



national treasury

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**Provincial Budgets: 2011/12 Financial Year
Fourth Quarter Year to Date Provincial Budgets and Expenditure Report
(Preliminary Outcome)**

SUMMARY

1. Published by the National Treasury in terms of Section 32 of the Public Finance Management Act (PFMA), the fourth quarter provincial budget statement of receipts and payments is the first estimate of spending outcomes for the 2011/12 financial year (1 April 2011 to 31 March 2012). The statement is available on the treasury website at www.treasury.gov.za. These figures may be revised as provincial departments finalise (and reconcile) their financial statements by 31 May 2012 for submission to the provincial Auditors-General.
2. The information in the statement comes from the Section 40(4) PFMA reports submitted by heads of provincial departments to provincial treasuries, who, in turn, submitted the information to the National Treasury. Queries on spending or budget numbers should therefore, in the first instance, be referred to the head of the relevant provincial department, and in the second instance to the head of the relevant provincial treasury. Queries on conditional grants may be referred to the head of the administering national department.
3. The budgeted figures in the fourth quarter publication take account of revisions effected in the 2011 Adjusted Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during November and December 2011. They include R5.3 billion appropriated by national government to provinces (R3.243 billion to the provincial equitable share and R2.028 billion to conditional grants) through the Adjustments Appropriation Act and Division of Revenue Amendment Act. Since the third quarter publication, four provinces tabled a second adjusted estimate, which is now included in the fourth quarter publication.
4. Over and above the additional transfers, provinces increased their main budgets by R2.3 billion. The increases consisted mainly of unspent conditional grants not surrendered to the National Revenue Fund and other funds surrendered to the respective Provincial Revenue Funds in respect of the 2010/11 financial year.
5. In light of the above, in aggregate, provinces increased their main budgets (on the expenditure side) by R7.5 billion, with the bulk of the increases going to education (R2.6 billion), health (R1.9 billion) and public works, roads and transport (R1.6 billion).

Overall Expenditure Trends – Preliminary Outcomes

6. In aggregate, provinces spent R368 billion, or 98.7 per cent, of their adjusted budgets of R373 billion in 2011/12. This represents a spending increase of 11.3 per cent or R37.3 billion compared to the 2010/11 financial year when provinces spent R330.7 billion.
7. The preliminary outcome for education expenditure is R156.5 billion or 99.8 per cent of the R156.8 billion combined education adjusted budgets, an increase of 13.2 per cent or R18.3 billion on the previous financial year. It remains the largest item on provincial budgets (42 per cent).
8. Health expenditure totalled R111.4 billion, or 99.6 per cent, of the R111.9 billion combined health adjusted budgets and is the second largest item on provincial budgets (30 per cent). This is 13.5 per cent or R13.3 billion more than the 2010/11 financial year.
9. Social development expenditure is R11.6 billion or 98.6 per cent of the R11.8 billion social development adjusted budgets.
10. Personnel expenditure (compensation of employees) is in aggregate R217.4 billion or 100.9 per cent of the budgeted R215.5 billion.
11. In aggregate, provinces spent R26.1 billion or 88.8 per cent of their R29.4 billion combined capital (payments for capital assets) adjusted budgets. This is a significant increase of 21.7 per cent on the 2010/11 financial year.
12. Provincial education departments spent R7.1 billion or 87.9 per cent of the budgeted R8.1 billion for capital expenditure. This is R1.6 billion or 29.7 per cent more than the previous financial year.
13. Provincial health departments spent R8.3 billion or 83.6 per cent of the budgeted R9.9 billion for capital expenditure, which is R1.5 billion or 21.6 per cent more than the outcome for 2010/11.
14. After health, the second biggest share of provincial capital adjusted budgets was for public works, roads and transport departments (30.6 per cent), which spent R8.7 billion or 96.5 per cent of their combined capital adjusted budgets of R9 billion.
15. Provincial own revenue collected was R12.2 billion or 117.1 per cent of the budgeted own revenue of R10.4 billion. National government transferred R291.7 billion of the equitable share and R70.7 billion of conditional grants to provinces.
16. A more detailed analysis of the provincial preliminary outcome for the 2011/12 financial year is set out in Annexure A.

DETAILED ANALYSIS OF THE 2011/12 FINANCIAL YEAR (PRELIMINARY OUTCOME)

- The budgeted figures for provinces are based on the 2011/12 adjusted estimates of provincial revenue and expenditure documents (adjusted budgets) tabled in the provincial legislatures during November and December 2011. The budgeted figures also take account of revisions effected in a second adjusted estimate for four provinces.

