



national treasury

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National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA RELEASE

Provincial Budgets: 2013/14 Financial Year Third Quarter Year to Date Provincial Budgets and Expenditure Report

SUMMARY

1. Published by the National Treasury in terms of Section 32 of the Public Finance Management Act (PFMA), this statement of provincial receipts and payments covers the first nine months (April to December 2013) of the 2013/14 financial year. The statement is also available on the Treasury website at www.treasury.gov.za.
2. The information in the statement comes from the Section 40(4) PFMA reports submitted by heads of provincial departments to provincial treasuries, who, in turn, submitted the information to the National Treasury. Queries on spending or budget numbers should therefore, in the first instance, be referred to the head of the relevant provincial department, and in the second instance to the head of the relevant provincial treasury. Queries on conditional grants may be referred to the head of the national department that administers the grant.
3. The budgeted figures in the publication take account of the 2013 Adjusted Estimates of Provincial Revenue and Expenditure, which were presented to the provincial legislatures during November 2013. The adjustments include R1.4 billion in equitable share and R297.4 million in conditional grants allocated in the *2013 Adjusted Estimates of National Expenditure and Division of Revenue Amendment Act, 2013*.
4. The additional transfers to provinces were for:
 - a. Wage costs which were higher than original budgets because of increased inflation.
 - b. Assisting provinces with the cost of upgrading clerical positions.
 - c. The Devolution of Property Rate Funds grant that were allocated but not transferred to provinces in 2012/13.
 - d. Reimbursing provinces for funeral costs incurred for those killed in the Marikana tragedy.
 - e. The repair and replacement of infrastructure damaged by floods for unforeseen and unavoidable expenditure.
 - f. The Health Facility Revitalisation grant and Expanded Public Works Programme Integrated grant.

5. In addition to the national adjustments, provinces increased their main budgets by R9.9 billion. This amount consists 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 2012/13 financial year.
6. In light of the above, in aggregate, provinces increased their main budgets (expenditure side) by R11.5 billion with the bulk going to education (R3.8 billion), health (R3.2 billion) and public works, roads and transport (R2.2 billion).

Overall Expenditure and Revenue Trends for the nine months to the end of December 2013

7. In aggregate, provinces spent R314.2 billion, or 73.1 per cent, of their combined adjusted budgets of R430 billion, an increase of 7.3 per cent or R21.3 billion on the R292.9 billion spent last year.
8. Education expenditure, which at 41.2 per cent is the largest item on provincial budgets, was R134.5 billion or 75.9 per cent of the R177.2 billion combined education adjusted budgets, an increase of 7.1 per cent or R8.9 billion on the previous financial year.
9. Health expenditure, which at 30.8 per cent is the second largest item on provincial budgets, totalled R97.8 billion, or 73.9 per cent of the R132.4 billion combined health adjusted budgets. The expenditure represents an increase of 6.7 per cent or R6.1 billion on the same period for the 2012/13 financial year.
10. Social development expenditure was R9.9 billion or 70.7 per cent of the R14.1 billion combined social development adjusted budgets.
11. Personnel expenditure (compensation of employees) was R191 billion or 74.9 per cent of the R255 billion adjusted budget. National government made available R563.8 million through the *2013 Adjusted Estimates of National Expenditure* in October 2013 to provide for wage costs which were higher than original budgets because of increased inflation.
12. In aggregate, provinces spent R21 billion or 64.9 per cent of their R32.3 billion combined capital (payments for capital assets) adjusted budgets, an increase of 7.1 per cent on the expenditure for same period of the 2012/13 financial year.
13. Provincial education departments spent R6.6 billion or 69.3 per cent of the R9.6 billion adjusted budgets for capital expenditure, which is R1.2 billion or 21.5 per cent more than the expenditure for the previous financial year.
14. Provincial health departments spent R5.2 billion or 58 per cent of the R8.9 billion adjusted budgets for capital expenditure, which is R920.5 million or 15.1 per cent less than the same period for 2012/13.
15. The biggest share (34 per cent) of provincial capital budgets is for the public works, roads and transport departments, which spent R7.5 billion or 68.5 per cent of the combined capital adjusted budget of R11 billion.
16. Provinces collected own revenue of R10.3 billion, or 80.1 per cent of the budgeted own revenue of R12.9 billion. By 31 December 2013, national government had transferred R253.2 billion of the equitable share and R58.4 billion of conditional grants to provinces.
17. A more detailed analysis on the outcome of provincial finances as at 31 December 2013 is set out in Annexure A.

DETAILED ANALYSIS FOR THE NINE MONTHS TO THE END OF DECEMBER 2013:

1. The budgeted figures for provinces are based on the 2013 Adjusted Estimates of Provincial Revenue and Expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2013.

