



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA RELEASE

MAY 2015

**Provincial Budgets: 2014/15 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 2014/15 financial year (1 April 2014 to 31 March 2015). The statement is available on the treasury website (www.treasury.gov.za). These figures may be revised as provincial departments have until 31 May 2015 to finalise (and reconcile) their financial statements before they are submitted to the provincial Auditors-General.
2. The information in the statement comes from the Section 40(4) PFMA reports submitted by heads of provincial departments to provincial treasuries, who, in turn, submitted the information to the National Treasury. Queries on spending or budget numbers should therefore, in the first instance, be referred to the head of the relevant provincial department, and in the second instance to the head of the relevant provincial treasury. Queries on conditional grants may be referred to the head of the administering national department.
3. The budgeted figures in the publication take account of the 2014 Adjusted Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during November 2014. The adjustments include R669.4 million in conditional grants allocated in the *2014 Adjusted Estimates of National Expenditure and Division of Revenue Amendment Act, 2014*.
4. No additional funding has been allocated to the provincial equitable share. Provinces must ensure that all non-discretionary obligations are adequately provided for in their respective budgets.
5. A summary of the additional transfers to provinces appropriated by National are:
 - a. A rollover of R9.7 million for KwaZulu-Natal was agreed to under the HIV and Aids (Life Skills Education) Grant.
 - b. An amount of R397.7 million has been converted from the School Infrastructure Backlogs Grant (indirect grant) to the Education Infrastructure Grant (direct grant) for the Western Cape.
 - c. Rescheduling of R7 million for the National Health Insurance Grant to the Western Cape was gazetted on 31 December 2014 in terms of Section 21 the Division of Revenue Act, 2014, as amended.

- d. Under the National Health Grant (Health Facility Revitalisation Component, an indirect grant) R262 million was converted to the Health Facility Revitalisation Grant (a direct grant) for four provinces (R18 million for the Free State, R200 million for KwaZulu-Natal, R14 million for the North West and R30 million for the Northern Cape).
 - e. R50.5 million was approved for unforeseen and unavoidable expenditure for the repair and replacement of infrastructure damaged by floods.
6. A second gazette was published on 16 February 2015 in terms of Section 18(4)(a) of the Division of Revenue Act, 2014, as amended, which revised the allocations of the Human Settlements Development grant between provinces.
 7. These allocations and others were tabled in second adjusted budgets during February and March 2015. All provinces (except the North West) have tabled second adjusted budgets.
 8. In addition to the national adjustments, provinces increased their main budgets by R5.4 billion. The provincial adjustments 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 2013/14 financial year.
 9. In light of the above, in aggregate, provinces increased their main budgets (expenditure side) by R6.2 billion with the bulk to education (R2.5 billion), public works, roads and transport (R1.3 billion) and health (R964.7 million).
 10. In aggregate, provinces increased their compensation of employees' main budget by R15.4 million; goods and services main budget revised upwards by R1.4 billion; and transfers and subsidies main budget increased by R2.8 billion.
 11. Payments for capital assets' main budget have been revised upwards by R1.9 billion. However, under expenditure in respect of capital amounted to R2.5 billion in seven provinces for the 2013/14 financial year. Currently, the preliminary outcome on capital expenditure shows an under expenditure of R2.1 billion in seven provinces.

Overall Expenditure Trends – Preliminary Outcomes

12. In aggregate, provinces spent R454.3 billion, or 98.6 per cent, of their adjusted budgets of R460.7 billion in 2014/15. This represents a spending increase of 7 per cent or R29.6 billion compared to the 2013/14 financial year when provinces spent R424.7 billion.
13. The preliminary outcome for education expenditure is R186.8 billion or 99 per cent of the R188.7 billion combined education adjusted budgets, an increase of 5.9 per cent or R10.3 billion on the previous financial year. It remains the largest item on provincial budgets (41 per cent).
14. Health expenditure totalled R140.9 billion, or 99.5 per cent, of the R141.6 billion combined health adjusted budgets and is the second largest item on provincial budgets (30.7 per cent). This is 7.8 per cent or R10.2 billion more than the 2013/14 financial year.
15. Social development expenditure is R15.3 billion or 99.1 per cent of the R15.4 billion social development adjusted budgets.
16. Personnel expenditure (compensation of employees) is in aggregate R272.6 billion or 99.1 per cent of the budgeted R275.2 billion.
17. In aggregate, provinces spent R31 billion or 94.2 per cent of their R33 billion combined capital (payments for capital assets) adjusted budgets. This is an increase of R855.3 million or 2.8 per cent on the 2013/14 financial year.

