal    | 1 952 956         | 1 232 202                              | 63.1%                                   | 2.1%   | 2.7%  | 982 246                                 | 25.4%               |
| Limpopo           | 1 163 339         | 952 066                                | 81.8%                                   | 2.9%   | 3.7%  | 755 010                                 | 26.1%               |
| Mpumalanga        | 961 091           | 705 457                                | 73.4%                                   | 3.3%   | 4.5%  | 572 175                                 | 23.3%               |
| Northern Cape     | 524 836           | 388 524                                | 74.0%                                   | 4.9%   | 7.0%  | 351 171                                 | 10.6%               |
| North West        | 897 196           | 670 976                                | 74.8%                                   | 3.9%   | 5.4%  | 477 704                                 | 40.5%               |
| Western Cape      | 1 332 141         | 867 769                                | 65.1%                                   | 3.3%   | 4.3%  | 873 605                                 | -0.7%               |
| <b>Total</b>      | <b>11 798 633</b> | <b>8 317 679</b>                       | <b>70.5%</b>                            | <b>3.1%</b>  | <b>4.0%</b>   | <b>6 989 611</b>                        | <b>19.0%</b>        |

#### *Human Settlements and Local Government*

21. The adjusted budget for human settlements and local government, at R21.8 billion, comprises 5.8 per cent of total provincial adjusted budgets.

**Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 December 2011**

|                   | Adjusted budget   | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of HS and LG to total provincial expenditure | % share of HSD Grant to total HS and LG expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|-------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                   |  |   |  |   |   |                     |
| Eastern Cape      | 3 377 160         | 2 090 485                              | 61.9%                                   | 5.2%   | 65.1%   | 1 834 858                               | 13.9%               |
| Free State        | 1 482 342         | 1 222 583                              | 82.5%                                   | 6.8%   | 74.0%   | 1 074 437                               | 13.8%               |
| Gauteng           | 4 588 379         | 2 747 095                              | 59.9%                                   | 5.5%   | 82.1%   | 3 367 953                               | -18.4%              |
| Kw aZulu-Natal    | 4 240 986         | 2 838 964                              | 66.9%                                   | 4.9%   | 69.1%   | 2 411 270                               | 17.7%               |
| Limpopo           | 2 330 353         | 1 372 242                              | 58.9%                                   | 4.2%   | 60.3%   | 1 373 260                               | -0.1%               |
| Mpumalanga        | 1 570 118         | 1 081 802                              | 68.9%                                   | 5.0%   | 62.7%   | 1 071 171                               | 1.0%                |
| Northern Cape     | 588 276           | 453 320                                | 77.1%                                   | 5.7%   | 59.1%   | 433 668                                 | 4.5%                |
| North West        | 1 642 562         | 1 192 991                              | 72.6%                                   | 6.9%   | 69.4%   | 1 037 997                               | 14.9%               |
| Western Cape      | 1 966 503         | 1 429 417                              | 72.7%                                   | 5.4%   | 81.6%   | 1 473 166                               | -3.0%               |
| <b>Total</b>      | <b>21 786 679</b> | <b>14 428 899</b>                      | <b>66.2%</b>                            | <b>5.3%</b>  | <b>71.0%</b>  | <b>14 077 780</b>                       | <b>2.5%</b>         |

22. Spending by human settlements and local government is R14.4 billion, or 66.2 per cent, of the R21.8 billion adjusted budget. This represents an increase of R351.1 million, or 2.5 per cent, on the R14.1 billion spent over the same period last year.
23. Spending levels by provinces varied, with the lowest being Limpopo at 58.9 per cent and Gauteng at 59.9 per cent while the highest spenders are the Free State at 82.5 per cent and the Northern Cape at 77.1 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 R10.3 billion, or 66.8 per cent, of the R15.3 billion Human Settlements Development grant adjusted budget. These spending figures are R3.5 million less than the same period last year.
26. It should be noted that in the 2011/12 financial year, the portion of this grant that goes to cities for internal infrastructure has been removed and added instead to the Urban Settlements Development conditional grant in the local government sphere. This resulted in decreased spending trends in certain provinces when compared to the same period last year.

**Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 December 2011**

|                   | Adjusted budget   | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of grant to total provincial expenditure | % share of grant to total grant expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|-------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                   |  |   |  |   |   |                     |
| Eastern Cape      | 2 311 504         | 1 360 712                              | 58.9%                                   | 3.4%   | 13.3%                                       | 1 243 579                               | 9.4%                |
| Free State        | 913 907           | 904 879                                | 99.0%                                   | 5.1%   | 8.8%  | 756 528                                 | 19.6%               |
| Gauteng           | 3 804 611         | 2 254 612                              | 59.3%                                   | 4.5%   | 22.0%                                       | 2 823 271                               | -20.1%              |
| Kw aZulu-Natal    | 2 769 871         | 1 961 149                              | 70.8%                                   | 3.4%   | 19.1%                                       | 1 488 318                               | 31.8%               |
| Limpopo           | 1 510 494         | 827 693                                | 54.8%                                   | 2.5%   | 8.1%  | 971 313                                 | -14.8%              |
| Mpumalanga        | 916 677           | 678 323                                | 74.0%                                   | 3.2%   | 6.6%  | 692 454                                 | -2.0%               |
| Northern Cape     | 322 639           | 268 043                                | 83.1%                                   | 3.4%   | 2.6%  | 273 069                                 | -1.8%               |
| North West        | 1 148 710         | 828 268                                | 72.1%                                   | 4.8%   | 8.1%  | 766 674                                 | 8.0%                |
| Western Cape      | 1 638 845         | 1 166 871                              | 71.2%                                   | 4.4%   | 11.4%                                       | 1 238 859                               | -5.8%               |
| <b>Total</b>      | <b>15 337 258</b> | <b>10 250 550</b>                      | <b>66.8%</b>                            | <b>3.8%</b>                                      | <b>100.0%</b>                               | <b>10 254 065</b>                       | <b>0.0%</b>         |

### *Personnel Expenditure*

27. Personnel expenditure (compensation of employees) for the first nine months of the 2011/12 financial year is at R163.1 billion, or 75.7 per cent, of the combined adjusted budget of R215.4 billion.

**Table 12: Provincial Personnel Expenditure as at 31 December 2011**

|                   | Adjusted budget    | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of Personnel to total provincial expenditure | % share of personnel to total Personnel expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|--------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                    |  |   |  |   |   |                     |
| Eastern Cape      | 33 920 637         | 26 075 130                             | 76.9%                                   | 64.8%  | 16.0%   | 23 975 307                              | 8.8%                |
| Free State        | 14 112 549         | 10 522 457                             | 74.6%                                   | 58.7%  | 6.5%  | 9 308 826                               | 13.0%               |
| Gauteng           | 36 424 670         | 27 633 688                             | 75.9%                                   | 55.1%  | 16.9%   | 24 412 968                              | 13.2%               |
| Kw aZulu-Natal    | 44 715 945         | 34 620 316                             | 77.4%                                   | 59.7%  | 21.2%   | 29 915 341                              | 15.7%               |
| Limpopo           | 28 879 352         | 22 051 661                             | 76.4%                                   | 67.4%  | 13.5%   | 19 585 313                              | 12.6%               |
| Mpumalanga        | 17 182 620         | 12 687 790                             | 73.8%                                   | 59.0%  | 7.8%  | 11 495 782                              | 10.4%               |
| Northern Cape     | 5 718 710          | 4 183 185                              | 73.1%                                   | 52.6%  | 2.6%  | 3 777 931                               | 10.7%               |
| North West        | 14 316 262         | 10 470 910                             | 73.1%                                   | 61.0%  | 6.4%  | 9 386 523                               | 11.6%               |
| Western Cape      | 20 105 038         | 14 814 934                             | 73.7%                                   | 56.2%  | 9.1%  | 13 325 657                              | 11.2%               |
| <b>Total</b>      | <b>215 375 783</b> | <b>163 060 071</b>                     | <b>75.7%</b>                            | <b>59.9%</b>   | <b>100.0%</b>                                       | <b>145 183 648</b>                      | <b>12.3%</b>        |



28. Spending to date is R17.9 billion or 12.3 per cent higher than the R145.2 billion spent over the same period last year.
29. Spending ranges from 73.1 per cent in both the North West and the Northern Cape and 73.7 per cent in the Western Cape, to 77.4 per cent and 76.9 per cent in KwaZulu-Natal and the Eastern Cape respectively.