Total Expenditure

2. Table 1 indicates that provinces spent R314.2 billion or 73.1 per cent of the combined adjusted budget of R430 billion. Spending against adjusted budgets is at a higher level in percentage terms when compared to the same period of the 2012/13 financial year. Spending in nominal terms is 7.3 per cent or R21.3 billion higher than last year, when provinces spent R292.9 billion.
3. Spending was lowest in Limpopo (68.9 per cent of the adjusted budget) and the Eastern Cape (71.8 per cent), highest in KwaZulu-Natal and the Free State, at 75.8 per cent and 75.4 per cent respectively.

Table 1: Provincial Aggregated Budgets and Expenditure as at 31 December 2013

R thousand	Adjusted budget 2013/14					Actual payments as at 31 December 2013					Actual payments as % of adjusted budget	2012/13: Outcome as at 31 December 2012	Year-on-year growth
	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total			
Eastern Cape	49 628 369	8 050 734	3 696 795	–	61 375 898	36 171 299	5 874 430	2 048 759	729	44 095 217	71.8%	40 500 443	8.9%
Free State	20 398 762	4 022 680	2 536 791	–	26 958 233	15 814 429	2 918 391	1 604 880	1 982	20 339 682	75.4%	19 885 256	2.3%
Gauteng	60 202 832	14 813 314	4 498 607	–	79 514 753	44 280 110	10 676 577	2 450 789	12 020	57 419 496	72.2%	55 830 512	2.8%
Kw aZulu-Natal	72 390 298	10 607 961	8 268 614	2 511	91 269 384	54 645 138	8 125 456	6 414 709	3 097	69 188 400	75.8%	63 664 458	8.7%
Limpopo	42 243 713	5 371 420	2 081 018	1 200	49 697 351	30 006 409	3 081 737	1 129 071	–	34 217 217	68.9%	33 859 939	1.1%
Mpumalanga	27 068 054	4 149 803	2 959 828	7 830	34 185 515	20 305 152	2 996 509	2 071 666	7 885	25 381 212	74.2%	23 419 088	8.4%
Northern Cape	9 802 305	1 661 147	1 433 661	–	12 897 113	7 466 999	1 009 791	1 093 994	–	9 570 784	74.2%	8 329 486	14.9%
North West	22 475 297	4 573 629	3 050 874	–	30 099 800	16 781 104	3 374 795	1 977 707	–	22 133 606	73.5%	18 585 909	19.1%
Western Cape	32 909 401	7 294 711	3 820 630	19 927	44 044 669	24 086 678	5 535 186	2 188 701	6 885	31 817 450	72.2%	28 788 242	10.5%
Total	337 119 031	60 545 399	32 346 818	31 468	430 042 715	249 557 318	43 592 872	20 980 276	32 598	314 163 064	73.1%	292 863 333	7.3%

Social Services

4. The provincial adjusted budget for social services, including education, health and social development totals R323.7 billion.

Table 2: Provincial Social Services Expenditure as at 31 December 2013

R thousand	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
Education	177 213 948	134 493 628	75.9%	42.8%	55.5%	125 572 178	7.1%
Health	132 398 485	97 827 251	73.9%	31.1%	40.4%	91 718 578	6.7%
Social Development	14 057 256	9 931 785	70.7%	3.2%	4.1%	8 747 045	13.5%
Total	323 669 689	242 252 664	74.8%	77.1%	100.0%	226 037 801	7.2%

5. Expenditure at the end of the third quarter of 2013/14 was R242.3 billion, or 74.8 per cent of the total provincial social services adjusted budgets for 2013/14.

Education

6. At R177.2 billion, education adjusted budgets comprise 41.2 per cent of total provincial adjusted budgets. Table 3 shows that education expenditure by the end of the third quarter of 2013/14 totalled R134.5 billion or 75.9 per cent of the total education adjusted budget. This is an increase of 7.1 per cent, or R8.9 billion, on the R125.6 billion spent over the same period in 2012/13.
7. Spending by provinces on education ranges from 73.1 per cent in Limpopo and 73.3 per cent in the Western Cape, to 78.3 per cent in the Free State and 77.7 per cent in the Northern Cape.