18. Provincial education departments spent R8.7 billion or 89.8 per cent of the budgeted R9.4 billion for capital expenditure. This is R369.2 million or 4.1 per cent less than the previous financial year.
19. Provincial health departments spent R7.1 billion or 90.3 per cent of the budgeted R7.9 billion for capital expenditure, which is R442.7 million or 5.9 per cent less than the outcome for 2013/14.
20. The biggest share of provincial capital adjusted budgets was for public works, roads and transport departments (35.6 per cent), which spent R11.8 billion or 100.3 per cent of their combined capital adjusted budgets of R11.7 billion.
21. Provincial own revenue collected was R16.8 billion or 115.1 per cent of the budgeted own revenue of R14.6 billion. National government transferred R362.5 billion of the equitable share and R82.4 billion of conditional grants to provinces.
22. A more detailed analysis of the provincial preliminary outcome for the 2014/15 financial year is set out in Annexure A.

DETAILED ANALYSIS OF THE 2014/15 FINANCIAL YEAR (PRELIMINARY OUTCOME)

- The budgeted figures for provinces are based on the 2014/15 adjusted estimates of provincial revenue and expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2014. The budgeted figures also take account of revisions effected in a second adjusted estimate for eight provinces during February and March 2015.

Total Expenditure

- Table 1 indicates that in the 2014/15 financial year provinces spent R454.3 billion (preliminary outcome) or 98.6 per cent of the budgeted expenditure of R460.7 billion. Spending against adjusted budgets was slightly higher in percentage terms compared to the 2013/14 financial year, when it stood at 98.5 per cent. Spending in nominal terms was 7 per cent or R29.6 billion more than last year's R424.7 billion.
- Among provinces, spending was lowest in Limpopo (97.5 per cent of the adjusted budget) and the Eastern Cape (97.8 per cent) and highest in the Free State at 100.8 per cent and KwaZulu-Natal at 99.6 per cent.

Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2015

R thousand	Adjusted budget 2014/15					Preliminary outcome as at 31 March 2015					Preliminary outcome as % of adjusted budget	2013/14: Outcome as at 31 March 2014	Year-on-year growth
	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total			
Eastern Cape	51 312 057	7 878 901	3 631 363	20 000	62 842 321	50 524 320	7 803 246	3 119 414	21 176	61 468 156	97.8%	60 772 297	1.1%
Free State	22 610 966	3 897 281	2 036 662	905	28 545 814	22 765 536	4 092 469	1 915 420	2 757	28 776 182	100.8%	27 363 831	5.2%
Gauteng	66 136 974	16 333 026	4 739 113	277	87 209 390	65 124 853	16 260 682	4 141 231	138 321	85 665 087	98.2%	77 335 343	10.8%
KwaZulu-Natal	78 074 000	11 622 319	8 108 108	3 273	97 807 700	77 090 748	11 976 423	8 325 098	7 673	97 399 942	99.6%	92 008 836	5.9%
Limpopo	44 002 933	5 849 728	2 370 839	541	52 224 041	43 085 797	5 579 747	2 260 307	1 211	50 927 063	97.5%	46 597 112	9.3%
Mpumalanga	28 936 493	4 849 994	3 346 733	5 015	37 138 235	28 630 425	4 809 857	2 992 224	26 885	36 459 391	98.2%	33 701 224	8.2%
Northern Cape	10 601 844	1 508 673	1 419 536	328	13 530 381	10 448 462	1 507 071	1 432 621	2 167	13 390 321	99.0%	13 130 549	2.0%
North West	24 508 642	5 240 004	2 665 126	-	32 413 772	24 549 086	5 157 282	2 274 388	176	31 980 932	98.7%	30 129 205	6.1%
Western Cape	36 261 060	8 055 371	4 632 740	5 870	48 955 041	35 262 140	8 339 316	4 578 034	22 621	48 202 111	98.5%	43 667 041	10.4%
Total	362 444 968	65 235 297	32 950 220	36 209	460 666 694	357 481 367	65 526 093	31 038 738	222 987	454 269 184	98.6%	424 705 438	7.0%

Social Services

- Provinces had budgeted R345.8 billion for social services, including education, health and social development.

Table 2: Provincial Social Services Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Education	188 695 376	186 774 115	99.0%	41.1%	54.5%	176 427 224	5.9%
Health	141 638 653	140 889 322	99.5%	31.0%	41.1%	130 690 351	7.8%
Social Development	15 417 574	15 273 138	99.1%	3.4%	4.5%	13 836 250	10.4%
Total	345 751 603	342 936 574	99.2%	75.5%	100.0%	320 953 825	6.8%

- The preliminary spending outcome on social services was R342.9 billion, or 99.2 per cent of the total provincial social services adjusted budgets for 2014/15.

Education

- Education adjusted budgets of R188.3 billion comprised 41 per cent of total adjusted provincial budgets. Table 3 indicates that the preliminary outcome for education expenditure was R186.8 billion or 99 per cent of the total adjusted education budget. This is an increase of 5.9 per cent, or R10.3 billion, on the R176.4 billion spent in 2013/14.
- Spending by provinces on education ranged from 97.6 per cent in the Eastern Cape and 98.1 per cent in Mpumalanga, to the highest in the Free State at 103.9 per cent, followed by both the Western Cape and the Northern Cape at 99.8 per cent.