Total Expenditure

- Table 1 indicates that in the 2011/12 financial year provinces spent R368 billion (preliminary outcome) or 98.7 per cent of the budgeted expenditure of R373 billion. Spending against adjusted budgets was higher in percentage terms compared to the 2010/11 financial year, when it stood at 97.2 per cent. Spending in nominal terms was 11.3 per cent or R37.3 billion more than last year's R330.7 billion.
- Among provinces, spending was lowest in the North West (95.6 per cent of the adjusted budget) and Limpopo (97.8 per cent) and highest in KwaZulu-Natal at 100.5 per cent and the Western Cape at 99.4 per cent.

Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2012

R thousand	Adjusted budget 2011/12					Preliminary outcome as at 31 March 2012					Preliminary outcome as % of adjusted budget	2010/11: Outcome as at 31 March 2011	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	43 225 308	6 903 075	3 362 928	1 641	53 492 952	98.5%	48 041 875	11.3%
Free State	18 067 717	3 493 272	2 642 182	66	24 203 237	17 878 067	3 469 324	2 413 421	24 439	23 785 251	98.3%	20 974 002	13.4%
Gauteng	52 019 396	14 480 611	2 386 111	570	68 886 688	52 567 525	13 720 827	1 424 839	15 036	67 728 227	98.3%	61 455 034	10.2%
KwaZulu-Natal	60 836 833	9 719 851	7 761 854	13 497	78 332 035	61 852 579	9 553 756	7 275 831	10 141	78 692 307	100.5%	67 703 429	16.2%
Limpopo	35 971 352	5 194 729	3 151 744	2 701	44 320 526	35 596 729	5 003 612	2 730 749	2 634	43 333 724	97.8%	41 064 402	5.5%
Mpumalanga	23 330 604	3 766 440	2 870 158	–	29 967 202	22 907 006	3 746 041	2 727 164	154	29 380 365	98.0%	26 208 827	12.1%
Northern Cape	8 111 865	1 386 815	1 367 695	–	10 866 375	7 986 435	1 350 258	1 444 681	-180	10 781 194	99.2%	9 297 241	16.0%
North West	19 009 611	4 059 358	1 967 348	–	25 036 317	18 385 745	3 953 791	1 605 788	–	23 945 324	95.6%	21 873 188	9.5%
Western Cape	27 719 206	6 206 837	3 156 153	5 437	37 087 633	27 324 242	6 369 575	3 154 148	6 596	36 854 561	99.4%	34 059 649	8.2%
Total	287 852 537	55 711 231	29 441 093	22 271	373 027 132	287 723 636	54 070 259	26 139 549	60 461	367 993 905	98.7%	330 677 647	11.3%

Social Services

- Provinces had budgeted R280.4 billion for social services, including education, health and social development.

Table 2: Provincial Social Services Expenditure as at 31 March 2012

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
Education	156 767 834	156 525 445	99.8%	42.5%	56.0%	138 257 587	13.2%
Health	111 872 245	111 398 257	99.6%	30.3%	39.8%	98 130 386	13.5%
Social Development	11 788 738	11 621 493	98.6%	3.2%	4.2%	9 920 344	17.1%
Total	280 428 817	279 545 195	99.7%	76.0%	100.0%	246 308 317	13.5%

- The preliminary spending outcome on social services was R279.5 billion, or 99.7 per cent of the total provincial social services adjusted budgets for 2011/12.

Education

6. Adjusted education budgets of R156.8 billion comprised 42 per cent of total adjusted provincial budgets. Table 3 indicates that the preliminary outcome for education expenditure was R156.5 billion or 99.8 per cent of the total adjusted education budget. This is an increase of 13.2 per cent, or R18.3 billion, on the R138.3 billion spent in 2010/11.
7. Spending by provinces on education ranged from 97.4 per cent in the North West and 98.6 per cent in Mpumalanga, to the highest in KwaZulu-Natal at 101.8 per cent, followed by Limpopo at 100.4 per cent.

Table 3: Provincial Education Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	25 144 885	25 077 779	99.7%	46.9%	60.4%	22 578 404	11.1%
Free State	9 777 756	9 757 175	99.8%	41.0%	56.2%	8 461 169	15.3%
Gauteng	26 437 607	26 114 751	98.8%	38.6%	50.1%	22 256 305	17.3%
KwaZulu-Natal	33 227 001	33 818 294	101.8%	43.0%	55.8%	28 746 616	17.6%
Limpopo	21 068 160	21 161 705	100.4%	48.8%	62.8%	20 053 269	5.5%
Mpumalanga	13 200 830	13 020 567	98.6%	44.3%	61.4%	11 598 146	12.3%
Northern Cape	4 110 387	4 081 207	99.3%	37.9%	53.5%	3 505 639	16.4%
North West	10 424 056	10 149 179	97.4%	42.4%	58.3%	9 102 296	11.5%
Western Cape	13 377 152	13 344 788	99.8%	36.2%	47.6%	11 955 743	11.6%
Total	156 767 834	156 525 445	99.8%	42.5%	56.0%	138 257 587	13.2%