#### *Overall Capital Budgets and Expenditure*

30. By the end of December 2011, provinces have spent R18.1 billion or 61.5 per cent of the adjusted capital budget of R29.5 billion (payments for capital assets). This is a significant increase of 27.4 per cent compared to the same period in 2010/11.

**Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 December 2011**

|                   | Adjusted budget   | Actual spending as at 31 December 2011 | Actual spending as % of adjusted budget | % share of Capital to total provincial expenditure | % share of Capital to total Capital expenditure | 2010/11: Outcome as at 31 December 2010 | Year-on-year growth |
|-------------------|-------------------|--|---|--|---|---|---------------------|
| <b>R thousand</b> |                   |  |   |  |   |   |                     |
| Eastern Cape      | 4 137 848         | 1 908 953                              | 46.1%                                   | 4.7%   | 10.5%   | 1 709 275                               | 11.7%               |
| Free State        | 2 670 191         | 1 867 884                              | 70.0%                                   | 10.4%  | 10.3%   | 1 072 251                               | 74.2%               |
| Gauteng           | 2 386 111         | 1 187 236                              | 49.8%                                   | 2.4%   | 6.6%  | 1 274 973                               | -6.9%               |
| Kw aZulu-Natal    | 7 761 854         | 5 071 998                              | 65.3%                                   | 8.7%   | 28.0%   | 3 840 224                               | 32.1%               |
| Limpopo           | 3 151 744         | 2 244 823                              | 71.2%                                   | 6.9%   | 12.4%   | 1 557 483                               | 44.1%               |
| Mpumalanga        | 2 870 158         | 1 836 468                              | 64.0%                                   | 8.5%   | 10.1%   | 1 272 184                               | 44.4%               |
| Northern Cape     | 1 367 695         | 1 015 441                              | 74.2%                                   | 12.8%  | 5.6%  | 664 006                                 | 52.9%               |
| North West        | 1 967 348         | 983 750                                | 50.0%                                   | 5.7%   | 5.4%  | 1 066 976                               | -7.8%               |
| Western Cape      | 3 156 153         | 1 997 420                              | 63.3%                                   | 7.6%   | 11.0%   | 1 757 673                               | 13.6%               |
| <b>Total</b>      | <b>29 469 102</b> | <b>18 113 973</b>                      | <b>61.5%</b>                            | <b>6.7%</b>  | <b>100.0%</b>                                   | <b>14 215 045</b>                       | <b>27.4%</b>        |

31. Table 13 provides capital spending information by province and shows low rates of spending in the Eastern Cape at 46.1 per cent and Gauteng at 49.8 per cent, and high rates in the Northern Cape at 74.2 per cent and Limpopo at 71.2 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R5.1 billion followed by Limpopo at R2.2 billion and the Western Cape at R2 billion.
32. Provincial education departments have spent R5.1 billion, or 62.6 per cent, of their adjusted capital budgets of R8.1 billion. This is a significant increase of R1.5 billion, or 41.6 per cent, compared to spending over the same period in the previous financial year.
33. Provincial health departments have spent R5.6 billion, or 55.9 per cent, of their adjusted capital budgets of R9.9 billion, which is R929.5 million or 20.1 per cent more than the same period for 2010/11.
34. At 30.5 per cent, the public works, roads and transport departments have the second highest share (after health) of the adjusted provincial capital budgets. The sector has spent R6.3 billion or 70.5 per cent against its combined capital adjusted budgets of R9 billion as at 31 December 2011.

#### *Conditional Grants*

35. The total adjusted conditional grant allocation is R73.4 billion (including Schedules 4, 8 and 9 grants), with health making up the bulk at R24.6 billion.
36. Table 14 reflects spending by all provinces on conditional grant adjusted allocations as at 31 December 2011. It includes conditional grant roll-overs from the 2010/11 financial

year and other provincial adjustments, and excludes spending on Schedules 4, 8 and 9 grants.

