



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

## **MEDIA RELEASE**

**MAY 2016**

**Provincial Budgets: 2015/16 Financial Year  
Fourth Quarter Year to Date Provincial Budgets and Expenditure Report  
(Preliminary Outcome)**

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### **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 2015/16 financial year (1 April 2015 to 31 March 2016). The statement is available on the treasury website ([www.treasury.gov.za](http://www.treasury.gov.za)). These figures may be revised as provincial departments have until 31 May 2016 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 take account of revisions effected in the *2015 Adjusted Estimates of Provincial Revenue and Expenditure* by provinces, which were presented to their provincial legislatures during November 2015. The adjustments include R3.6 billion allocated to provinces (R3.8 billion to the provincial equitable share (Improvement in Conditions of Service (ICS)) and additions/conversions/reductions of a negative R217.3 million, in aggregate, to conditional grants) through the *Adjustments Appropriation Bill, 2015* and *Division of Revenue Amendment Bill, 2015*.
4. The approved additional adjustments to provinces were gazetted on 26 February 2016 as part of the *Division of Revenue Amendment Act, 2015* and these additional transfers were taken up in the *2015 Adjusted Estimates of Provincial Revenue and Expenditure* by provinces in terms of Section 31(2) of the PFMA.
5. Two additional gazettes were published on 26 February 2016 and 7 March 2016 in terms of Section 20 of the *Division of Revenue Act, 2015*, as amended. These gazettes revised the allocations of the Education Infrastructure grant as well as a combined gazette for the Human Settlements Development grant and the Substance Abuse Treatment grant between provinces.
6. These allocations and others were tabled in second adjusted budgets during March 2016. All provinces except Mpumalanga have tabled a second adjusted budget.

7. In addition to the national adjustments, provinces increased their main budgets by R7.1 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 2014/15 financial year. In light of the above, in aggregate, provinces increased their main budgets (expenditure side) by R10.7 billion with the bulk to health (R4.3 billion); education (R2.9 billion); and public works, roads and transport (R1.1 billion).
8. In aggregate, provinces increased their compensation of employees' main budget by R854.8 million; goods and services main budget revised upwards by R4.3 billion; and transfers and subsidies main budget increased by R4.2 billion.
9. Payments for capital assets' main budget have been revised upwards by R1.4 billion. However, under expenditure in respect of capital amounted to R2.1 billion in five provinces for the 2014/15 financial year. Currently, the preliminary outcome on capital expenditure shows an under expenditure of R1.7 billion in six provinces.

#### *Overall Expenditure Trends – Preliminary Outcomes*

10. In aggregate, provinces spent R485.8 billion, or 98.3 per cent, of their adjusted budgets of R494.3 billion in 2015/16. This represents a spending increase of 6.9 per cent or R31.3 billion compared to the 2014/15 financial year when provinces spent R454.5 billion.
11. The preliminary outcome for education expenditure is R196.9 billion or 98.2 per cent of the R200.5 billion combined education adjusted budgets, an increase of 5.2 per cent or R9.8 billion on the previous financial year. It remains the largest item on provincial budgets (40.6 per cent).
12. Health expenditure totalled R153.8 billion, or 99.1 per cent, of the R155.2 billion combined health adjusted budgets and is the second largest item on provincial budgets (31.4 per cent). This is 9.1 per cent or R12.9 billion more than the 2014/15 financial year.
13. Social development expenditure is R16.6 billion or 98.4 per cent of the R16.8 billion social development adjusted budgets.
14. Personnel expenditure (compensation of employees) is in aggregate R289.1 billion or 98.8 per cent of the budgeted R292.5 billion.
15. In aggregate, provinces spent R35.9 billion or 97.5 per cent of their R36.9 billion combined capital (payments for capital assets) adjusted budgets. This is an increase of R4.6 billion or 14.7 per cent on the 2014/15 financial year.
16. Provincial education departments spent R10.4 billion or 91.9 per cent of the budgeted R11.4 billion for capital expenditure. This is R1.7 billion or 19.9 per cent more than the previous financial year.
17. Provincial health departments spent R7.8 billion or 95 per cent of the budgeted R8.2 billion for capital expenditure, which is R815.7 million or 11.7 per cent more than the outcome for 2014/15.
18. The biggest share of provincial capital adjusted budgets was for public works, roads and transport departments (36.7 per cent), which spent R14.3 billion or 105.4 per cent of their combined capital adjusted budgets of R13.5 billion.
19. Provincial own revenue collected was R17.2 billion or 108.9 per cent of the budgeted own revenue of R15.8 billion. National government transferred R386.5 billion of the equitable share and R84.9 billion of conditional grants to provinces.
20. A more detailed analysis of the provincial preliminary outcome for the 2015/16 financial year is set out in Annexure A.

## DETAILED ANALYSIS OF THE 2015/16 FINANCIAL YEAR (PRELIMINARY OUTCOME)

- The budgeted figures for provinces are based on the 2015/16 adjusted estimates of provincial revenue and expenditure documents (adjusted budgets) tabled in the provincial legislatures during November 2015. The budgeted figures also take account of revisions effected in a second adjusted estimate for eight provinces during March 2016.