8. The preliminary outcome on goods and services (including learner and teacher support materials) in education was R13.8 billion, or 93.8 per cent of the budgeted amount of R14.8 billion.
9. The bulk of education expenditure (78.1 per cent) was on personnel, amounting to R122.2 billion, or 101.4 per cent, of the R120.5 billion budgeted for personnel. Spending by provinces on personnel in education ranged from 97.4 per cent in the North West and 97.8 per cent in the Northern Cape, to 106.3 per cent in KwaZulu-Natal and 101.8 per cent in the Eastern Cape.

Table 4: Provincial Personnel Expenditure: Education as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	19 991 328	20 345 316	101.8%	59.1%	81.1%	18 858 843	7.9%
Free State	7 520 211	7 568 046	100.6%	53.8%	77.6%	6 781 522	11.6%
Gauteng	19 329 196	19 365 130	100.2%	52.3%	74.2%	17 355 166	11.6%
KwaZulu-Natal	25 061 155	26 640 367	106.3%	57.8%	78.8%	22 742 939	17.1%
Limpopo	17 168 362	17 291 130	100.7%	58.9%	81.7%	15 865 912	9.0%
Mpumalanga	10 313 429	10 235 659	99.2%	60.2%	78.6%	9 251 784	10.6%
Northern Cape	3 021 194	2 954 320	97.8%	53.1%	72.4%	2 724 483	8.4%
North West	7 989 372	7 781 175	97.4%	55.5%	76.7%	7 083 417	9.9%
Western Cape	10 131 650	9 992 858	98.6%	50.4%	74.9%	9 193 265	8.7%
Total	120 525 897	122 174 001	101.4%	56.2%	78.1%	109 857 331	11.2%

10. The preliminary outcome for education capital spending was R7.1 billion, or 87.9 per cent, of the R8.1 billion adjusted budget. This is significantly higher than the spending in the previous financial year by 29.7 per cent. Education capital expenditure is lowest in the Eastern Cape at 63.9 per cent and Gauteng at 65.8 per cent and highest in the Northern Cape at 133.4 per cent and Mpumalanga at 100.1 per cent.

Table 5: Provincial Capital Expenditure: Education as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of Education Capital to total Capital expenditure	% share of Education Capital to total Education expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
R thousand							
Eastern Cape	1 384 175	884 642	63.9%	26.3%	3.5%	395 674	123.6%
Free State	421 261	411 762	97.7%	17.1%	4.2%	156 253	163.5%
Gauteng	384 015	252 591	65.8%	17.7%	1.0%	726 580	-65.2%
KwaZulu-Natal	2 479 550	2 138 544	86.2%	29.4%	6.3%	1 920 880	11.3%
Limpopo	1 282 769	1 231 643	96.0%	45.1%	5.8%	1 074 348	14.6%
Mpumalanga	713 765	714 590	100.1%	26.2%	5.5%	422 165	69.3%
Northern Cape	222 904	297 312	133.4%	20.6%	7.3%	112 797	163.6%
North West	553 234	545 683	98.6%	34.0%	5.4%	242 902	124.7%
Western Cape	657 925	641 234	97.5%	20.3%	4.8%	436 161	47.0%
Total	8 099 598	7 118 001	87.9%	27.2%	4.5%	5 487 760	29.7%

Health

11. Adjusted health budgets (R111.9 billion), comprised 30 per cent of total adjusted provincial budgets.

Table 6: Provincial Health Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	14 812 568	14 782 517	99.8%	27.6%	35.6%	13 272 827	11.4%
Free State	6 930 347	6 811 515	98.3%	28.6%	39.2%	6 019 179	13.2%
Gauteng	23 386 833	23 636 749	101.1%	34.9%	45.4%	20 466 736	15.5%
KwaZulu-Natal	24 669 096	24 799 277	100.5%	31.5%	41.0%	20 734 986	19.6%
Limpopo	11 671 685	11 374 887	97.5%	26.2%	33.8%	10 505 964	8.3%
Mpumalanga	7 547 909	7 221 225	95.7%	24.6%	34.1%	6 528 422	10.6%
Northern Cape	3 011 355	3 028 352	100.6%	28.1%	39.7%	2 541 010	19.2%
North West	6 413 542	6 382 690	99.5%	26.7%	36.6%	5 716 634	11.7%
Western Cape	13 428 910	13 361 045	99.5%	36.3%	47.7%	12 344 628	8.2%
Total	111 872 245	111 398 257	99.6%	30.3%	39.8%	98 130 386	13.5%

12. Table 6 indicates that, at R111.4 billion or 99.6 per cent of the total health adjusted budget, health expenditure increased by 13.5 per cent, or R13.3 billion, on the 2010/11 financial year.