Table 3: Provincial Education Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	28 283 403	27 591 856	97.6%	44.9%	58.4%	27 450 752	0.5%
Free State	11 266 064	11 707 069	103.9%	40.7%	56.0%	10 916 594	7.2%
Gauteng	33 212 863	32 780 723	98.7%	38.3%	48.8%	30 362 038	8.0%
KwaZulu-Natal	39 949 931	39 673 330	99.3%	40.7%	54.0%	37 559 537	5.6%
Limpopo	25 338 434	24 934 333	98.4%	49.0%	60.8%	23 387 882	6.6%
Mpumalanga	16 263 365	15 954 375	98.1%	43.8%	61.2%	14 932 789	6.8%
Northern Cape	4 792 301	4 783 266	99.8%	35.7%	52.3%	4 559 172	4.9%
North West	12 562 685	12 350 981	98.3%	38.6%	56.3%	11 756 264	5.1%
Western Cape	17 026 330	16 998 182	99.8%	35.3%	47.2%	15 502 196	9.7%
Total	188 695 376	186 774 115	99.0%	41.1%	54.5%	176 427 224	5.9%

- The preliminary outcome on goods and services (including learner and teacher support materials) in education was R15.2 billion, or 97.1 per cent of the budgeted amount of R15.7 billion.
- The bulk of education expenditure (79.2 per cent) was on personnel, amounting to R147.9 billion, or 99.2 per cent, of the R149 billion budgeted for personnel. Spending by provinces on personnel in education ranged from 98.8 per cent in Mpumalanga and 99 per cent in both Limpopo and the Free State, to 100.6 per cent in the North West and 99.5 per cent in the Northern Cape.

Table 4: Provincial Personnel Expenditure: Education as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Education Personnel to total personnel expenditure	% share of Education Personnel to total Education expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	22 928 295	22 775 002	99.3%	56.6%	82.5%	22 057 737	3.3%
Free State	9 198 371	9 106 308	99.0%	53.0%	77.8%	8 718 822	4.4%
Gauteng	25 012 115	24 796 905	99.1%	51.5%	75.6%	22 893 118	8.3%
KwaZulu-Natal	32 713 730	32 485 938	99.3%	55.6%	81.9%	30 339 470	7.1%
Limpopo	20 553 006	20 338 471	99.0%	56.5%	81.6%	19 433 642	4.7%
Mpumalanga	12 687 862	12 536 798	98.8%	58.6%	78.6%	11 753 954	6.7%
Northern Cape	3 734 825	3 715 198	99.5%	51.3%	77.7%	3 498 864	6.2%
North West	9 666 116	9 724 422	100.6%	52.4%	78.7%	9 159 647	6.2%
Western Cape	12 538 677	12 428 094	99.1%	48.8%	73.1%	11 566 933	7.4%
Total	149 032 997	147 907 136	99.2%	54.3%	79.2%	139 422 187	6.1%

10. The preliminary outcome for education capital spending was R8.7 billion, or 89.8 per cent, of the R9.6 billion adjusted budget. This is lower than the spending in the previous financial year by 4.1 per cent. Education capital expenditure is lowest in Gauteng at 70 per cent and Mpumalanga at 74.8 per cent and highest in KwaZulu-Natal at 102.6 per cent and the Northern Cape at 101.9 per cent.

Table 5: Provincial Capital Expenditure: Education as at 31 March 2015

	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
R thousand							
Eastern Cape	1 135 388	952 978	83.9%	30.5%	3.5%	1 338 188	-28.8%
Free State	432 592	385 951	89.2%	20.1%	3.3%	361 134	6.9%
Gauteng	1 442 831	1 010 658	70.0%	24.4%	3.1%	1 365 530	-26.0%
KwaZulu-Natal	2 028 093	2 080 039	102.6%	25.0%	5.2%	2 352 862	-11.6%
Limpopo	1 311 237	1 306 755	99.7%	57.8%	5.2%	1 137 229	14.9%
Mpumalanga	1 043 536	780 312	74.8%	26.1%	4.9%	695 933	12.1%
Northern Cape	334 752	341 215	101.9%	23.8%	7.1%	339 567	0.5%
North West	719 152	604 871	84.1%	26.6%	4.9%	675 361	-10.4%
Western Cape	1 201 048	1 197 224	99.7%	26.2%	7.0%	763 359	56.8%
Total	9 648 629	8 660 003	89.8%	27.9%	4.6%	9 029 163	-4.1%