### Total Expenditure

- Table 1 indicates that in the 2015/16 financial year provinces spent R485.8 billion (preliminary outcome) or 98.3 per cent of the budgeted expenditure of R494.3 billion. Spending against adjusted budgets was slightly lower in percentage terms compared to the 2014/15 financial year, when it stood at 98.7 per cent. Spending in nominal terms was 6.9 per cent or R31.3 billion more than last year's R454.5 billion.
- Among provinces, spending was lowest in the Eastern Cape (96.8 per cent of the adjusted budget) and the North West (97.6 per cent) and highest in KwaZulu-Natal at 99.4 per cent and both the Free State and Mpumalanga at 99 per cent.

**Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2016**

R thousand	Adjusted budget 2015/16					Preliminary outcome as at 31 March 2016					Preliminary outcome as % of adjusted budget	2014/15: Outcome as at 31 March 2015	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	53 859 224	8 535 573	4 426 274	20 000	66 841 071	52 613 873	8 511 049	3 559 128	21 056	64 705 106	96.8%	61 470 504	5.3%
Free State	23 047 872	4 205 321	2 602 052	–	29 855 245	23 238 859	3 870 348	2 457 812	1 762	29 568 781	99.0%	28 835 875	2.5%
Gauteng	73 174 742	17 808 955	6 057 903	258	97 041 859	71 255 569	17 426 424	6 083 950	41 835	94 807 778	97.7%	85 703 509	10.6%
KwaZulu-Natal	84 512 797	12 294 719	8 034 729	158 041	105 000 286	83 242 100	12 289 112	8 676 020	162 121	104 369 353	99.4%	97 363 813	7.2%
Limpopo	45 102 398	6 614 987	2 169 632	2 395	53 889 411	44 889 691	6 034 346	2 016 221	27 348	52 967 606	98.3%	51 146 357	3.6%
Mpumalanga	30 845 864	5 122 527	3 722 587	349	39 691 327	30 668 116	5 133 178	3 485 560	3 229	39 290 083	99.0%	36 474 097	7.7%
Northern Cape	11 574 332	1 658 829	1 453 906	445	14 687 512	11 462 511	1 674 876	1 372 113	532	14 510 032	98.8%	13 408 897	8.2%
North West	25 883 639	5 582 573	3 514 431	2 002	34 982 645	25 264 304	5 614 780	3 255 828	10 532	34 145 444	97.6%	31 842 671	7.2%
Western Cape	39 183 325	8 282 540	4 878 046	6 163	52 350 074	38 053 892	8 337 079	5 022 086	14 238	51 427 295	98.2%	48 240 204	6.6%
<b>Total</b>	<b>387 184 193</b>	<b>70 106 025</b>	<b>36 859 559</b>	<b>189 653</b>	<b>494 339 430</b>	<b>380 688 914</b>	<b>68 891 192</b>	<b>35 928 718</b>	<b>282 653</b>	<b>485 791 477</b>	<b>98.3%</b>	<b>454 485 927</b>	<b>6.9%</b>

### Social Services

- Provinces had budgeted R372.5 billion for social services, including education, health and social development.

**Table 2: Provincial Social Services Expenditure as at 31 March 2016**

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
Education	200 496 825	196 923 992	98.2%	40.5%	53.6%	187 103 838	5.2%
Health	155 193 561	153 761 802	99.1%	31.7%	41.9%	140 889 078	9.1%
Social Development	16 828 713	16 557 478	98.4%	3.4%	4.5%	15 269 431	8.4%
<b>Total</b>	<b>372 519 098</b>	<b>367 243 272</b>	<b>98.6%</b>	<b>75.6%</b>	<b>100.0%</b>	<b>343 262 347</b>	<b>7.0%</b>

- The preliminary spending outcome on social services was R367.2 billion, or 98.6 per cent of the total provincial social services adjusted budgets for 2015/16.

## Education

6. Education adjusted budgets of R200.5 billion comprised 40.6 per cent of total adjusted provincial budgets. Table 3 indicates that the preliminary outcome for education expenditure was R196.9 billion or 98.2 per cent of the total adjusted education budget. This is an increase of 5.2 per cent, or R9.8 billion, on the R187.1 billion spent in 2014/15.
7. Spending by provinces on education ranged from 94.6 per cent in the Eastern Cape and 96.7 per cent in the North West, to the highest in the Northern Cape at 99.6 per cent, followed by Limpopo at 99.5 per cent.