13. The Mpumalanga and Limpopo provinces spent the lowest share of their adjusted health budgets at 95.7 per cent and 97.5 per cent respectively. The highest shares are recorded by Gauteng at 101.1 per cent and the Northern Cape at 100.6 per cent.

14. Table 7 indicates that the preliminary spending on health personnel was R67.8 billion, or 101.9 per cent, of the adjusted budget, an increase of R8.9 billion, or 15.2 per cent, on the R58.9 billion spent in 2010/11.

Table 7: Provincial Personnel Expenditure: Health as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	9 183 760	9 477 786	103.2%	27.5%	64.1%	8 390 749	13.0%
Free State	4 337 445	4 371 639	100.8%	31.1%	64.2%	3 772 860	15.9%
Gauteng	13 425 885	14 154 627	105.4%	38.3%	59.9%	12 212 780	15.9%
KwaZulu-Natal	15 074 380	15 126 275	100.3%	32.8%	61.0%	12 935 381	16.9%
Limpopo	7 359 270	7 737 160	105.1%	26.4%	68.0%	6 616 994	16.9%
Mpumalanga	4 299 156	4 083 103	95.0%	24.0%	56.5%	3 614 346	13.0%
Northern Cape	1 479 622	1 433 526	96.9%	25.8%	47.3%	1 278 327	12.1%
North West	3 710 738	3 788 276	102.1%	27.0%	59.4%	3 269 306	15.9%
Western Cape	7 698 894	7 665 474	99.6%	38.6%	57.4%	6 808 175	12.6%
Total	66 569 150	67 837 866	101.9%	31.2%	60.9%	58 898 918	15.2%

15. Non-personnel non-capital items, including medicines, drugs and other current expenditure, were R35.3 billion, or 99.7 per cent, of the R35.4 billion adjusted budget.

16. The preliminary outcome for health capital spending was R8.3 billion, or 83.6 per cent, an increase of R1.5 billion or 21.6 per cent on the R6.8 billion spent last year.

Table 8: Provincial Capital Expenditure: Health as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of Health Capital to total Capital expenditure	% share of Health Capital to total Health expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
R thousand							
Eastern Cape	1 265 236	1 072 686	84.8%	31.9%	7.3%	737 745	45.4%
Free State	705 622	571 440	81.0%	23.7%	8.4%	432 197	32.2%
Gauteng	1 631 890	960 456	58.9%	67.4%	4.1%	1 102 549	-12.9%
KwaZulu-Natal	2 291 664	2 098 852	91.6%	28.8%	8.5%	1 181 773	77.6%
Limpopo	1 220 109	955 129	78.3%	35.0%	8.4%	932 017	2.5%
Mpumalanga	793 937	689 846	86.9%	25.3%	9.6%	594 082	16.1%
Northern Cape	549 086	533 223	97.1%	36.9%	17.6%	338 117	57.7%
North West	625 394	590 678	94.4%	36.8%	9.3%	536 912	10.0%
Western Cape	853 025	829 378	97.2%	26.3%	6.2%	973 345	-14.8%
Total	9 935 963	8 301 688	83.6%	31.8%	7.5%	6 828 737	21.6%

17. Spending by provinces varied, with the lowest rate of health capital expenditure being in Gauteng at 58.9 per cent, Limpopo at 78.3 per cent, and the highest being the Western Cape and the Northern Cape at 97.2 per cent and 97.1 per cent respectively.

Social Development

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

19. Provinces registered a preliminary expenditure outcome of R11.6 billion, or 98.6 per cent, of the total R11.8 billion adjusted budget. This represents an increase of R1.7 billion, or 17.1 per cent, on the R9.9 billion spent last year.
20. There were varying degrees of spending among provinces, the lowest being Gauteng at 96.2 per cent and the North West, the Western Cape and the Free State all at 98.8 per cent while the highest are Limpopo at 99.9 per cent and both Mpumalanga and the Northern Cape at 99.6 per cent.