Health

11. Health adjusted budgets (R141.6 billion), comprised 30.7 per cent of total adjusted provincial budgets.

Table 6: Provincial Health Expenditure as at 31 March 2015

	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
R thousand							
Eastern Cape	17 679 043	17 500 194	99.0%	28.5%	37.1%	17 048 255	2.7%
Free State	8 327 177	8 236 964	98.9%	28.6%	39.4%	7 779 386	5.9%
Gauteng	31 491 179	31 005 212	98.5%	36.2%	46.1%	27 415 801	13.1%
KwaZulu-Natal	31 119 465	31 298 562	100.6%	32.1%	42.6%	29 531 410	6.0%
Limpopo	14 616 088	14 591 862	99.8%	28.7%	35.6%	13 137 862	11.1%
Mpumalanga	9 032 547	8 879 341	98.3%	24.4%	34.1%	8 065 397	10.1%
Northern Cape	3 757 988	3 715 637	98.9%	27.7%	40.6%	3 401 801	9.2%
North West	8 184 743	8 378 570	102.4%	26.2%	38.2%	8 393 477	-0.2%
Western Cape	17 430 423	17 282 980	99.2%	35.9%	48.0%	15 916 962	8.6%
Total	141 638 653	140 889 322	99.5%	31.0%	41.1%	130 690 351	7.8%

12. Table 6 indicates that, at R140.9 billion or 99.5 per cent of the total health adjusted budget, health expenditure increased by 7.8 per cent or R10.2 billion on the 2013/14 financial year.

13. Spending by provinces on health range from 98.3 per cent in Mpumalanga and 98.5 per cent in Gauteng, to the highest in the North West at 102.4 per cent, followed by KwaZulu-Natal at 100.6 per cent.

14. Table 7 indicates that the preliminary spending on health personnel was R88.8 billion, or 99.6 per cent, of the adjusted budget, an increase of R6.9 billion, or 8.4 per cent, on the R81.9 billion spent in 2013/14.

Table 7: Provincial Personnel Expenditure: Health as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Health Personnel to total personnel expenditure	% share of Health Personnel to total Health expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	11 647 569	11 577 762	99.4%	28.8%	66.2%	10 698 250	8.2%
Free State	5 318 390	5 262 160	98.9%	30.6%	63.9%	5 153 428	2.1%
Gauteng	18 743 254	18 654 913	99.5%	38.8%	60.2%	17 096 854	9.1%
KwaZulu-Natal	20 211 032	20 013 721	99.0%	34.2%	63.9%	18 676 774	7.2%
Limpopo	10 376 794	10 338 284	99.6%	28.7%	70.8%	9 377 980	10.2%
Mpumalanga	5 569 728	5 537 858	99.4%	25.9%	62.4%	4 989 241	11.0%
Northern Cape	1 956 167	1 937 166	99.0%	26.8%	52.1%	1 786 195	8.5%
North West	5 103 715	5 389 921	105.6%	29.0%	64.3%	4 860 617	10.9%
Western Cape	10 230 626	10 073 682	98.5%	39.6%	58.3%	9 237 938	9.0%
Total	89 157 275	88 785 467	99.6%	32.6%	63.0%	81 877 277	8.4%

15. Non-personnel non-capital items, including medicines, drugs and other current expenditure, were R45 billion, or 100.9 per cent, of the R44.6 billion adjusted budget.

16. The preliminary outcome for health capital spending was R7.1 billion, or 90.3 per cent, a decrease of R442.7 million or 5.9 per cent on the R7.5 billion spent last year.

Table 8: Provincial Capital Expenditure: Health as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Health Capital to total capital expenditure	% share of Health Capital to total Health expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	1 202 573	1 022 589	85.0%	32.8%	5.8%	1 073 406	-4.7%
Free State	690 724	665 027	96.3%	34.7%	8.1%	529 504	25.6%
Gauteng	1 295 978	1 031 334	79.6%	24.9%	3.3%	832 163	23.9%
KwaZulu-Natal	1 644 294	1 505 863	91.6%	18.1%	4.8%	1 863 432	-19.2%
Limpopo	512 877	627 923	122.4%	27.8%	4.3%	307 872	104.0%
Mpumalanga	543 559	435 775	80.2%	14.6%	4.9%	554 038	-21.3%
Northern Cape	576 648	483 098	83.8%	33.7%	13.0%	503 261	-4.0%
North West	624 068	580 488	93.0%	25.5%	6.9%	1 038 716	-44.1%
Western Cape	766 368	745 172	97.2%	16.3%	4.3%	837 567	-11.0%
Total	7 857 089	7 097 270	90.3%	22.9%	5.0%	7 539 959	-5.9%

17. Spending by provinces varied, with the lowest rate of health capital expenditure being in Gauteng at 79.6 per cent and Mpumalanga at 80.2 per cent, to the highest being in Limpopo and the Western Cape at 122.4 per cent and 97.2 per cent respectively.