**Table 3: Provincial Education Expenditure as at 31 March 2016**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2016</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Education to total provincial expenditure</b>	<b>% share of Education to total Social Services expenditure</b>	<b>2014/15: Outcome as at 31 March 2015</b>	<b>Year-on-year growth</b>
Eastern Cape	29 691 506	28 093 072	94.6%	43.4%	57.0%	27 681 092	1.5%
Free State	11 815 423	11 634 828	98.5%	39.3%	54.5%	11 711 745	-0.7%
Gauteng	36 852 671	36 296 527	98.5%	38.3%	48.5%	32 778 481	10.7%
KwaZulu-Natal	43 162 870	42 909 619	99.4%	41.1%	53.9%	39 663 489	8.2%
Limpopo	25 264 705	25 126 539	99.5%	47.4%	59.6%	25 161 504	-0.1%
Mpumalanga	17 163 557	17 049 805	99.3%	43.4%	60.0%	15 969 887	6.8%
Northern Cape	5 126 865	5 107 715	99.6%	35.2%	51.1%	4 786 438	6.7%
North West	13 519 859	13 068 419	96.7%	38.3%	55.8%	12 349 931	5.8%
Western Cape	17 899 369	17 637 468	98.5%	34.3%	46.1%	17 001 271	3.7%
<b>Total</b>	<b>200 496 825</b>	<b>196 923 992</b>	<b>98.2%</b>	<b>40.5%</b>	<b>53.6%</b>	<b>187 103 838</b>	<b>5.2%</b>

8. The preliminary outcome on goods and services (including learner and teacher support materials) in education was R17.5 billion, or 98.5 per cent of the budgeted amount of R17.8 billion.
9. The bulk of education expenditure (77.9 per cent) was on personnel, amounting to R153.4 billion, or 98.7 per cent, of the R155.4 billion budgeted for personnel. Spending by provinces on personnel in education ranged from 96.9 per cent in Gauteng and 97.3 per cent in the Eastern Cape, to 105.5 per cent in the Free State and 100.1 per cent in Limpopo.

**Table 4: Provincial Personnel Expenditure: Education as at 31 March 2016**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2016</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Education Personnel to total personnel expenditure</b>	<b>% share of Education Personnel to total Education expenditure</b>	<b>2014/15: Outcome as at 31 March 2015</b>	<b>Year-on-year growth</b>
Eastern Cape	23 284 750	22 647 026	97.3%	54.4%	80.6%	22 511 450	0.6%
Free State	8 843 034	9 329 904	105.5%	52.0%	80.2%	8 942 458	4.3%
Gauteng	26 814 567	25 981 868	96.9%	50.0%	71.6%	24 126 761	7.7%
KwaZulu-Natal	35 079 207	34 528 729	98.4%	55.0%	80.5%	32 482 342	6.3%
Limpopo	20 706 513	20 727 671	100.1%	54.9%	82.5%	20 013 982	3.6%
Mpumalanga	13 230 011	13 211 987	99.9%	57.9%	77.5%	12 548 913	5.3%
Northern Cape	3 932 160	3 912 067	99.5%	50.1%	76.6%	3 679 180	6.3%
North West	10 151 571	9 908 882	97.6%	51.9%	75.8%	9 723 014	1.9%
Western Cape	13 345 499	13 116 966	98.3%	48.1%	74.4%	12 427 327	5.5%
<b>Total</b>	<b>155 387 312</b>	<b>153 365 100</b>	<b>98.7%</b>	<b>53.1%</b>	<b>77.9%</b>	<b>146 455 427</b>	<b>4.7%</b>

10. The preliminary outcome for education capital spending was R10.4 billion, or 91.9 per cent, of the R11.4 billion adjusted budget. This is higher than the spending in the previous financial year by 19.9 per cent. Education capital expenditure is lowest in the Eastern Cape at 49.2 per cent and the Free State at 81.5 per cent and highest in the Western Cape at 114.4 per cent and KwaZulu-Natal at 100 per cent.

**Table 5: Provincial Capital Expenditure: Education as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	1 501 919	739 590	49.2%	20.8%	2.6%	1 043 028	-29.1%
Free State	804 389	655 765	81.5%	26.7%	5.6%	437 978	49.7%
Gauteng	2 168 876	2 150 751	99.2%	35.4%	5.9%	1 010 660	112.8%
KwaZulu-Natal	2 442 229	2 441 096	100.0%	28.1%	5.7%	2 022 135	20.7%
Limpopo	1 062 428	1 051 910	99.0%	52.2%	4.2%	1 328 084	-20.8%
Mpumalanga	1 017 385	973 042	95.6%	27.9%	5.7%	727 360	33.8%
Northern Cape	383 010	367 661	96.0%	26.8%	7.2%	334 698	9.8%
North West	959 311	888 178	92.6%	27.3%	6.8%	581 810	52.7%
Western Cape	1 015 380	1 161 711	114.4%	23.1%	6.6%	1 212 384	-4.2%
<b>Total</b>	<b>11 354 926</b>	<b>10 429 704</b>	<b>91.9%</b>	<b>29.0%</b>	<b>5.3%</b>	<b>8 698 137</b>	<b>19.9%</b>

### Health

11. Health adjusted budgets (R155.2 billion), comprised 31.4 per cent of total adjusted provincial budgets.

**Table 6: Provincial Health Expenditure as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	19 023 701	18 917 333	99.4%	29.2%	38.4%	17 549 853	7.8%
Free State	8 727 575	8 694 662	99.6%	29.4%	40.8%	8 290 459	4.9%
Gauteng	35 337 087	34 603 137	97.9%	36.5%	46.2%	31 005 212	11.6%
KwaZulu-Natal	33 969 992	34 110 726	100.4%	32.7%	42.8%	31 245 510	9.2%
Limpopo	15 501 794	15 433 302	99.6%	29.1%	36.6%	14 526 111	6.2%
Mpumalanga	10 163 902	10 094 293	99.3%	25.7%	35.5%	8 879 292	13.7%
Northern Cape	4 228 733	4 171 191	98.6%	28.7%	41.7%	3 713 980	12.3%
North West	9 199 705	9 042 698	98.3%	26.5%	38.6%	8 372 853	8.0%
Western Cape	19 041 072	18 694 460	98.2%	36.4%	48.9%	17 305 808	8.0%
<b>Total</b>	<b>155 193 561</b>	<b>153 761 802</b>	<b>99.1%</b>	<b>31.7%</b>	<b>41.9%</b>	<b>140 889 078</b>	<b>9.1%</b>