**Table 14: Provincial Conditional Grants Expenditure as at 31 December 2011**

|  | Division of<br>Revenue<br>Act, 2011<br>(Act No. 6 of<br>2011) | Government<br>Gazette of<br>20<br>December<br>2011 | Provincial<br>roll-overs/<br>other<br>provincial<br>adjustments | Total<br>available:<br>2011/12 | Transferred<br>from<br>National to<br>province | Actual<br>spending as<br>at 31<br>December<br>2011 | Actual<br>spending as<br>% of total<br>available<br>(excluding<br>Schedules 4,<br>8 and 9<br>grants) |
|--|---|--|---|--------------------------------|--|--|--|
| <b>R thousand</b>  |   |  |   |                                |  |  |  |
| <b>Agriculture, Forestry and Fisheries</b>                                   | <b>1 487 093</b>  | <b>164 636</b>                                     | <b>12 934</b>   | <b>1 664 663</b>               | <b>1 015 276</b>                               | <b>287 807</b>                                     | <b>46.8%</b>   |
| Agriculture Disaster Management Grant  | –   | 149 560  | –   | 149 560                        | –  | –  | 0.0%   |
| 1. Comprehensive Agricultural Support Programme Grant                        | 1 029 321   | 10 076   | 10 200  | 1 049 597                      | 669 060  |  |  |
| Ilima/Letsema Projects Grant   | 400 000   | 5 000  | 392   | 405 392                        | 300 000  | 247 045  | 60.9%  |
| Land Care Programme Grant: Poverty Relief and Infrastructure                 | 57 772  | –  | 2 342   | 60 114                         | 46 216   | 40 762   | 67.8%  |
| <b>Arts and Culture</b>  | <b>543 420</b>  | <b>26 514</b>                                      | <b>46 726</b>   | <b>616 660</b>                 | <b>436 135</b>                                 | <b>342 881</b>                                     | <b>55.6%</b>   |
| Community Library Services Grant   | 543 420   | 26 514   | 46 726  | 616 660                        | 436 135  | 342 881  | 55.6%  |
| <b>Basic Education</b>   | <b>10 546 380</b>   | <b>190 518</b>                                     | <b>233 376</b>  | <b>10 970 274</b>              | <b>7 860 618</b>                               | <b>3 719 260</b>                                   | <b>70.8%</b>   |
| Dinaledi Schools Grant   | 70 000  | –  | –   | 70 000                         | 46 984   | 27 463   | 39.2%  |
| 1. Education Infrastructure Grant  | 5 498 300   | 180 000  | 40 116  | 5 718 416                      | 3 776 921                                      |  |  |
| HIV and Aids (Life Skills Education) Grant                                   | 199 328   | –  | 16 013  | 215 341                        | 129 563  | 130 415  | 60.6%  |
| National School Nutrition Programme Grant                                    | 4 578 752   | –  | 171 784   | 4 750 536                      | 3 815 395                                      | 3 467 235  | 73.0%  |
| Technical Secondary Schools Recapitalisation Grant                           | 200 000   | 10 518   | 5 463   | 215 981                        | 91 755   | 94 147   | 43.6%  |
| <b>Cooperative Governance and Traditional Affairs</b>                        | <b>305 000</b>  | <b>–</b>   | <b>–</b>  | <b>305 000</b>                 | <b>–</b>                                       |  |  |
| 3. Provincial Disaster Grant   | 305 000   | –  | –   | 305 000                        | –  |  |  |
| <b>Health</b>  | <b>23 947 676</b>   | <b>87 106</b>                                      | <b>572 557</b>  | <b>24 607 339</b>              | <b>18 634 506</b>                              | <b>8 204 660</b>                                   | <b>64.4%</b>   |
| Comprehensive HIV and Aids Grant   | 7 492 962   | –  | 74 877  | 7 567 839                      | 5 882 210                                      | 4 844 333  | 64.0%  |
| Forensic Pathology Services Grant  | 590 380   | –  | 19 713  | 610 093                        | 453 777  | 418 192  | 68.5%  |
| 1. Health Infrastructure Grant   | 1 701 856   | 2 606  | 76 500  | 1 780 962                      | 1 410 091                                      |  |  |
| 1. Health Professions Training and Development Grant                         | 1 977 310   | –  | 24 878  | 2 002 188                      | 1 481 483                                      |  |  |