Table 9: Provincial Social Development Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	1 711 206	1 692 700	98.9%	3.2%	4.1%	1 563 854	8.2%
Free State	812 892	803 215	98.8%	3.4%	4.6%	712 546	12.7%
Gauteng	2 433 081	2 341 087	96.2%	3.5%	4.5%	1 913 445	22.3%
KwaZulu-Natal	1 952 956	1 939 400	99.3%	2.5%	3.2%	1 438 163	34.9%
Limpopo	1 163 339	1 162 392	99.9%	2.7%	3.4%	1 003 860	15.8%
Mpumalanga	961 091	957 554	99.6%	3.3%	4.5%	847 957	12.9%
Northern Cape	524 836	522 529	99.6%	4.8%	6.8%	478 233	9.3%
North West	897 196	886 390	98.8%	3.7%	5.1%	740 103	19.8%
Western Cape	1 332 141	1 316 226	98.8%	3.6%	4.7%	1 222 183	7.7%
Total	11 788 738	11 621 493	98.6%	3.2%	4.2%	9 920 344	17.1%

Human Settlements and Local Government

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

Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome 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 March 2011	Year-on-year growth
R thousand							
Eastern Cape	3 377 160	2 881 957	85.3%	5.4%	65.8%	2 497 938	15.4%
Free State	1 482 342	1 432 720	96.7%	6.0%	63.1%	1 532 794	-6.5%
Gauteng	4 588 379	4 459 257	97.2%	6.6%	84.9%	4 532 321	-1.6%
KwaZulu-Natal	4 240 986	4 151 037	97.9%	5.3%	66.7%	4 103 629	1.2%
Limpopo	2 330 353	2 005 756	86.1%	4.6%	61.5%	1 887 774	6.2%
Mpumalanga	1 570 118	1 552 499	98.9%	5.3%	59.0%	1 610 409	-3.6%
Northern Cape	588 276	589 840	100.3%	5.5%	54.7%	697 701	-15.5%
North West	1 642 562	1 618 477	98.5%	6.8%	71.0%	1 488 000	8.8%
Western Cape	1 966 503	1 964 574	99.9%	5.3%	83.4%	2 275 809	-13.7%
Total	21 786 679	20 656 117	94.8%	5.6%	70.8%	20 626 375	0.1%

22. Spending by human settlements and local government was R20.7 billion, or 94.8 per cent, of the R21.8 billion adjusted budget. This represents an increase of R29.7 million, or 0.1 per cent, on the R20.6 billion spent in 2010/11.
23. Spending levels by provinces varied, with the lowest being the Eastern Cape at 85.3 per cent and Limpopo at 86.1 per cent while the highest spenders were the Northern Cape at 100.3 per cent and the Western Cape at 99.9 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 spent R14.6 billion, or 95.3 per cent, of the R15.3 billion Human Settlements Development grant adjusted budget. These spending figures are R75.6 million or 0.5 per cent less than the outcome for last year.
26. It should be noted that the portion of the grant for funding internal infrastructure in the cities was removed during the 2011/12 and added instead to the Urban Settlements Development conditional grant for local government. This resulted in lower spending by provinces when compared with same period last year.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
R thousand							
Eastern Cape	2 311 504	1 897 076	82.1%	3.5%	13.0%	1 503 818	26.2%
Free State	913 907	903 431	98.9%	3.8%	6.2%	1 037 685	-12.9%
Gauteng	3 804 611	3 786 005	99.5%	5.6%	25.9%	3 737 002	1.3%
KwaZulu-Natal	2 769 871	2 769 871	100.0%	3.5%	19.0%	2 711 234	2.2%
Limpopo	1 510 494	1 233 214	81.6%	2.8%	8.4%	1 264 570	-2.5%
Mpumalanga	916 677	916 677	100.0%	3.1%	6.3%	1 011 033	-9.3%
Northern Cape	322 639	322 639	100.0%	3.0%	2.2%	448 021	-28.0%
North West	1 148 710	1 148 709	100.0%	4.8%	7.9%	1 038 639	10.6%
Western Cape	1 638 845	1 638 845	100.0%	4.4%	11.2%	1 940 037	-15.5%
Total	15 337 258	14 616 467	95.3%	4.0%	100.0%	14 692 039	-0.5%

Personnel expenditure

27. Personnel expenditure (compensation of employees) for the 2011/12 financial year was R217.4 billion, or 100.9 per cent, of the combined adjusted budget of R215.5 billion.