Social Development

18. At R15.4 billion, the adjusted budget for social development comprised 3.3 per cent of total adjusted provincial budgets.

19. Provinces registered a preliminary expenditure outcome of R15.3 billion, or 99.1 per cent, of the total R15.4 billion adjusted budget. This represents an increase of R1.4 billion, or 10.4 per cent, on the R13.8 billion spent last year.
20. There were varying degrees of spending among provinces, the lowest rate of social development expenditure being the North West at 97.4 per cent and both Limpopo and the Western Cape at 98.7 per cent, while the highest are Mpumalanga at 100.1 per cent and KwaZulu-Natal at 99.8 per cent.

Table 9: Provincial Social Development Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	2 156 718	2 134 395	99.0%	3.5%	4.5%	1 965 142	8.6%
Free State	967 554	957 285	98.9%	3.3%	4.6%	962 711	-0.6%
Gauteng	3 434 362	3 408 805	99.3%	4.0%	5.1%	2 899 683	17.6%
KwaZulu-Natal	2 489 760	2 485 407	99.8%	2.6%	3.4%	2 330 011	6.7%
Limpopo	1 476 438	1 456 738	98.7%	2.9%	3.6%	1 315 050	10.8%
Mpumalanga	1 220 309	1 221 204	100.1%	3.3%	4.7%	1 132 962	7.8%
Northern Cape	660 623	653 930	99.0%	4.9%	7.1%	604 415	8.2%
North West	1 254 142	1 221 075	97.4%	3.8%	5.6%	1 046 133	16.7%
Western Cape	1 757 668	1 734 299	98.7%	3.6%	4.8%	1 580 143	9.8%
Total	15 417 574	15 273 138	99.1%	3.4%	4.5%	13 836 250	10.4%

Human Settlements and Local Government

21. At R25.3 billion, the adjusted budget for human settlements and local government comprised 5.5 per cent of total adjusted provincial budgets.

Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	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	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	3 608 441	3 591 484	99.5%	5.8%	66.6%	3 834 231	-6.3%
Free State	1 599 843	1 571 253	98.2%	5.5%	67.6%	1 788 867	-12.2%
Gauteng	5 455 353	5 288 552	96.9%	6.2%	83.3%	4 820 100	9.7%
KwaZulu-Natal	5 345 137	5 362 685	100.3%	5.5%	65.5%	4 851 703	10.5%
Limpopo	1 775 516	1 453 116	81.8%	2.9%	35.6%	1 186 638	22.5%
Mpumalanga	2 338 166	2 218 233	94.9%	6.1%	56.7%	1 618 354	37.1%
Northern Cape	651 974	651 837	100.0%	4.9%	57.5%	841 569	-22.5%
North West	2 192 680	2 237 221	102.0%	7.0%	67.8%	2 084 134	7.3%
Western Cape	2 350 460	2 348 761	99.9%	4.9%	82.4%	2 387 528	-1.6%
Total	25 317 570	24 723 142	97.7%	5.4%	68.6%	23 413 124	5.6%

22. Spending by human settlements and local government was R24.7 billion or 97.7 per cent of the R25.3 billion adjusted budget. This represents an increase of R1.3 billion or 5.6 per cent on the R23.4 billion spent in 2013/14.

Human Settlements Development Conditional Grant

23. Most of the human settlements and local government expenditure comes from the Human Settlements Development conditional grant.
24. Table 11 indicates that provinces spent R16.9 billion, or 97.6 per cent, of the R17.4 billion Human Settlements Development grant adjusted budget. These spending figures are R473.1 million or 2.9 per cent more than the outcome for last year.
25. Spending levels by provinces varied, with the lowest being Limpopo at 62.7 per cent and Mpumalanga at 94.7 per cent while the highest spenders were KwaZulu-Natal, the North West, the Eastern Cape, the Western Cape, and the Northern Cape all at 100 per cent.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	2 392 718	2 392 718	100.0%	3.9%	14.1%	2 523 803	-5.2%
Free State	1 076 642	1 061 756	98.6%	3.7%	6.3%	1 350 936	-21.4%
Gauteng	4 430 595	4 404 618	99.4%	5.1%	26.0%	4 093 168	7.6%
KwaZulu-Natal	3 509 045	3 510 523	100.0%	3.6%	20.7%	3 333 979	5.3%
Limpopo	825 043	517 031	62.7%	1.0%	3.0%	303 449	70.4%
Mpumalanga	1 327 960	1 257 580	94.7%	3.4%	7.4%	1 014 826	23.9%
Northern Cape	374 832	374 831	100.0%	2.8%	2.2%	577 450	-35.1%
North West	1 517 136	1 517 485	100.0%	4.7%	8.9%	1 341 523	13.1%
Western Cape	1 934 936	1 934 936	100.0%	4.0%	11.4%	1 959 237	-1.2%
Total	17 388 907	16 971 478	97.6%	3.7%	100.0%	16 498 371	2.9%

Personnel expenditure

26. Personnel expenditure (compensation of employees) for the 2014/15 financial year was R272.6 billion, or 99.1 per cent, of the combined adjusted budget of R275.2 billion.