Table 3: Provincial Education Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	27 538 880	20 861 818	75.8%	47.3%	60.8%	19 183 734	8.7%
Free State	10 613 011	8 312 795	78.3%	40.9%	55.7%	8 266 391	0.6%
Gauteng	30 695 257	23 319 338	76.0%	40.6%	50.3%	21 993 476	6.0%
Kw aZulu-Natal	37 596 762	29 074 575	77.3%	42.0%	54.8%	27 465 784	5.9%
Limpopo	23 948 402	17 502 506	73.1%	51.2%	62.2%	16 091 975	8.8%
Mpumalanga	15 102 897	11 492 134	76.1%	45.3%	62.0%	10 602 288	8.4%
Northern Cape	4 527 959	3 517 017	77.7%	36.7%	53.8%	3 296 747	6.7%
North West	11 521 995	8 929 236	77.5%	40.3%	55.4%	8 131 218	9.8%
Western Cape	15 668 785	11 484 209	73.3%	36.1%	47.2%	10 540 565	9.0%
Total	177 213 948	134 493 628	75.9%	42.8%	55.5%	125 572 178	7.1%

8. Expenditure on goods and services (including learner and teacher support materials) was at R11.2 billion, or 68.6 per cent of the adjusted budget amount of R16.3 billion.
9. The bulk of education expenditure (R105.1 billion, or 78.2 per cent of total education expenditure) was on personnel. The first nine months expenditure accounted for 76 per cent of the R138.3 billion adjusted budget for personnel. Spending by provinces on personnel expenditure in education ranged from 74.2 per cent in Mpumalanga to 82.9 per cent in the Free State.

Table 4: Provincial Personnel Expenditure: Education as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of Education Personnel to total personnel expenditure	% share of Education Personnel to total Education expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	22 124 862	16 694 019	75.5%	58.4%	80.0%	15 920 752	4.9%
Free State	7 945 687	6 590 264	82.9%	53.1%	79.3%	6 104 552	8.0%
Gauteng	22 747 164	17 216 773	75.7%	51.8%	73.8%	15 760 061	9.2%
Kw aZulu-Natal	29 865 345	22 930 513	76.8%	55.8%	78.9%	21 014 867	9.1%
Limpopo	19 582 239	14 558 457	74.3%	57.6%	83.2%	13 702 175	6.2%
Mpumalanga	11 889 952	8 821 471	74.2%	59.2%	76.8%	8 258 747	6.8%
Northern Cape	3 504 979	2 654 013	75.7%	52.5%	75.5%	2 399 884	10.6%
North West	8 968 417	6 957 194	77.6%	54.3%	77.9%	6 387 222	8.9%
Western Cape	11 640 672	8 691 039	74.7%	49.3%	75.7%	8 036 969	8.1%
Total	138 269 317	105 113 743	76.0%	55.0%	78.2%	97 585 229	7.7%

10. Capital expenditure by provincial education departments was R6.6 billion, or 69.3 per cent, of the R9.6 billion adjusted budget, which is 21.5 per cent higher than the spending over the same period of the previous financial year. Education capital expenditure was lowest in the Free State (54.2 per cent) and highest in Mpumalanga (84.9 per cent).

Table 5: Provincial Capital Expenditure: Education as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	%share of Education Capital to total capital expenditure	%share of Education Capital to total Education expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	1 489 805	879 138	59.0%	42.9%	4.2%	448 022	96.2%
Free State	416 422	225 630	54.2%	14.1%	2.7%	404 369	-44.2%
Gauteng	1 508 333	1 034 382	68.6%	42.2%	4.4%	967 245	6.9%
Kw aZulu-Natal	2 477 315	1 976 093	79.8%	30.8%	6.8%	2 122 832	-6.9%
Limpopo	1 070 897	748 659	69.9%	66.3%	4.3%	371 521	101.5%
Mpumalanga	705 356	598 682	84.9%	28.9%	5.2%	318 688	87.9%
Northern Cape	352 846	245 075	69.5%	22.4%	7.0%	196 408	24.8%
North West	602 514	414 113	68.7%	20.9%	4.6%	278 883	48.5%
Western Cape	961 129	523 958	54.5%	23.9%	4.6%	363 164	44.3%
Total	9 584 617	6 645 730	69.3%	31.7%	4.9%	5 471 132	21.5%

Health

11. Health adjusted budgets, totalling R132.4 billion, comprise 30.8 per cent of total provincial adjusted budgets.

Table 6: Provincial Health Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	%share of Health to total provincial expenditure	%share of Health to total Social Services expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	17 183 547	12 062 450	70.2%	27.4%	35.2%	11 360 961	6.2%
Free State	7 992 328	5 885 346	73.6%	28.9%	39.4%	6 052 129	-2.8%
Gauteng	28 770 785	20 888 259	72.6%	36.4%	45.1%	20 657 988	1.1%
Kw aZulu-Natal	29 141 344	22 400 707	76.9%	32.4%	42.2%	20 422 621	9.7%
Limpopo	13 480 970	9 698 681	71.9%	28.3%	34.5%	9 681 297	0.2%
Mpumalanga	8 121 974	6 204 989	76.4%	24.4%	33.5%	5 528 730	12.2%
Northern Cape	3 476 988	2 599 278	74.8%	27.2%	39.8%	2 389 280	8.8%
North West	8 203 022	6 419 118	78.3%	29.0%	39.8%	5 033 943	27.5%
Western Cape	16 027 528	11 668 423	72.8%	36.7%	48.0%	10 591 629	10.2%
Total	132 398 485	97 827 251	73.9%	31.1%	40.4%	91 718 578	6.7%