| Hospital Revitalisation Grant  | 4 136 290   | 84 500   | 333 265   | 4 554 055                      | 3 370 295                                      | 2 942 135  | 64.6%  |
| 1. National Tertiary Services Grant  | 8 048 878   | –  | 43 324  | 8 092 202                      | 6 036 650                                      |  |  |
| <b>Higher Education and Training</b>   | <b>4 325 989</b>  | <b>49 322</b>                                      | <b>222 208</b>  | <b>4 597 519</b>               | <b>3 654 319</b>                               |  |  |
| 1. Further Education and Training Colleges Grant                             | 4 325 989   | 49 322   | 222 208   | 4 597 519                      | 3 654 319                                      |  |  |
| <b>Human Settlements</b>   | <b>14 941 516</b>   | <b>180 000</b>                                     | <b>395 742</b>  | <b>15 517 258</b>              | <b>12 098 737</b>                              | <b>10 250 550</b>                                  | <b>66.1%</b>   |
| Housing Disaster Relief Grant  | –   | 180 000  | –   | 180 000                        | –  | –  | 0.0%   |
| Human Settlements Development Grant  | 14 941 516  | –  | 395 742   | 15 337 258                     | 12 098 737                                     | 10 250 550   | 66.8%  |
| <b>National Treasury</b>   | <b>–</b>  | <b>1 089 683</b>                                   | <b>23 726</b>   | <b>1 113 409</b>               | <b>–</b>                                       |  |  |
| 1. Infrastructure Grant to Provinces   | –   | 1 089 683  | 23 726  | 1 113 409                      | –  |  |  |
| <b>Public Works</b>  | <b>2 270 857</b>  | <b>–</b>   | <b>138 974</b>  | <b>2 409 831</b>               | <b>1 741 775</b>                               | <b>1 469 713</b>                                   | <b>68.8%</b>   |
| Devolution of Property Rate Funds Grant                                      | 1 803 230   | –  | 126 331   | 1 929 561                      | 1 431 986                                      | 1 358 246  | 70.4%  |
| 2. Expanded Public Works Programme Incentive Grant for Provincial Government | 267 269   | –  | 6 914   | 274 183                        | 150 027  |  |  |
| Social Sector Expanded Public Works Programme Incentive Grant                | 200 358   | –  | 5 729   | 206 087                        | 159 762  | 111 467  | 54.1%  |
| <b>Sport and Recreation South Africa</b>                                     | <b>451 968</b>  | <b>–</b>   | <b>14 043</b>   | <b>466 011</b>                 | <b>380 082</b>                                 | <b>341 420</b>                                     | <b>73.3%</b>   |
| Mass Sport and Recreation Participation Programme Grant                      | 451 968   | –  | 14 043  | 466 011                        | 380 082  | 341 420  | 73.3%  |
| <b>Transport</b>   | <b>10 615 886</b>   | <b>240 000</b>                                     | <b>289 527</b>  | <b>11 145 413</b>              | <b>7 887 915</b>                               | <b>5 300</b>                                       | <b>1.7%</b>  |
| Gautrain Rapid Rail Link   | 5 300   | –  | –   | 5 300                          | 5 300  | 5 300  | 100.0%   |
| Overload Control Grant   | –   | –  | 331   | 331                            | –  | –  | 0.0%   |
| 1. Provincial Roads Maintenance Grant  | 6 457 354   | –  | –   | 6 457 354                      | 4 527 691                                      |  |  |
| 1. Public Transport Operations Grant   | 4 153 232   | –  | 227 311   | 4 380 543                      | 3 114 924                                      |  |  |
| Transport Disaster Management Grant  | –   | 240 000  | 61 885  | 301 885                        | 240 000  | –  | 0.0%   |
| <b>Total</b>   | <b>69 435 785</b>   | <b>2 027 779</b>                                   | <b>1 949 813</b>  | <b>73 413 377</b>              | <b>53 709 363</b>                              |  |  |
| <b>Total excluding Schedules 4, 8 and 9 grants</b>                           | <b>35 671 276</b>   | <b>696 092</b>                                     | <b>1 274 636</b>  | <b>37 642 004</b>              | <b>28 888 197</b>                              | <b>24 621 591</b>                                  | <b>65.4%</b>   |