Table 12: Provincial Personnel Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	40 542 170	40 255 188	99.3%	65.5%	14.8%	38 225 704	5.3%
Free State	17 358 572	17 176 389	99.0%	59.7%	6.3%	16 456 406	4.4%
Gauteng	48 826 720	48 108 162	98.5%	56.2%	17.6%	44 286 784	8.6%
KwaZulu-Natal	58 923 460	58 446 158	99.2%	60.0%	21.4%	54 546 095	7.2%
Limpopo	36 364 611	35 978 620	98.9%	70.6%	13.2%	33 759 525	6.6%
Mpumalanga	21 641 108	21 386 763	98.8%	58.7%	7.8%	19 858 242	7.7%
Northern Cape	7 337 381	7 238 699	98.7%	54.1%	2.7%	6 699 885	8.0%
North West	18 268 119	18 563 628	101.6%	58.0%	6.8%	17 085 418	8.7%
Western Cape	25 904 937	25 467 982	98.3%	52.8%	9.3%	23 498 667	8.4%
Total	275 167 077	272 621 588	99.1%	60.0%	100.0%	254 416 726	7.2%

27. The preliminary outcome is R18.2 billion more or 7.2 per cent higher than the R254.4 billion spent in the 2013/14 financial year.

28. Spending ranged from 98.3 per cent in the Western Cape and 98.5 per cent in Gauteng, to 101.6 per cent in the North West and 99.3 per cent in the Eastern Cape.

Overall Capital Budgets and Expenditure

29. Provinces spent R31 billion or 94.2 per cent of the capital (payments for capital assets) adjusted budget of R33 billion. This is an increase of 2.8 per cent compared to the 2013/14 financial year.

Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2015

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2015	Preliminary outcome as % of adjusted budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2013/14: Outcome as at 31 March 2014	Year-on-year growth
Eastern Cape	3 631 363	3 119 414	85.9%	5.1%	10.1%	3 521 344	-11.4%
Free State	2 036 662	1 915 420	94.0%	6.7%	6.2%	2 430 376	-21.2%
Gauteng	4 739 113	4 141 231	87.4%	4.8%	13.3%	3 425 593	20.9%
KwaZulu-Natal	8 108 108	8 325 098	102.7%	8.5%	26.8%	8 180 294	1.8%
Limpopo	2 370 839	2 260 307	95.3%	4.4%	7.3%	1 727 150	30.9%
Mpumalanga	3 346 733	2 992 224	89.4%	8.2%	9.6%	2 767 764	8.1%
Northern Cape	1 419 536	1 432 621	100.9%	10.7%	4.6%	1 619 948	-11.6%
North West	2 665 126	2 274 388	85.3%	7.1%	7.3%	2 986 747	-23.9%
Western Cape	4 632 740	4 578 034	98.8%	9.5%	14.7%	3 524 230	29.9%
Total	32 950 220	31 038 738	94.2%	6.8%	100.0%	30 183 446	2.8%

30. Table 13 provides capital spending information by province and shows low rates of spending in the North West at 85.3 per cent and the Eastern Cape at 85.9 per cent, and high rates in KwaZulu-Natal at 102.7 per cent and the Northern Cape at 100.9 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R8.3 billion followed by the Western Cape at R4.6 billion and Gauteng at R4.1 billion.

31. Provincial education departments spent R8.7 billion, or 89.8 per cent, of their capital adjusted budgets of R9.6 billion. This is a decrease of R369.2 million or 4.1 per cent compared to spending in the previous financial year.

32. Provincial health departments spent R7.1 billion, or 90.3 per cent, of their capital adjusted budgets of R7.9 billion, which is R442.7 million or 5.9 per cent less than the 2013/14 financial year.

33. At 35.6 per cent, the public works, roads and transport departments had the highest share of the provincial capital adjusted budgets. The sector spent R11.8 billion or 100.3 per cent against its combined capital adjusted budgets of R11.7 billion.

Conditional Grants

34. The adjusted total for conditional grants was R84.2 billion (including Schedules 4A and 7A grants), with health making up the bulk at R30.8 billion.

35. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 March 2015 (preliminary outcome). It includes conditional grant roll-overs from the 2013/14 financial year and other provincial adjustments, and excludes spending on Schedules 4A and 7A grants.