12. Table 6 indicates that, at R97.8 billion or 73.9 per cent of the total health adjusted budget, health expenditure increased by 6.7 per cent, or R6.1 billion, compared to the same period in 2012/13.

13. The Eastern Cape and Limpopo provinces spent the lowest share of their health adjusted budgets at 70.2 per cent and 71.9 per cent respectively. The highest shares are recorded by the North West at 78.3 per cent and KwaZulu-Natal at 76.9 per cent.

14. Table 7 (overleaf) shows that health personnel expenditure was R61.2 billion, or 74.2 per cent, of the health personnel adjusted budget, an increase of R5.7 billion, or 10.3 per cent, on the R55.5 billion spent over the same period in 2012/13.

Table 7: Provincial Personnel Expenditure: Health as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	%share of Health Personnel to total personnel expenditure	%share of Health Personnel to total Health expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	11 057 612	7 855 265	71.0%	27.5%	65.1%	7 366 213	6.6%
Free State	5 209 999	3 896 002	74.8%	31.4%	66.2%	3 725 228	4.6%
Gauteng	16 998 724	12 834 918	75.5%	38.6%	61.4%	11 395 635	12.6%
Kw aZulu-Natal	18 652 036	14 000 947	75.1%	34.1%	62.5%	12 585 640	11.2%
Limpopo	9 728 640	7 016 357	72.1%	27.8%	72.3%	6 521 870	7.6%
Mpumalanga	5 001 470	3 742 504	74.8%	25.1%	60.3%	3 353 865	11.6%
Northern Cape	1 805 172	1 327 843	73.6%	26.3%	51.1%	1 183 804	12.2%
North West	4 701 433	3 619 445	77.0%	28.2%	56.4%	3 047 200	18.8%
Western Cape	9 350 149	6 926 713	74.1%	39.3%	59.4%	6 306 587	9.8%
Total	82 505 235	61 219 994	74.2%	32.1%	62.6%	55 486 042	10.3%

15. Spending on non-capital items, including medicines, drugs and other current expenditure (but excluding expenditure on personnel), was R31.4 billion, or 76.7 per cent, of the R41 billion adjusted budget.

16. Capital expenditure in the health sector was R5.2 billion, or 58 per cent, a decrease of R920.5 million or 15.1 per cent on the R6.1 billion spent over the same period last year.

Table 8: Provincial Capital Expenditure: Health as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	%share of Health Capital to total capital expenditure	%share of Health Capital to total Health expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	992 010	494 271	49.8%	24.1%	4.1%	464 726	6.4%
Free State	735 717	280 248	38.1%	17.5%	4.8%	616 366	-54.5%
Gauteng	1 601 082	651 562	40.7%	26.6%	3.1%	604 480	7.8%
Kw aZulu-Natal	1 838 385	1 337 839	72.8%	20.9%	6.0%	1 659 939	-19.4%
Limpopo	498 653	203 779	40.9%	18.0%	2.1%	886 324	-77.0%
Mpumalanga	685 693	416 667	60.8%	20.1%	6.7%	469 389	-11.2%
Northern Cape	582 141	384 113	66.0%	35.1%	14.8%	452 403	-15.1%
North West	1 054 108	905 095	85.9%	45.8%	14.1%	419 780	115.6%
Western Cape	921 929	491 221	53.3%	22.4%	4.2%	511 914	-4.0%
Total	8 909 718	5 164 795	58.0%	24.6%	5.3%	6 085 321	-15.1%

17. Spending levels by provinces varied, with the Free State (38.1 per cent) and Gauteng (40.7 per cent) being the lowest and the North West (85.9 per cent) and KwaZulu-Natal (72.8 per cent) being the highest.

Social Development

18. At R14.1 billion, the social development adjusted budget comprises 3.3 per cent of total provincial adjusted budgets.

19. Provinces registered expenditure of R9.9 billion, or 70.7 per cent, of the total adjusted budget of R14.1 billion, which represents an increase of R1.2 billion, or 13.5 per cent, on the R8.7 billion spent over the same period last year.

20. Expenditure levels varied, with KwaZulu-Natal (67.2 per cent) and the Eastern Cape (68 per cent) being the lowest, and the Free State (74.9 per cent) and Gauteng (73.3 per cent) being the highest.