12. Table 6 indicates that, at R153.8 billion or 99.1 per cent of the total health adjusted budget, health expenditure increased by 9.1 per cent or R12.9 billion on the 2014/15 financial year.

13. Spending by provinces on health range from 97.9 per cent in Gauteng and 98.2 per cent in the Western Cape, to the highest in KwaZulu-Natal at 100.4 per cent, followed by both the Free State and Limpopo at 99.6 per cent.

14. Table 7 indicates that the preliminary spending on health personnel was R96.7 billion, or 99.5 per cent, of the adjusted budget, an increase of R8 billion, or 9 per cent, on the R88.8 billion spent in 2014/15.

**Table 7: Provincial Personnel Expenditure: Health as at 31 March 2016**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2016</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Health Personnel to total personnel expenditure</b>	<b>% share of Health Personnel to total Health expenditure</b>	<b>2014/15: Outcome as at 31 March 2015</b>	<b>Year-on-year growth</b>
Eastern Cape	12 560 271	12 586 852	100.2%	30.3%	66.5%	11 576 334	8.7%
Free State	5 625 868	5 540 152	98.5%	30.9%	63.7%	5 258 723	5.4%
Gauteng	20 834 706	20 647 963	99.1%	39.7%	59.7%	18 654 909	10.7%
KwaZulu-Natal	21 625 944	21 793 160	100.8%	34.7%	63.9%	20 014 422	8.9%
Limpopo	11 370 220	11 353 715	99.9%	30.1%	73.6%	10 336 807	9.8%
Mpumalanga	6 185 160	6 101 024	98.6%	26.7%	60.4%	5 537 663	10.2%
Northern Cape	2 151 775	2 153 076	100.1%	27.6%	51.6%	1 936 740	11.2%
North West	5 790 920	5 609 900	96.9%	29.4%	62.0%	5 389 881	4.1%
Western Cape	11 095 792	10 949 236	98.7%	40.1%	58.6%	10 072 353	8.7%
<b>Total</b>	<b>97 240 656</b>	<b>96 735 078</b>	<b>99.5%</b>	<b>33.5%</b>	<b>62.9%</b>	<b>88 777 832</b>	<b>9.0%</b>

15. Non-personnel non-capital items, including medicines, drugs and other current expenditure, were R49.3 billion, or 99 per cent, of the R49.8 billion adjusted budget.

16. The preliminary outcome for health capital spending was R7.8 billion, or 95 per cent, an increase of R815.7 million or 11.7 per cent on the R6.9 billion spent last year.

**Table 8: Provincial Capital Expenditure: Health as at 31 March 2016**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2016</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Health Capital to total capital expenditure</b>	<b>% share of Health Capital to total Health expenditure</b>	<b>2014/15: Outcome as at 31 March 2015</b>	<b>Year-on-year growth</b>
Eastern Cape	1 328 492	1 281 567	96.5%	36.0%	6.8%	1 020 743	25.6%
Free State	590 601	616 494	104.4%	25.1%	7.1%	648 643	-5.0%
Gauteng	1 532 785	1 481 189	96.6%	24.3%	4.3%	1 031 499	43.6%
KwaZulu-Natal	1 387 977	1 270 118	91.5%	14.6%	3.7%	1 505 879	-15.7%
Limpopo	473 138	458 102	96.8%	22.7%	3.0%	493 679	-7.2%
Mpumalanga	607 699	600 908	98.9%	17.2%	6.0%	434 074	38.4%
Northern Cape	709 286	583 437	82.3%	42.5%	14.0%	486 084	20.0%
North West	778 515	722 353	92.8%	22.2%	8.0%	579 777	24.6%
Western Cape	759 794	748 715	98.5%	14.9%	4.0%	746 805	0.3%
<b>Total</b>	<b>8 168 287</b>	<b>7 762 883</b>	<b>95.0%</b>	<b>21.6%</b>	<b>5.0%</b>	<b>6 947 183</b>	<b>11.7%</b>

17. Spending by provinces varied, with the lowest rate of health capital expenditure being in the Northern Cape at 82.3 per cent and KwaZulu-Natal at 91.5 per cent, to the highest being in the Free State and Mpumalanga at 104.4 per cent and 98.9 per cent respectively.

### *Social Development*

18. At R16.8 billion, the adjusted budget for social development comprised 3.4 per cent of total adjusted provincial budgets.

19. Provinces registered a preliminary expenditure outcome of R16.6 billion, or 98.4 per cent, of the total R16.8 billion adjusted budget. This represents an increase of R1.3 billion, or 8.4 per cent, on the R15.3 billion spent last year.