Table 14: Provincial Conditional Grants Expenditure as at 31 March 2015

	Division of Revenue Act, 2014 (Act No. 10 of 2014)	Other gazetted amounts	Provincial roll-overs/other provincial adjustments	Total available 2014/15	Transferred from National to provinces	Preliminary outcome as at 31 March 2015 (excluding Schedules 4A, 7A grants)	Preliminary outcome as % of total available (excluding Schedules 4A, 7A grants)
R thousand							
Agriculture, Forestry and Fisheries	2 389 070	–	49 381	2 438 451	2 362 161	550 582	99.0%
1. Comprehensive Agricultural Support Programme Grant	1 860 608	–	21 860	1 882 468	1 833 699		
Ilima/Letsema Projects Grant	460 625	–	27 521	488 146	460 625	484 084	99.2%
Land Care Programme Grant: Poverty Relief and Infrastructure Dev	67 837	–	–	67 837	67 837	66 498	98.0%
Arts and Culture	1 016 210	–	34 455	1 050 665	1 016 210	905 644	86.2%
Community Library Services Grant	1 016 210	–	34 455	1 050 665	1 016 210	905 644	86.2%
Basic Education	13 169 549	407 403	340 892	13 917 844	13 549 796	6 004 163	98.2%
Dinaledi Schools Grant	111 182	–	5 252	116 434	102 677	96 054	82.5%
1. Education Infrastructure Grant	6 928 908	397 676	264 087	7 590 671	7 326 584		
HIV and Aids (Life Skills Education) Grant	221 062	9 727	21 328	252 117	212 138	224 677	89.1%
National School Nutrition Programme Grant	5 461 915	–	33 399	5 495 314	5 461 915	5 463 991	99.4%
1. Occupational Specific Dispensation for Education Sector Therapists Grant	213 000	–	–	213 000	213 000		
Technical Secondary Schools Recapitalisation Grant	233 482	–	16 826	250 308	233 482	219 441	87.7%
Cooperative Governance and Traditional Affairs	197 372	59 960	50 000	307 332	59 960		
2. Provincial Disaster Grant	197 372	59 960	50 000	307 332	59 960		
Health	30 111 326	268 956	405 546	30 785 828	30 380 282	17 736 668	97.1%
Comprehensive HIV and Aids Grant	12 311 322	–	38 603	12 349 925	12 311 322	12 091 270	97.9%
Health Facility Revitalisation Grant	5 239 981	262 000	331 086	5 833 067	5 501 981	5 584 004	95.7%
1. Health Professions Training and Development Grant	2 321 788	–	1 386	2 323 174	2 321 788		
National Health Insurance Grant	70 000	6 956	11 648	88 604	76 956	61 394	69.3%
1. National Tertiary Services Grant	10 168 235	–	22 823	10 191 058	10 168 235		
Higher Education and Training	2 631 346	–	5 533	2 636 879	2 631 346		
1. Further Education and Training Colleges Grant	2 631 346	–	5 533	2 636 879	2 631 346		
Human Settlements	17 084 369	–	304 538	17 388 907	17 084 369	16 971 478	97.6%
Human Settlements Development Grant	17 084 369	–	304 538	17 388 907	17 084 369	16 971 478	97.6%
Public Works	606 919	–	2 559	609 478	605 676	562 947	92.4%
Expanded Public Works Programme Integrated Grant for Provinces	348 947	–	2 559	351 506	347 704	303 410	86.3%
Social Sector Expanded Public Works Programme Incentive Grant	257 972	–	–	257 972	257 972	259 537	100.6%
Social Development	29 000	–	–	29 000	24 633	25 980	89.6%
Substance Abuse Treatment Grant	29 000	–	–	29 000	24 633	25 980	89.6%
Sport and Recreation South Africa	525 632	–	1 091	526 723	525 632	515 167	97.8%
Mass Participation and Sport Development Grant	525 632	–	1 091	526 723	525 632	515 167	97.8%
Transport	14 194 207	–	280 262	14 474 469	14 194 207		
1. Provincial Roads Adjustedtenance Grant	9 361 498	–	280 262	9 641 760	9 361 498		
1. Public Transport Operations Grant	4 832 709	–	–	4 832 709	4 832 709		
Total	81 955 000	736 319	1 474 257	84 165 576	82 434 272		
Total excluding Schedules 4A and 7A grants	43 439 536	278 683	828 306	44 546 525	43 685 453	43 272 629	97.1%

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

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

36. Schedule 4A grants specify allocations to provinces to supplement the funding of programmes or functions funded from provincial budgets. The Provincial Disaster grant

(Schedule 7A grant) specifies funds that are currently not allocated to specific provinces that may be released to provinces to fund disaster response.

37. Against the total adjusted allocation of R44.5 billion (which excludes Schedules 4A and 7A grants), the preliminary spending outcome for conditional grants amounted to R43.3 billion, or 97.1 per cent.