Table 9: Provincial Social Development Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	2 043 842	1 389 978	68.0%	3.2%	4.1%	1 267 025	9.7%
Free State	965 096	722 940	74.9%	3.6%	4.8%	661 580	9.3%
Gauteng	2 916 748	2 138 751	73.3%	3.7%	4.6%	1 864 717	14.7%
Kw aZulu-Natal	2 315 947	1 556 398	67.2%	2.2%	2.9%	1 341 811	16.0%
Limpopo	1 380 779	946 235	68.5%	2.8%	3.4%	922 682	2.6%
Mpumalanga	1 179 633	837 457	71.0%	3.3%	4.5%	693 062	20.8%
Northern Cape	607 507	420 780	69.3%	4.4%	6.4%	387 230	8.7%
North West	1 060 461	761 487	71.8%	3.4%	4.7%	634 913	19.9%
Western Cape	1 587 244	1 157 759	72.9%	3.6%	4.8%	974 025	18.9%
Total	14 057 256	9 931 785	70.7%	3.2%	4.1%	8 747 045	13.5%

Human Settlements and Local Government

21. The human settlements and local government adjusted budgets, at R24.4 billion, comprise 5.7 per cent of total provincial adjusted budgets.

Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of HS and LG to total provincial expenditure	% share of HSD Grant to total HS and LG expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	3 885 573	2 651 685	68.2%	6.0%	62.1%	2 136 296	24.1%
Free State	1 573 566	1 029 712	65.4%	5.1%	70.8%	993 635	3.6%
Gauteng	4 932 344	2 749 098	55.7%	4.8%	80.1%	3 056 976	-10.1%
Kw aZulu-Natal	4 837 712	3 388 189	70.0%	4.9%	66.9%	3 064 310	10.6%
Limpopo	2 232 993	869 392	38.9%	2.5%	23.3%	1 559 474	-44.3%
Mpumalanga	1 793 403	975 037	54.4%	3.8%	57.2%	1 099 236	-11.3%
Northern Cape	655 501	436 249	66.6%	4.6%	55.1%	381 420	14.4%
North West	2 131 164	1 517 706	71.2%	6.9%	69.4%	1 158 000	31.1%
Western Cape	2 359 445	1 835 658	77.8%	5.8%	83.3%	1 408 333	30.3%
Total	24 401 701	15 452 726	63.3%	4.9%	67.5%	14 857 680	4.0%

22. Expenditure by human settlements and local government was R15.5 billion, or 63.3 per cent of the R24.4 billion adjusted budget, which is an increase of R595 million, or 4 per cent on the R14.9 billion spent last year.

23. Spending levels by provinces varied, with Limpopo (38.9 per cent) and Mpumalanga (54.4 per cent) being the lowest, and the Western Cape (77.8 per cent) and the North West (71.2 per cent) being the highest spenders.

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 (overleaf) shows that provinces spent R10.4 billion, or 61.2 per cent of the R17 billion Human Settlements Development grant adjusted budget, which is a decrease of R42.8 million or 0.4 per cent on the expenditure for the same period last year.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	2 523 803	1 645 613	65.2%	3.7%	15.8%	1 365 158	20.5%
Free State	1 120 936	729 529	65.1%	3.6%	7.0%	721 094	1.2%
Gauteng	4 108 399	2 202 177	53.6%	3.8%	21.1%	2 576 155	-14.5%
Kw aZulu-Natal	3 275 584	2 267 520	69.2%	3.3%	21.7%	1 966 900	15.3%
Limpopo	1 326 110	202 350	15.3%	0.6%	1.9%	843 920	-76.0%
Mpumalanga	1 126 096	557 284	49.5%	2.2%	5.3%	711 994	-21.7%
Northern Cape	395 724	240 295	60.7%	2.5%	2.3%	203 600	18.0%
North West	1 224 537	1 053 822	86.1%	4.8%	10.1%	826 129	27.6%
Western Cape	1 927 137	1 528 774	79.3%	4.8%	14.7%	1 255 191	21.8%
Total	17 028 326	10 427 364	61.2%	3.3%	100.0%	10 470 141	-0.4%

Personnel Expenditure

26. Personnel expenditure (compensation of employees) for the first nine months of the 2013/14 financial year was R191 billion, or 74.9 per cent, of the combined R255 billion adjusted budget, which is R15.5 billion or 8.8 per cent higher than the R175.5 billion spent during the same period last year.