20. There were varying degrees of spending among provinces, the lowest rate of social development expenditure being KwaZulu-Natal at 96 per cent and the North West at

97.9 per cent, while the highest are the Eastern Cape at 99.7 per cent and the Western Cape at 99.6 per cent.

**Table 9: Provincial Social Development Expenditure as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 261 694	2 254 049	99.7%	3.5%	4.6%	2 134 236	5.6%
Free State	1 017 813	1 001 881	98.4%	3.4%	4.7%	956 335	4.8%
Gauteng	3 997 139	3 942 241	98.6%	4.2%	5.3%	3 408 805	15.6%
KwaZulu-Natal	2 713 250	2 605 676	96.0%	2.5%	3.3%	2 487 432	4.8%
Limpopo	1 608 884	1 582 275	98.3%	3.0%	3.8%	1 455 600	8.7%
Mpumalanga	1 294 698	1 276 632	98.6%	3.2%	4.5%	1 220 303	4.6%
Northern Cape	719 956	713 886	99.2%	4.9%	7.1%	654 471	9.1%
North West	1 316 349	1 289 262	97.9%	3.8%	5.5%	1 218 407	5.8%
Western Cape	1 898 929	1 891 576	99.6%	3.7%	4.9%	1 733 842	9.1%
<b>Total</b>	<b>16 828 713</b>	<b>16 557 478</b>	<b>98.4%</b>	<b>3.4%</b>	<b>4.5%</b>	<b>15 269 431</b>	<b>8.4%</b>

#### *Human Settlements and Local Government*

21. At R27.5 billion, the adjusted budget for human settlements and local government comprised 5.6 per cent of total adjusted provincial budgets.

**Table 10: Provincial Human Settlements and Local Government Expenditure as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	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	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	3 780 085	3 767 564	99.7%	5.8%	65.2%	3 591 923	4.9%
Free State	1 621 626	1 598 544	98.6%	5.4%	66.3%	1 571 817	1.7%
Gauteng	5 492 481	5 116 218	93.1%	5.4%	79.1%	5 313 714	-3.7%
KwaZulu-Natal	5 712 510	5 648 911	98.9%	5.4%	62.7%	5 355 765	5.5%
Limpopo	2 689 614	2 178 580	81.0%	4.1%	51.6%	1 525 470	42.8%
Mpumalanga	2 294 477	2 178 772	95.0%	5.5%	61.3%	2 218 484	-1.8%
Northern Cape	816 472	803 500	98.4%	5.5%	58.3%	651 875	23.3%
North West	2 619 750	2 612 188	99.7%	7.7%	82.8%	2 126 508	22.8%
Western Cape	2 429 250	2 423 751	99.8%	4.7%	81.6%	2 348 806	3.2%
<b>Total</b>	<b>27 456 265</b>	<b>26 328 028</b>	<b>95.9%</b>	<b>5.4%</b>	<b>69.0%</b>	<b>24 704 362</b>	<b>6.6%</b>

22. Spending by human settlements and local government was R26.3 billion or 95.9 per cent of the R27.5 billion adjusted budget. This represents an increase of R1.6 billion or 6.6 per cent on the R24.7 billion spent in 2014/15.

#### *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 R18.2 billion, or 97.2 per cent, of the R18.7 billion Human Settlements Development grant adjusted budget. These spending figures are R1.1 billion or 6.7 per cent more than the outcome for last year.

25. Spending levels by provinces varied, with the lowest being Limpopo at 70.6 per cent and the Northern Cape at 97.5 per cent while the highest spenders were the Western Cape at 100.1 per cent and KwaZulu-Natal, the North West, and Mpumalanga at 100 per cent.

**Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of grant to total provincial expenditure	% share of grant to total grant expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	2 462 372	2 458 180	99.8%	3.8%	13.5%	2 392 718	2.7%
Free State	1 072 170	1 059 326	98.8%	3.6%	5.8%	1 061 756	-0.2%
Gauteng	4 071 467	4 048 081	99.4%	4.3%	22.3%	4 404 618	-8.1%
KwaZulu-Natal	3 543 852	3 543 852	100.0%	3.4%	19.5%	3 512 902	0.9%
Limpopo	1 591 889	1 124 131	70.6%	2.1%	6.2%	583 021	92.8%
Mpumalanga	1 335 542	1 335 485	100.0%	3.4%	7.3%	1 257 579	6.2%
Northern Cape	480 408	468 305	97.5%	3.2%	2.6%	374 832	24.9%
North West	2 163 131	2 163 129	100.0%	6.3%	11.9%	1 517 132	42.6%
Western Cape	1 975 122	1 977 772	100.1%	3.8%	10.9%	1 934 936	2.2%
<b>Total</b>	<b>18 695 953</b>	<b>18 178 261</b>	<b>97.2%</b>	<b>3.7%</b>	<b>100.0%</b>	<b>17 039 494</b>	<b>6.7%</b>

#### *Personnel expenditure*

26. Personnel expenditure (compensation of employees) for the 2015/16 financial year was R289.1 billion, or 98.8 per cent, of the combined adjusted budget of R292.5 billion.