Table 12: Provincial Personnel Expenditure as at 31 March 2012

	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
R thousand							
Eastern Cape	33 920 637	34 446 734	101.6%	64.4%	15.8%	31 424 274	9.6%
Free State	14 110 816	14 077 868	99.8%	59.2%	6.5%	12 440 085	13.2%
Gauteng	36 424 670	36 997 727	101.6%	54.6%	17.0%	32 732 883	13.0%
KwaZulu-Natal	44 715 945	46 109 691	103.1%	58.6%	21.2%	39 507 138	16.7%
Limpopo	28 879 352	29 339 832	101.6%	67.7%	13.5%	26 380 524	11.2%
Mpumalanga	17 354 620	17 007 819	98.0%	57.9%	7.8%	15 355 960	10.8%
Northern Cape	5 718 710	5 560 600	97.2%	51.6%	2.6%	5 043 677	10.2%
North West	14 316 262	14 027 048	98.0%	58.6%	6.5%	12 600 988	11.3%
Western Cape	20 105 038	19 846 480	98.7%	53.9%	9.1%	17 978 749	10.4%
Total	215 546 050	217 413 799	100.9%	59.1%	100.0%	193 464 278	12.4%

28. The preliminary outcome is R23.9 billion or 12.4 per cent higher than the R193.5 billion spent in the 2010/11 financial year.

29. Spending ranged from 97.2 per cent in the Northern Cape and 98 per cent in both the North West and Mpumalanga, to 103.1 per cent in KwaZulu-Natal and 101.6 per cent in Limpopo, Gauteng and the Eastern Cape.

Overall Capital Budgets and Expenditure

30. Provinces spent R26.1 billion or 88.8 per cent of the capital (payments for capital assets) adjusted budget of R29.4 billion. This is a significant increase of 21.7 per cent compared to the 2010/11 financial year.

Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2012

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of adjusted budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2010/11: Outcome as at 31 March 2011	Year-on-year growth
Eastern Cape	4 137 848	3 362 928	81.3%	6.3%	12.9%	2 230 659	50.8%
Free State	2 642 182	2 413 421	91.3%	10.1%	9.2%	1 357 415	77.8%
Gauteng	2 386 111	1 424 839	59.7%	2.1%	5.5%	2 035 101	-30.0%
KwaZulu-Natal	7 761 854	7 275 831	93.7%	9.2%	27.8%	5 866 108	24.0%
Limpopo	3 151 744	2 730 749	86.6%	6.3%	10.4%	2 669 210	2.3%
Mpumalanga	2 870 158	2 727 164	95.0%	9.3%	10.4%	1 894 773	43.9%
Northern Cape	1 367 695	1 444 681	105.6%	13.4%	5.5%	955 566	51.2%
North West	1 967 348	1 605 788	81.6%	6.7%	6.1%	1 592 474	0.8%
Western Cape	3 156 153	3 154 148	99.9%	8.6%	12.1%	2 876 450	9.7%
Total	29 441 093	26 139 549	88.8%	7.1%	100.0%	21 477 756	21.7%

31. Table 13 provides capital spending information by province and shows low rates of spending in Gauteng at 59.7 per cent and the Eastern Cape at 81.3 per cent, and high rates in the Northern Cape at 105.6 per cent and the Western Cape at 99.9 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R7.3 billion followed by the Eastern Cape at R3.4 billion and the Western Cape at R3.2 billion.

32. Provincial education departments spent R7.1 billion, or 87.9 per cent, of their capital adjusted budgets of R8.1 billion. This is a significant increase of R1.6 billion, or 29.7 per cent, compared to spending in the previous financial year.

33. Provincial health departments spent R8.3 billion, or 83.6 per cent, of their capital adjusted budgets of R9.9 billion, which is R1.5 billion or 21.6 per cent more than the 2010/11 financial year.

34. At 30.6 per cent, the public works, roads and transport departments had the second highest share (after health) of the provincial capital adjusted budgets. The sector spent R8.7 billion or 96.5 per cent against its combined capital adjusted budgets of R9 billion.

Conditional Grants

35. The adjusted total for conditional grants was R73.4 billion (including Schedules 4, 8 and 9 grants), with health making up the bulk at R24.6 billion.

36. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 March 2012 (preliminary outcome). 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 March 2012