Table 12: Provincial Personnel Expenditure as at 31 December 2013

	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	38 817 772	28 606 845	73.7%	64.9%	15.0%	27 022 521	5.9%
Free State	15 817 444	12 418 124	78.5%	61.1%	6.5%	11 608 541	7.0%
Gauteng	44 235 602	33 226 041	75.1%	57.9%	17.4%	29 910 765	11.1%
Kw aZulu-Natal	54 264 214	41 066 762	75.7%	59.4%	21.5%	37 288 717	10.1%
Limpopo	34 381 106	25 274 520	73.5%	73.9%	13.2%	23 751 554	6.4%
Mpumalanga	20 065 674	14 891 420	74.2%	58.7%	7.8%	13 740 502	8.4%
Northern Cape	6 795 413	5 051 013	74.3%	52.8%	2.6%	4 547 236	11.1%
North West	16 844 041	12 820 741	76.1%	57.9%	6.7%	11 448 993	12.0%
Western Cape	23 753 867	17 644 527	74.3%	55.5%	9.2%	16 192 182	9.0%
Total	254 975 132	190 999 993	74.9%	60.8%	100.0%	175 511 011	8.8%

27. Spending ranged from 73.5 per cent (Limpopo), 73.7 per cent (Eastern Cape), to 78.5 per cent (Free State) and 76.1 per cent (North West).

Overall Capital Budgets and Expenditure

28. By the end of December 2013, provinces had spent R21 billion or 64.9 per cent of the R32.3 billion capital adjusted budget (payments for capital assets), an increase of 7.1 per cent on the expenditure for the same period in 2012/13.

Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 December 2013

R thousand	Adjusted budget	Actual payments as at 31 December 2013	Actual payments as % of adjusted budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2012/13: Outcome as at 31 December 2012	Year-on-year growth
Eastern Cape	3 696 795	2 048 759	55.4%	4.6%	9.8%	1 469 968	39.4%
Free State	2 536 791	1 604 880	63.3%	7.9%	7.6%	1 874 774	-14.4%
Gauteng	4 498 607	2 450 789	54.5%	4.3%	11.7%	2 471 431	-0.8%
Kw aZulu-Natal	8 268 614	6 414 709	77.6%	9.3%	30.6%	6 469 115	-0.8%
Limpopo	2 081 018	1 129 071	54.3%	3.3%	5.4%	1 541 518	-26.8%
Mpumalanga	2 959 828	2 071 666	70.0%	8.2%	9.9%	1 649 098	25.6%
Northern Cape	1 433 661	1 093 994	76.3%	11.4%	5.2%	1 057 457	3.5%
North West	3 050 874	1 977 707	64.8%	8.9%	9.4%	974 544	102.9%
Western Cape	3 820 630	2 188 701	57.3%	6.9%	10.4%	2 074 570	5.5%
Total	32 346 818	20 980 276	64.9%	6.7%	100.0%	19 582 475	7.1%

29. Table 13 provides capital spending information by province and shows low rates of spending in Limpopo (54.3 per cent) and Gauteng (54.5 per cent), high rates in KwaZulu-Natal (77.6 per cent) and the Northern Cape (76.3 per cent). However, KwaZulu-Natal (R6.4 billion) spent the most in absolute terms, followed by Gauteng (R2.5 billion) and the Western Cape (R2.2 billion).

30. Provincial education departments spent R6.6 billion, or 69.3 per cent, of their R9.6 billion capital adjusted budgets, which is an increase of R1.2 billion, or 21.5 per cent on the expenditure for the same period last year.

31. Provincial health departments spent R5.2 billion, or 58 per cent, of their R8.9 billion health capital adjusted budgets, which is R920.5 million or 15.1 per cent less than the same period for 2012/13.

32. The public works, roads and transport departments, which have the biggest share (34 per cent) of provincial capital adjusted budgets, spent R7.5 billion or 68.5 per cent of their combined capital adjusted budgets of R11 billion.

Conditional Grants

33. The total adjusted conditional grant allocation is R78.5 billion (including Schedules 4A and 7A grants), of which health (R28.2 billion) makes up the bulk.

34. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 December 2013. It includes conditional grant roll-overs from the 2012/13 financial year and other provincial adjustments but excludes spending on Schedules 4A and 7A grants.

35. 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.

36. The additional adjustments of R297.4 million to conditional grants were gazetted on 2 December 2013 as part of the Division of Revenue Amendment Act, 2013.

37. Rescheduling of R2.5 million for the National Health Insurance grant to the Western Cape was gazetted on 30 December 2013 in terms of Section 20 of the Division of Revenue Act, 2013, as amended.