**Table 12: Provincial Personnel Expenditure as at 31 March 2016**

	Adjusted budget	Preliminary outcome as at 31 March 2016	Preliminary outcome as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	42 265 624	41 594 710	98.4%	64.3%	14.4%	39 989 532	4.0%
Free State	17 573 789	17 948 122	102.1%	60.7%	6.2%	17 010 101	5.5%
Gauteng	53 182 559	51 981 547	97.7%	54.8%	18.0%	47 439 918	9.6%
KwaZulu-Natal	63 476 315	62 755 747	98.9%	60.1%	21.7%	58 429 009	7.4%
Limpopo	37 848 543	37 763 004	99.8%	71.3%	13.1%	35 647 313	5.9%
Mpumalanga	22 979 142	22 837 145	99.4%	58.1%	7.9%	21 396 246	6.7%
Northern Cape	7 880 045	7 807 727	99.1%	53.8%	2.7%	7 201 205	8.4%
North West	19 535 290	19 081 002	97.7%	55.9%	6.6%	18 539 898	2.9%
Western Cape	27 798 853	27 288 707	98.2%	53.1%	9.4%	25 465 840	7.2%
<b>Total</b>	<b>292 540 160</b>	<b>289 057 710</b>	<b>98.8%</b>	<b>59.5%</b>	<b>100.0%</b>	<b>271 119 062</b>	<b>6.6%</b>

27. The preliminary outcome is R17.9 billion more or 6.6 per cent higher than the R271.1 billion spent in the 2014/15 financial year.

28. Spending ranged from 97.7 per cent in both the North West and Gauteng, to a high of 102.1 per cent in the Free State and 99.8 per cent in Limpopo.

#### *Overall Capital Budgets and Expenditure*

29. Provinces spent R35.9 billion or 97.5 per cent of the capital (payments for capital assets) adjusted budget of R36.9 billion. This is an increase of 14.7 per cent compared to the 2014/15 financial year.



**Table 13: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2016**

<b>R thousand</b>	<b>Adjusted budget</b>	<b>Preliminary outcome as at 31 March 2016</b>	<b>Preliminary outcome as % of adjusted budget</b>	<b>% share of Capital to total provincial expenditure</b>	<b>% share of Capital to total Capital expenditure</b>	<b>2014/15: Outcome as at 31 March 2015</b>	<b>Year-on-year growth</b>
Eastern Cape	4 426 274	3 559 128	80.4%	5.5%	9.9%	3 217 959	10.6%
Free State	2 602 052	2 457 812	94.5%	8.3%	6.8%	2 348 174	4.7%
Gauteng	6 057 903	6 083 950	100.4%	6.4%	16.9%	4 150 672	46.6%
KwaZulu-Natal	8 034 729	8 676 020	108.0%	8.3%	24.1%	8 229 030	5.4%
Limpopo	2 169 632	2 016 221	92.9%	3.8%	5.6%	2 184 317	-7.7%
Mpumalanga	3 722 587	3 485 560	93.6%	8.9%	9.7%	2 933 957	18.8%
Northern Cape	1 453 906	1 372 113	94.4%	9.5%	3.8%	1 433 913	-4.3%
North West	3 514 431	3 255 828	92.6%	9.5%	9.1%	2 234 018	45.7%
Western Cape	4 878 046	5 022 086	103.0%	9.8%	14.0%	4 601 792	9.1%
<b>Total</b>	<b>36 859 559</b>	<b>35 928 718</b>	<b>97.5%</b>	<b>7.4%</b>	<b>100.0%</b>	<b>31 333 832</b>	<b>14.7%</b>

30. Table 13 provides capital spending information by province and shows low rates of spending in the Eastern Cape at 80.4 per cent and the North West at 92.6 per cent, and high rates in KwaZulu-Natal at 108 per cent and the Western Cape at 103 per cent. However, in absolute terms, KwaZulu-Natal has spent the most, with total spending of R8.7 billion followed by Gauteng at R6.1 billion and the Western Cape at R5 billion.

31. Provincial education departments spent R10.4 billion, or 91.9 per cent, of their capital adjusted budgets of R11.4 billion. This is an increase of R1.7 billion or 19.9 per cent compared to spending in the previous financial year.

32. Provincial health departments spent R7.8 billion, or 95 per cent, of their capital adjusted budgets of R8.2 billion, which is R815.7 million or 11.7 per cent more than the 2014/15 financial year.

33. At 36.7 per cent, the public works, roads and transport departments had the highest share of the provincial capital adjusted budgets. The sector spent R14.3 billion or 105.4 per cent against its combined capital adjusted budgets of R13.5 billion.

#### *Conditional Grants*

34. The adjusted total for conditional grants was R86.7 billion (including Schedules 4A and 7A grants), with health making up the bulk at R32.3 billion.