	Division of Revenue Act, 2011 (Act No. 6 of 2011)	Government Gazettes of 20 December 2011 and 08 March 2012	Provincial roll-overs/ other provincial adjustments	Total available: 2011/12	Transferred from National to province	Preliminary outcome as at 31 March 2012	Preliminary outcome as % of total available (excluding Schedules 4, 8 and 9 grants)
R thousand							
Agriculture, Forestry and Fisheries	1 487 093	164 636	12 934	1 664 663	1 651 729	459 192	74.7%
Agriculture Disaster Management Grant	–	149 560	–	149 560	149 560	6 225	4.2%
1. Comprehensive Agricultural Support Programme Grant	1 029 321	10 076	10 200	1 049 597	1 039 397		
Ilima/Letsema Projects Grant	400 000	5 000	392	405 392	405 000	396 000	97.7%
Land Care Programme Grant: Poverty Relief and Infrastructure Dev	57 772	–	2 342	60 114	57 772	56 967	94.8%
Arts and Culture	543 420	26 514	46 726	616 660	569 934	537 497	87.2%
Community Library Services Grant	543 420	26 514	46 726	616 660	569 934	537 497	87.2%
Basic Education	10 546 380	190 518	233 376	10 970 274	10 357 686	4 951 722	94.3%
Dinaledi Schools Grant	70 000	–	–	70 000	67 858	62 802	89.7%
1. Education Infrastructure Grant	5 498 300	180 000	40 116	5 718 416	5 311 091		
HIV and Aids (Life Skills Education) Grant	199 328	–	16 013	215 341	189 467	193 902	90.0%
National School Nutrition Programme Grant	4 578 752	–	171 784	4 750 536	4 578 752	4 543 249	95.6%
Technical Secondary Schools Recapitalisation Grant	200 000	10 518	5 463	215 981	210 518	151 769	70.3%
Cooperative Governance and Traditional Affairs	305 000	–	–	305 000	15 136		
3. Provincial Disaster Grant	305 000	–	–	305 000	15 136		
Health	23 947 676	87 106	572 557	24 607 339	24 034 782	12 032 510	94.5%
Comprehensive HIV and Aids Grant	7 492 962	–	74 877	7 567 839	7 492 962	7 251 567	95.8%
Forensic Pathology Services Grant	590 380	–	19 713	610 093	590 380	586 669	96.2%
1. Health Infrastructure Grant	1 701 856	2 606	76 500	1 780 962	1 704 462		
1. Health Professions Training and Development Grant	1 977 310	–	24 878	2 002 188	1 977 310		
Hospital Revitalisation Grant	4 136 290	84 500	333 265	4 554 055	4 220 790	4 194 274	92.1%
1. National Tertiary Services Grant	8 048 878	–	43 324	8 092 202	8 048 878		
Higher Education and Training	4 325 989	49 322	222 208	4 597 519	4 375 311		
1. Further Education and Training Colleges Grant	4 325 989	49 322	222 208	4 597 519	4 375 311		
Human Settlements	14 941 516	180 000	395 742	15 517 258	15 121 516	14 649 679	94.4%
Housing Disaster Relief Grant	–	180 000	–	180 000	180 000	33 212	18.5%
Human Settlements Development Grant	14 941 516	–	395 742	15 337 258	14 941 516	14 616 467	95.3%
National Treasury	–	1 089 683	23 726	1 113 409	1 089 683		
1. Infrastructure Grant to Provinces	–	1 089 683	23 726	1 113 409	1 089 683		
Public Works	2 270 857	–	138 974	2 409 831	2 221 887	2 035 556	95.3%
Devolution of Property Rate Funds Grant	1 803 230	–	126 331	1 929 561	1 803 230	1 867 798	96.8%
2. Expanded Public Works Programme Incentive Grant for Provinces	267 269	–	6 914	274 183	218 299		
Social Sector Expanded Public Works Programme Incentive Grant	200 358	–	5 729	206 087	200 358	167 758	81.4%
Sport and Recreation South Africa	451 968	–	14 043	466 011	451 969	449 390	96.4%
Mass Sport and Recreation Participation Programme Grant	451 968	–	14 043	466 011	451 969	449 390	96.4%
Transport	10 615 886	240 000	289 527	11 145 413	10 855 886	296 950	96.6%
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	6 457 354		
1. Public Transport Operations Grant	4 153 232	–	227 311	4 380 543	4 153 232		
Transport Disaster Management Grant	–	240 000	61 885	301 885	240 000	291 650	96.6%
Total	69 435 785	2 027 779	1 949 813	73 413 377	70 745 519		
Total excluding Schedules 4, 8 and 9 grants	35 671 276	696 092	1 274 636	37 642 004	36 355 366	35 412 496	94.1%

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 preliminary spending outcome for conditional grants amounted to R35.4 billion, or 94.1 per cent.