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

2. Schedule 8 grants specifying incentives to provinces to meet targets with regards to priority government programmes.

3. Schedule 9 grants specifying funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response.

37. Schedule 4 grants specify allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets. The Expanded Public Works

Programme (EPWP) Incentive grant for provinces (Schedule 8 grant) specifies incentives to provinces to meet targets with regards to priority government programmes. The Provincial Disaster grant (Schedule 9 grant) specifies funds that are currently not allocated to specific provinces, that may be released to provinces to fund disaster response.

38. Against the total adjusted allocation of R37.6 billion (which excludes Schedules 4, 8 and 9 grants), the rate of conditional grants spending amounts to R24.6 billion, or 65.4 per cent.
39. Specific grants that show low rates of spending include:
  - a. Dinaledi Schools (39.2 per cent)
  - b. Technical Secondary Schools Recapitalisation (43.6 per cent)
  - c. Social Sector EPWP Incentive (54.1 per cent)
  - d. Community Library Services (55.6 per cent)
  - e. HIV and Aids (Life Skills Education) (60.6 per cent)
  - f. Ilima/Letsema Projects (60.9 per cent)
  - g. Comprehensive HIV and Aids (64 per cent)
  - h. Hospital Revitalisation (64.6 per cent)
40. Table 15 indicates selected conditional grant spending rates as at 31 December 2011.

**Table 15: Selected Conditional Grants Spending Rates as at 31 December 2011**

|  | Number of provinces spent less than 60% | Number of provinces spent between 60% and 70% (inclusive) | Number of provinces spent more than 70% |
|--|---|---|---|
| <b>Agriculture, Forestry and Fisheries</b>                               |   |   |   |
| Ilima/Letsema Projects Grant   | 6 EC, GT, LIM, MPU, NC, NW              | 1 WC  | 2 FS, KZN                               |
| Land Care Programme Grant: Poverty Relief And Infrastructure Development | 3 KZN, MPU, NW                          | 2 EC, WC  | 4 FS, GT, LIM, NC                       |
| <b>Arts and Culture</b>  |   |   |   |
| Community Library Services Grant   | 4 EC, LIM, MPU, NW                      | 3 FS, KZN, NC   | 2 GT, WC                                |
| <b>Basic Education</b>   |   |   |   |
| Dinaledi Schools Grant   | 6 EC, KZN, LIM, MPU, NW, WC             | 1 FS  | 2 GT, NC                                |
| HIV and Aids (Life Skills Education) Grant                               | 3 FS, GT, WC                            | 3 EC, LIM, NW   | 3 KZN, MPU, NC                          |
| National School Nutrition Programme Grant                                | 0                                       | 3 GT, NW, WC  | 6 EC, FS, KZN, LIM, MPU, NC             |
| Technical Secondary Schools Recapitalisation Grant                       | 5 EC, GT, KZN, LIM, NW                  | 0   | 4 FS, MPU, NC, WC                       |
| <b>Health</b>  |   |   |   |
| Comprehensive HIV and Aids Grant   | 3 FS, NC, NW                            | 5 EC, GT, LIM, MPU, WC                                    | 1 KZN                                   |
| Forensic Pathology Services Grant  | 2 LIM, MPU                              | 4 FS, GT, NC, NW  | 3 EC, KZN, WC                           |
| Hospital Revitalisation Grant  | 3 EC, LIM, MPU                          | 2 GT, NC  | 4 FS, KZN, NW, WC                       |
| <b>Human Settlements</b>   |   |   |   |
| Human Settlements Development Grant                                      | 3 EC, GT, LIM                           | 0   | 6 FS, KZN, MPU, NC, NW, WC              |
| <b>Public Works</b>  |   |   |   |
| Devolution Of Property Rate Funds Grant                                  | 1 NW                                    | 4 EC, FS, GT, KZN   | 4 LIM, MPU, NC, WC                      |
| Social Sector Expanded Public Works Programme Incentive Grant            | 5 EC, FS, GT, MPU, WC                   | 1 NC  | 3 KZN, LIM, NW                          |
| <b>Sport and Recreation South Africa</b>                                 |   |   |   |
| Mass Sport And Recreation Participation Programme Grant                  | 0                                       | 5 EC, KZN, LIM, NW, WC                                    | 4 FS, GT, MPU, NC                       |