38. Specific grants that show low rates of spending for the 2014/15 financial year include:

- a. National Health Insurance (69.3 per cent)
- b. Dinaledi Schools (82.5 per cent)
- c. Community Library Services (86.2 per cent)
- d. Technical Secondary Schools Recapitalisation (87.7%)
- e. HIV and Aids (Life Skills Education) (89.1%)
- f. Substance Abuse Treatment (89.6%)

39. Table 15 indicates selected conditional grant spending rates as at 31 March 2015 (preliminary outcome).

Table 15: Selected Conditional Grants Spending Rates as at 31 March 2015

	Number of provinces spent less than 85%	Number of provinces spent between 85% and 95% (inclusive)	Number of provinces spent more than 95%
Agriculture, Forestry and Fisheries			
Ilima/Letsema Projects Grant		1 NW	8 EC, FS, GT, KZN, LIM, MPU, NC, WC
Land Care Programme Grant: Poverty Relief and Infrastructure Development		2 EC, NW	7 FS, GT, KZN, LIM, MPU, NC, WC
Arts and Culture			
Community Library Services Grant	4 EC, LIM, NC, NW	3 GT, KZN, MPU	2 FS, WC
Basic Education			
Dinaledi Schools Grant	4 LIM, MPU, NC, NW	1 FS	4 EC, GT, KZN, WC
HIV and Aids (Life Skills Education) Grant	2 LIM, NW	1 FS	6 EC, GT, KZN, MPU, NC, WC
National School Nutrition Programme Grant			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
Technical Secondary Schools Recapitalisation Grant	3 EC, LIM, MPU	1 NW	5 FS, GT, KZN, NC, WC
Health			
Comprehensive HIV and Aids Grant		2 EC, LIM	7 FS, GT, KZN, MPU, NC, NW, WC
Health Facility Revitalisation Grant	1 MPU	2 NC, WC	6 EC, FS, GT, KZN, LIM, NW
National Health Insurance Grant	6 EC, GT, MPU, NC, NW, WC	3 FS, KZN, LIM	
Human Settlements			
Human Settlements Development Grant	1 LIM	1 MPU	7 EC, FS, GT, KZN, NC, NW, WC
Public Works			
Expanded Public Works Programme Integrated Grant for Provinces	4 KZN, LIM, NC, NW	4 FS, GT, MPU, WC	1 EC
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		3 EC, FS, MPU	6 GT, KZN, LIM, NC, NW, WC
Sport and Recreation South Africa			
Mass Participation and Sport Development Grant		1 NW	8 EC, FS, GT, KZN, LIM, MPU, NC, WC

Note: Percentages represent actual expenditure against total available.

40. The table further indicates that four or more provinces have spent less than 85 per cent on the Community Library Services grant, Dinaledi Schools grant, National Health Insurance grant and the Expanded Public Works Programme Integrated grant for Provinces.

Provincial Revenue

41. The total provincial revenue transferred from national government and collected by provinces for 2014/15 was R461.7 billion, or 100.5 per cent, of total adjusted revenue of R459.6 billion. This included adjusted equitable share allocations of R362.5 billion, allocated conditional grants of R82.4 billion (excluding provincial roll-overs) and own revenue of R16.8 billion.
42. National government transferred R362.5 billion or 100 per cent of the equitable share, and R82.4 billion or 99.9 per cent in conditional grants to provinces.
43. Provinces collected R16.8 billion or 115.1 per cent of the budgeted own revenue of R14.6 billion, which was R2.4 billion or 16.5 per cent more than the previous financial year.
44. The collection rate varied from 91.9 per cent in the Free State and 92 per cent in the North West, to a high of 150.3 per cent in the Eastern Cape and 130.4 per cent in the Western Cape.

Table 16: Provincial Own Revenue Collection as at 31 March 2015

	Adjusted budget	Actual collection as at 31 March 2015	Actual collection as % of adjusted budget	% share of Own Revenue collected to total provincial revenue	% share of Own Revenue collected to total Own Revenue collected	2013/14: Outcome as at 31 March 2014	Year-on-year growth
R thousand							
Eastern Cape	965 675	1 451 441	150.3%	2.3%	8.6%	1 281 188	13.3%
Free State	967 064	888 992	91.9%	3.2%	5.3%	899 420	-1.2%
Gauteng	4 265 929	4 964 753	116.4%	5.5%	29.5%	4 349 100	14.2%
KwaZulu-Natal	2 783 644	3 148 066	113.1%	3.2%	18.7%	2 569 007	22.5%
Limpopo	1 389 144	1 413 763	101.8%	2.7%	8.4%	844 955	67.3%
Mpumalanga	762 819	862 494	113.1%	2.4%	5.1%	777 442	10.9%
Northern Cape	285 309	296 985	104.1%	2.2%	1.8%	282 563	5.1%
North West	970 020	892 144	92.0%	2.9%	5.3%	978 456	-8.8%
Western Cape	2 229 908	2 907 833	130.4%	5.9%	17.3%	2 466 836	17.9%
Total	14 619 512	16 826 470	115.1%	3.6%	100.0%	14 448 967	16.5%