Table 14: Provincial Conditional Grants Expenditure as at 31 December 2013

	Division of Revenue Act, 2013 (Act No. 2 of 2013)	Other gazetted amounts	Provincial roll- overs/other provincial adjustments	Total available 2013/14	Transferred from National to provinces	Actual payments as at 31 December 2013 (excluding Schedule 4A, 7A grants)	Actual payments as % of total available (excluding Schedule 4A, 7A grants)
R thousand							
Agriculture, Forestry and Fisheries	2 147 473	4 295	323 428	2 475 196	1 505 142	327 270	58.1%
1. Comprehensive Agricultural Support Programme Grant	1 600 020	4 295	307 347	1 911 662	1 076 723		
Ilima/Letsema Projects Grant	438 456	–	16 081	454 537	350 764	253 816	55.8%
Land Care Programme Grant: Poverty Relief and Infrastructure	108 997	–	–	108 997	77 655	73 454	67.4%
Arts and Culture	597 786	–	42 649	640 435	469 510	386 629	60.4%
Community Library Services Grant	597 786	–	42 649	640 435	469 510	386 629	60.4%
Basic Education	12 343 272	27 350	468 428	12 839 050	9 918 053	4 472 208	75.4%
Dinaledi Schools Grant	105 168	4 067	14 010	123 245	78 876	60 809	49.3%
1. Education Infrastructure Grant	6 630 664	12 603	263 358	6 906 625	5 226 156		
HIV and Aids (Life Skills Education) Grant	213 507	–	19 131	232 638	170 807	120 504	51.8%
National School Nutrition Programme Grant	5 173 081	–	143 827	5 316 908	4 309 703	4 207 080	79.1%
Technical Secondary Schools Recapitalisation Grant	220 852	10 680	28 102	259 634	132 511	83 815	32.3%
Cooperative Governance and Traditional Affairs	188 100	–	–	188 100	43 630		
2. Provincial Disaster Grant	188 100	–	–	188 100	43 630		
Health	27 516 651	169 727	508 762	28 195 140	20 811 063	10 507 769	64.4%
Comprehensive HIV and Aids Grant	10 533 886	–	95 486	10 629 372	7 931 013	7 363 181	69.3%
Health Facility Revitalisation Grant	5 123 542	167 274	300 434	5 591 250	3 965 138	3 098 465	55.4%
Health Infrastructure Component	1 295 634	167 274	27 944	1 490 852	1 023 715	974 081	65.3%
Hospital Revitalisation Component	3 751 933	–	261 369	4 013 302	2 878 590	2 082 195	51.9%
Nursing Colleges and Schools Component	75 975	–	11 121	87 096	62 833	42 189	48.4%
1. Health Professions Training and Development Grant	2 190 366	–	3 896	2 194 262	1 660 869		
National Health Insurance Grant	48 500	2 453	36 731	87 684	38 800	46 123	52.6%
1. National Tertiary Services Grant	9 620 357	–	72 215	9 692 572	7 215 243		
Higher Education and Training	2 442 679	11 509	–	2 454 188	2 035 616		
1. Further Education and Training Colleges Grant	2 442 679	11 509	–	2 454 188	2 035 616		
Human Settlements	16 983 872	44 454	–	17 028 326	12 089 001	10 427 364	61.2%
Human Settlements Development Grant	16 983 872	44 454	–	17 028 326	12 089 001	10 427 364	61.2%
Public Works	613 478	1 000	13 547	628 025	567 559	417 875	66.5%
Expanded Public Works Programme Integrated Grant for Provincial	355 914	1 000	9 689	366 603	327 968	275 007	75.0%
Social Sector Expanded Public Works Programme Incentive Grant	257 564	–	3 858	261 422	239 591	142 868	54.7%
Sport and Recreation South Africa	497 591	–	18 166	515 757	417 061	377 522	73.2%
Mass Participation and Sport Development Grant	497 591	–	18 166	515 757	417 061	377 522	73.2%
Transport	13 248 731	41 565	197 782	13 488 078	10 552 872		
1. Provincial Roads Maintenance Grant	8 696 210	41 565	197 782	8 935 557	7 025 990		
1. Public Transport Operations Grant	4 552 521	–	–	4 552 521	3 526 882		
Total	76 579 633	299 900	1 572 762	78 452 295	58 409 507		
Total excluding Schedules 4A and 7A grants	40 658 716	229 928	728 164	41 616 808	30 598 398	26 916 637	64.7%

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

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

38. Of the R41.6 billion allocated to provinces as conditional grants (excluding Schedules 4A and 7A grants), R26.9 billion, or 64.7 per cent, had been spent by the end of December 2013.