*Note: Percentages represent actual expenditure against total available.*

41. The table further indicates that six provinces have spent less than 60 per cent on the Ilima/Letsema Projects grant and Dinaledi Schools grant. Five provinces have spent less than 60 per cent on the Technical Secondary Schools Recapitalisation grant and the Social Sector EPWP Incentive grant.

## Provincial Revenue

42. Provincial revenue includes equitable share adjusted allocations of R291.7 billion, conditional grants of R71.5 billion and own revenue of R10.4 billion. The total provincial revenue received and collected as at 31 December 2011 is R278.7 billion, or 74.7 per cent, of total adjusted revenue of R373.3 billion.
43. National government has transferred R216.4 billion or 74.2 per cent of the equitable share, and R53.7 billion or 75.2 per cent in conditional grants to provinces.
44. After nine months, provinces have collected R8.9 billion or 85.2 per cent of the adjusted budgeted own revenue of R10.4 billion, which is R1.6 billion, or 21.2 per cent, more than what was collected by the end of December for the previous financial year.
45. The collection rate varies from 62.5 per cent in Mpumalanga and 72 per cent in Limpopo, to a high of 105.2 per cent in KwaZulu-Natal and 84.9 per cent in Gauteng.

**Table 16: Provincial Own Revenue Collection as at 31 December 2011**

|                   | <b>Adjusted budget</b> | <b>Actual collection as at 31 December 2011</b> | <b>Actual collection as % of adjusted budget</b> | <b>%share of Own Revenue collected to total provincial revenue received</b> | <b>%share of Own Revenue to total Own Revenue</b> | <b>2010/11: Outcome as at 31 December 2010</b> | <b>Year-on-year growth</b> |
|-------------------|------------------------|---|--|---|---|--|----------------------------|
| <b>R thousand</b> |                        |   |  |   |   |  |                            |
| Eastern Cape      | 729 458                | 617 191   | 84.6%  | 1.5%  | 7.0%  | 543 062  | 13.7%                      |
| Free State        | 771 619                | 586 693   | 76.0%  | 3.3%  | 6.6%  | 509 582  | 15.1%                      |
| Gauteng           | 3 096 980              | 2 628 784                                       | 84.9%  | 5.1%  | 29.6%   | 2 024 357                                      | 29.9%                      |
| Kw aZulu-Natal    | 1 942 965              | 2 043 251                                       | 105.2%   | 3.4%  | 23.0%   | 1 472 871                                      | 38.7%                      |
| Limpopo           | 512 006                | 368 781   | 72.0%  | 1.1%  | 4.2%  | 415 823  | -11.3%                     |
| Mpumalanga        | 645 494                | 403 137   | 62.5%  | 1.8%  | 4.5%  | 370 558  | 8.8%                       |
| Northern Cape     | 197 050                | 157 976   | 80.2%  | 2.0%  | 1.8%  | 157 225  | 0.5%                       |
| North West        | 652 169                | 521 309   | 79.9%  | 2.8%  | 5.9%  | 393 137  | 32.6%                      |
| Western Cape      | 1 858 962              | 1 544 498                                       | 83.1%  | 5.5%  | 17.4%   | 1 432 779                                      | 7.8%                       |
| <b>Total</b>      | <b>10 406 703</b>      | <b>8 871 620</b>                                | <b>85.2%</b>                                     | <b>3.2%</b>   | <b>100.0%</b>                                     | <b>7 319 394</b>                               | <b>21.2%</b>               |