35. Table 14 (overleaf) reflects spending by all provinces on conditional grant adjusted allocations as at 31 March 2016 (preliminary outcome). It includes conditional grant roll-overs from the 2014/15 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 2016**

	Division of Revenue Act, 2015 (Act No. 1 of 2015)	Division of Revenue Amendment Act, 2015	Provincial roll-overs/other provincial adjustments	Total available 2015/16	Transferred from National to provinces	Preliminary outcome as at 31 March 2016 (excluding Schedules 4A, 7A grants)	Preliminary outcome as % of total available (excluding Schedules 4A, 7A grants)
<b>R thousand</b>							
<b>Agriculture, Forestry and Fisheries</b>	<b>2 188 083</b>	<b>-16 633</b>	<b>17 828</b>	<b>2 189 278</b>	<b>2 171 450</b>	<b>529 823</b>	<b>99.6%</b>
1. Comprehensive Agricultural Support Programme Grant	1 650 952	-11 226	17 828	1 657 554	1 639 726		
Ilima/Letsema Projects Grant	470 768	-4 055	-	466 713	466 713	464 269	99.5%
Land Care Programme Grant: Poverty Relief and Infrastructure Dev	66 363	-1 352	-	65 011	65 011	65 554	100.8%
<b>Arts and Culture</b>	<b>1 311 026</b>	<b>-36 712</b>	<b>111 627</b>	<b>1 385 941</b>	<b>1 274 313</b>	<b>1 226 720</b>	<b>88.5%</b>
Community Library Services Grant	1 311 026	-36 712	111 627	1 385 941	1 274 313	1 226 720	88.5%
<b>Basic Education</b>	<b>15 856 485</b>	<b>-224 714</b>	<b>354 089</b>	<b>15 985 860</b>	<b>15 631 771</b>	<b>6 235 161</b>	<b>99.9%</b>
1. Education Infrastructure Grant	9 517 555	-163 112	301 069	9 655 512	9 354 443		
HIV and Aids (Life Skills Education) Grant	221 030	-12 300	6 072	214 802	208 730	214 077	99.7%
Maths, Science and Technology Grant	347 185	-30 243	12 530	329 472	316 942	316 415	96.0%
National School Nutrition Programme Grant	5 703 715	-18 334	14 857	5 700 238	5 685 381	5 704 669	100.1%
1. Occupation Specific Dispensation for Education Sector Therapists Grant	67 000	-725	19 561	85 836	66 275		
<b>Cooperative Governance and Traditional Affairs</b>	<b>103 194</b>	<b>-</b>	<b>-</b>	<b>103 194</b>	<b>35 588</b>		
2. Provincial Disaster Grant	103 194	-	-	103 194	35 588		
<b>Health</b>	<b>31 857 873</b>	<b>46 875</b>	<b>367 410</b>	<b>32 272 158</b>	<b>31 904 748</b>	<b>19 171 014</b>	<b>98.4%</b>
Comprehensive HIV and Aids Grant	13 737 312	-66 582	38 897	13 709 627	13 670 730	13 616 976	99.3%
Health Facility Revitalisation Grant	5 275 762	141 283	282 803	5 699 848	5 417 045	5 491 179	96.3%
1. Health Professions Training and Development Grant	2 374 722	-	-	2 374 722	2 374 722		
National Health Insurance Grant	72 042	-10 965	9 329	70 406	61 077	62 859	89.3%
1. National Tertiary Services Grant	10 398 035	-16 861	36 381	10 417 555	10 381 174		
<b>Human Settlements</b>	<b>18 202 675</b>	<b>100 000</b>	<b>393 278</b>	<b>18 695 953</b>	<b>18 302 675</b>	<b>18 178 261</b>	<b>97.2%</b>
Human Settlements Development Grant	18 202 675	100 000	393 278	18 695 953	18 302 675	18 178 261	97.2%
<b>Public Works</b>	<b>591 175</b>	<b>-38 865</b>	<b>6 796</b>	<b>559 106</b>	<b>551 531</b>	<b>588 767</b>	<b>105.3%</b>
Expanded Public Works Programme Integrated Grant for Provinces	350 612	-24 405	6 579	332 786	325 607	345 104	103.7%
Social Sector Expanded Public Works Programme Incentive Grant f	240 563	-14 460	217	226 320	225 924	243 663	107.7%
<b>Social Development</b>	<b>47 500</b>	<b>-</b>	<b>3 018</b>	<b>50 518</b>	<b>47 500</b>	<b>39 394</b>	<b>78.0%</b>
Substance Abuse Treatment Grant	47 500	-	3 018	50 518	47 500	39 394	78.0%
<b>Sport and Recreation South Africa</b>	<b>537 294</b>	<b>-4 069</b>	<b>8 680</b>	<b>541 905</b>	<b>533 227</b>	<b>535 801</b>	<b>98.9%</b>
Mass Participation and Sport Development Grant	537 294	-4 069	8 680	541 905	533 227	535 801	98.9%
<b>Transport</b>	<b>14 790 103</b>	<b>-43 220</b>	<b>142 127</b>	<b>14 889 010</b>	<b>14 471 192</b>		
1. Provincial Roads Adjustedtenance Grant	9 850 655	-43 220	118 900	9 926 335	9 531 744		
1. Public Transport Operations Grant	4 939 448	-	23 227	4 962 675	4 939 448		
<b>Total</b>	<b>85 485 408</b>	<b>-217 338</b>	<b>1 404 853</b>	<b>86 672 923</b>	<b>84 923 996</b>		
<b>Total excluding Schedules 4A and 7A grants</b>	<b>46 583 847</b>	<b>17 806</b>	<b>887 887</b>	<b>47 489 540</b>	<b>46 600 875</b>	<b>46 504 941</b>	<b>97.9%</b>