39. Specific grants that show low rates of spending for the 2011/12 financial year include:

- a. Technical Secondary Schools Recapitalisation (70.3 per cent)
- b. Social Sector EPWP Incentive (81.4 per cent)
- c. Community Library Services (87.2 per cent)
- d. Dinaledi Schools (89.7 per cent)
- e. HIV and Aids (Life Skills Education) (90 per cent)
- f. Hospital Revitalisation (92.1 per cent)

40. Table 15 indicates selected conditional grant spending rates as at 31 March 2012 (preliminary outcome).

Table 15: Selected Conditional Grants Spending Rates as at 31 March 2012

	Number of provinces spent less than 90%	Number of provinces spent between 90% and 95% (inclusive)	Number of provinces spent more than 95%
Agriculture, Forestry and Fisheries			
Ilima/Letsema Projects Grant	2 EC, LIM	0	7 FS, GT, KZN, MPU, NC, NW, WC
Land Care Programme Grant: Poverty Relief and Infrastructure	2 KZN, NW	1 EC	6 FS, GT, LIM, MPU, NC, WC
Arts and Culture			
Community Library Services Grant	3 EC, LIM, NW	1 MPU	5 FS, GT, KZN, NC, WC
Basic Education			
Dinaledi Schools Grant	3 LIM, MPU, NW	0	6 EC, FS, GT, KZN, NC, WC
HIV and Aids (Life Skills Education) Grant	4 FS, GT, LIM, WC	1 EC	4 KZN, MPU, NC, NW
National School Nutrition Programme Grant	1 GT	2 LIM, MPU	6 EC, FS, KZN, NC, NW, WC
Technical Secondary Schools Recapitalisation Grant	4 EC, GT, LIM, NW	1 KZN	4 FS, MPU, NC, WC
Health			
Comprehensive HIV and Aids Grant	4 FS, LIM, MPU, NC	2 NW, WC	3 EC, GT, KZN
Forensic Pathology Services Grant	2 GT, LIM	1 NC	6 EC, FS, KZN, MPU, NW, WC
Hospital Revitalisation Grant	4 EC, GT, LIM, MPU	1 FS	4 KZN, NC, NW, WC
Human Settlements			
Human Settlements Development Grant	2 EC, LIM	0	7 FS, GT, KZN, MPU, NC, NW, WC
Public Works			
Devolution of Property Rate Funds Grant	2 LIM, NC	1 EC	6 FS, GT, KZN, MPU, NW, WC
Sport and Recreation South Africa			
Mass Sport and Recreation Participation Programme Grant	1 LIM	2 EC, NW	6 FS, GT, KZN, MPU, NC, WC

Note: Percentages represent actual expenditure against total available.

41. The table further indicates that four provinces have spent less than 90 per cent on the HIV and Aids (Life Skills Education) grant, Technical Secondary Schools Recapitalisation grant, Comprehensive HIV and Aids grant and the Hospital Revitalisation grant.

Provincial Revenue

42. The total provincial revenue transferred from national government and collected by provinces for 2011/12 was R374.7 billion, or 100.3 per cent, of total adjusted revenue of R373.6 billion. This included adjusted equitable share allocations of R291.7 billion, conditional grants of R71.5 billion and own revenue of R10.4 billion.

43. National government transferred R291.7 billion or 100 per cent of the equitable share, and R70.7 billion or 99 per cent in conditional grants to provinces.

44. Provinces collected R12.2 billion or 117.1 per cent of the budgeted own revenue of R10.4 billion, which was R1.7 billion, or 15.7 per cent, more than the previous financial year.
45. The collection rate varied from 82.9 per cent in Mpumalanga and 108.9 per cent in the Free State, to a high of 139.1 per cent in KwaZulu-Natal and 117.2 per cent in the Western Cape.

Table 16: Provincial Own Revenue Collection as at 31 March 2012

	Adjusted budget	Actual collection as at 31 March 2012	Actual collection as % of adjusted budget	% share of Own Revenue to total provincial revenue	% share of Own Revenue to total Own Revenue	2010/11: Outcome as at 31 March 2011	Year-on-year growth
R thousand							
Eastern Cape	729 458	817 288	112.0%	1.5%	6.7%	747 565	9.3%
Free State	771 619	839 991	108.9%	3.5%	6.9%	806 645	4.1%
Gauteng	3 096 980	3 589 070	115.9%	5.2%	29.4%	2 838 931	26.4%
KwaZulu-Natal	1 942 965	2 702 901	139.1%	3.4%	22.1%	2 038 599	32.6%
Limpopo	512 006	558 771	109.1%	1.3%	4.6%	584 674	-4.4%
Mpumalanga	659 605	546 992	82.9%	1.8%	4.5%	524 471	4.3%
Northern Cape	197 050	218 999	111.1%	2.0%	1.8%	213 280	2.7%
North West	652 169	752 245	115.3%	3.0%	6.2%	724 970	3.8%
Western Cape	1 858 962	2 178 614	117.2%	5.8%	17.9%	2 067 680	5.4%
Total	10 420 814	12 204 871	117.1%	3.3%	100.0%	10 546 815	15.7%