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

- a. Technical Secondary Schools Recapitalisation (32.3 per cent)
- b. Dinaledi Schools (49.3 per cent)
- c. HIV and Aids (Life Skills Education) (51.8 per cent)
- d. National Health Insurance (52.6 per cent)
- e. Social Sector Expanded Public Works Programme Incentive (54.7 per cent)
- f. Health Facility Revitalisation (55.4 per cent)
- g. Illima/Letsema Projects (55.8 per cent)

40. Table 15 indicates selected conditional grant spending rates as at 31 December 2013.

Table 15: Selected Conditional Grants Spending Rates as at 31 December 2013

	Number of provinces spent less than 60%	Number of provinces spent between 60% and 75% (inclusive)	Number of provinces spent more than 75%
Agriculture, Forestry and Fisheries			
Illima/Letsema Projects Grant	5 FS, GT, KZN, MPU, NC	2 LIM, WC	2 EC, NW
Land Care Programme Grant: Poverty Relief and Infrastructure Development	2 MPU, NW	4 EC, KZN, LIM, NC	3 FS, GT, WC
Arts and Culture			
Community Library Services Grant	4 FS, LIM, NC, NW	5 EC, GT, KZN, MPU, WC	
Basic Education			
Dinaledi Schools Grant	5 EC, GT, LIM, NW, WC	3 KZN, MPU, NC	1 FS
HIV and Aids (Life Skills Education) Grant	5 GT, KZN, LIM, NW, WC	3 FS, MPU, NC	1 EC
National School Nutrition Programme Grant		3 EC, LIM, WC	6 FS, GT, KZN, MPU, NC, NW
Technical Secondary Schools Recapitalisation Grant	9 All provinces		
Health			
Comprehensive HIV and Aids Grant	3 GT, LIM, NC	3 EC, FS, WC	3 KZN, MPU, NW
Health Facility Revitalisation Grant	4 FS, GT, LIM, WC	4 EC, KZN, MPU, NC	1 NW
National Health Insurance Grant	6 EC, GT, KZN, MPU, NC, WC	1 LIM	2 FS, NW
Human Settlements			
Human Settlements Development Grant	3 GT, LIM, MPU	4 EC, FS, KZN, NC	2 NW, WC
Public Works			
Expanded Public Works Programme Integrated Grant for Provinces	4 GT, NC, NW, WC	1 FS	4 EC, KZN, LIM, MPU
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	5 EC, FS, KZN, LIM, NC	2 GT, NW	2 MPU, WC
Sport and Recreation South Africa			
Mass Participation and Sport Development Grant	2 NC, NW	4 EC, GT, LIM, WC	3 FS, KZN, MPU

Note: Percentages represent actual expenditure against total available.

Provincial Revenue

41. The adjusted budgeted provincial revenue of R430.3 billion includes equitable share allocations of R338.9 billion, conditional grants of R78.5 billion and own revenue of R12.9 billion. Of the budgeted revenue, provinces had received and collected R321.9 billion, or 74.8 per cent by the end of December 2013.
42. By the end of December, national government had transferred to provinces R253.2 billion or 74.7 per cent of the equitable share, and R58.4 billion or 74.5 per cent in conditional grants.
43. Of budgeted own revenue of R12.9 billion, provinces had collected R10.3 billion or 80.1 per cent by the end of December, which is R973 million, or 10.4 per cent more than what was collected during the same period last year.
44. The collection rate varied from a low of 70.5 per cent (Free State), 73 per cent (Mpumalanga), to a high of 95.7 per cent (Eastern Cape) and 87.1 per cent (Western Cape).

Table 16: Provincial Own Revenue Collection as at 31 December 2013

	Adjusted budget	Actual collection as at 31 December 2013	Actual collection as % of adjusted budget	% share of Own Revenue collected to total provincial	% share of Own Revenue collected to total Own Revenue	2012/13: Outcome as at 31 December 2012	Year-on-year growth
R thousand							
Eastern Cape	821 702	786 083	95.7%	1.7%	7.6%	648 252	21.3%
Free State	856 330	603 653	70.5%	3.0%	5.8%	577 376	4.6%
Gauteng	4 081 807	3 255 813	79.8%	5.3%	31.5%	2 896 428	12.4%
Kw aZulu-Natal	2 505 115	1 933 596	77.2%	2.8%	18.7%	1 821 555	6.2%
Limpopo	781 399	572 452	73.3%	1.6%	5.5%	466 248	22.8%
Mpumalanga	727 399	530 883	73.0%	2.1%	5.1%	461 964	14.9%
Northern Cape	250 669	207 840	82.9%	2.2%	2.0%	189 508	9.7%
North West	822 106	656 588	79.9%	3.0%	6.4%	597 844	9.8%
Western Cape	2 050 912	1 785 983	87.1%	5.3%	17.3%	1 700 763	5.0%
Total	12 897 439	10 332 891	80.1%	3.2%	100.0%	9 359 938	10.4%