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

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

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 available to provinces that may be released to provinces to fund disaster response.
37. Against the total adjusted allocation of R47.5 billion (which excludes Schedules 4A and 7A grants), the preliminary spending outcome for conditional grants amounted to R46.5 billion, or 97.9 per cent.
38. Specific grants that show low rates of spending for the 2015/16 financial year include:
- Substance Abuse Treatment (78 per cent)
  - Community Library Services (88.5 per cent)
  - National Health Insurance Grant (89.3 per cent)
39. Table 15 indicates selected conditional grant spending rates as at 31 March 2016 (preliminary outcome).

**Table 15: Selected Conditional Grants Spending Rates as at 31 March 2016**

	Number of provinces spent less than 90%	Number of provinces spent between 90% and 95% (inclusive)	Number of provinces spent more than 95%
<b>Agriculture, Forestry and Fisheries</b>			
Ilima/Letsema Projects Grant			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
Land Care Programme Grant: Poverty Relief and Infrastructure Development			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
<b>Arts and Culture</b>			
Community Library Services Grant	4 GT, KZN, MPU, NC		5 EC, FS, LIM, NW, WC
<b>Basic Education</b>			
Education Infrastructure Grant	1 FS		8 EC, GT, KZN, LIM, MPU, NC, NW, WC
Maths, Science And Technology Grant	3 EC, FS, NW		6 GT, KZN, LIM, MPU, NC, WC
HIV and Aids (Life Skills Education) Grant		1 MPU	8 EC, FS, GT, KZN, LIM, NC, NW, WC
National School Nutrition Programme Grant			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
<b>Health</b>			
Comprehensive HIV and Aids Grant			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
Health Facility Revitalisation Grant	1 WC		8 EC, FS, GT, KZN, LIM, MPU, NC, NW
National Health Insurance Grant	4 GT, KZN, NC, WC	1 NW	4 EC, FS, LIM, MPU
<b>Human Settlements</b>			
Human Settlements Development Grant	1 LIM		8 EC, FS, GT, KZN, MPU, NC, NW, WC
<b>Public Works</b>			
Expanded Public Works Programme Integrated Grant for Provinces			9 EC, FS, GT, KZN, LIM, MPU, NC, NW, WC
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		1 WC	8 EC, FS, GT, KZN, LIM, MPU, NC, NW
<b>Sport and Recreation South Africa</b>			
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 provinces have spent less than 90 per cent on the Community Library Services grant and the National Health Insurance grant.

## Provincial Revenue

41. The total provincial revenue transferred from national government and collected by provinces for 2015/16 was R488.7 billion, or 100.2 per cent, of total adjusted revenue of R487.5 billion. This included adjusted equitable share allocations of R386.5 billion, allocated conditional grants of R85.2 billion (excluding provincial roll-overs) and own revenue of R15.8 billion.
42. National government transferred R386.5 billion or 100 per cent of the equitable share, and R84.9 billion or 99.7 per cent in conditional grants to provinces.
43. Provinces collected R17.2 billion or 108.9 per cent of the budgeted own revenue of R15.8 billion, which was R208.4 million or 1.2 per cent more than the previous financial year.
44. The collection rate varied from 94.6 per cent in the Free State and 98.1 per cent in the North West, to a high of 124.5 per cent in the Eastern Cape and 115.7 per cent in the Western Cape.

**Table 16: Provincial Own Revenue Collection as at 31 March 2016**

	Adjusted budget	Actual collection as at 31 March 2016	Actual collection as % of adjusted budget	% share of Own Revenue collected to total provincial revenue received	% share of Own Revenue collected to total Own Revenue collected	2014/15: Outcome as at 31 March 2015	Year-on-year growth
<b>R thousand</b>							
Eastern Cape	1 104 063	1 374 405	124.5%	2.1%	8.0%	1 586 966	-13.4%
Free State	1 008 183	953 289	94.6%	3.2%	5.5%	867 424	9.9%
Gauteng	4 897 068	5 421 231	110.7%	5.6%	31.5%	4 945 615	9.6%
KwaZulu-Natal	2 995 146	3 245 718	108.4%	3.1%	18.8%	3 148 948	3.1%
Limpopo	1 201 621	1 213 131	101.0%	2.2%	7.0%	1 417 943	-14.4%
Mpumalanga	825 690	832 699	100.8%	2.1%	4.8%	864 780	-3.7%
Northern Cape	303 147	328 973	108.5%	2.3%	1.9%	295 906	11.2%
North West	1 018 528	998 895	98.1%	2.9%	5.8%	945 800	5.6%
Western Cape	2 474 803	2 862 388	115.7%	5.5%	16.6%	2 948 963	-2.9%
<b>Total</b>	<b>15 828 249</b>	<b>17 230 729</b>	<b>108.9%</b>	<b>3.5%</b>	<b>100.0%</b>	<b>17 022 345</b>	<b>1.2%</b>