

DETAILED ANALYSIS OF THE 2018/19 FINANCIAL YEAR (PRELIMINARY OUTCOME)

1. The revised budget figures for 2018/19 for provinces are based on the 2018 Adjusted Estimates of Provincial Revenue and Expenditure documents tabled in the provincial legislatures during November 2018.
2. The 2018 Adjusted Estimates of National Expenditure tabled on 24 October 2018; and 2018 Division of Revenue Amendment Act gazetted on 17 January 2019, included additional adjustments to conditional allocations (grants) made to provinces for 2018/19. No additional allocations have been made to provinces in terms of their equitable share.
3. In addition to the 2018 Division of Revenue Amendment Act, the following government gazettes are included as part of the provincial adjusted budgets:
 - a. *Government Gazette No. 42243* tabled on 21 February 2019 to provide for the stopping and re-allocation of funds (R82 million) in terms of Section 19 and Section 20 of the *2018 Division of Revenue Act, as amended*, for the *Public Transport Operations Grant* from Gauteng to the North West.
 - b. *Government Gazette No. 42258* tabled on 1 March 2019 to provide for the stopping and re-allocation of funds (R1.976 million) in terms of Section 19 and Section 20 of the *2018 Division of Revenue Act, as amended*, for the *Early Childhood Development Grant* from the Northern Cape to KwaZulu-Natal. The gazette also provides for a further immediate release of funds for disaster response (*Provincial Disaster Relief Grant*) to the Northern Cape (R42.3 million).
 - c. *Government Gazette No. 42277* tabled on 4 March 2019 to provide for the stopping and re-allocation of funds in terms of Section 19 and Section 20 of the *2018 Division of Revenue Act, as amended*, for the *Education Infrastructure Grant* from Mpumalanga (R104.8 million) and the North West (R125.4 million) to Gauteng. The gazette also provides for the release of funds in terms of the *Provincial Emergency Housing Grant* to Mpumalanga (R121 million) and the Western Cape (R83.8 million).
4. These allocations and others were tabled in a second and third adjusted budget by provinces during March 2019 in their respective provincial legislatures.
5. In addition to these adjustments, provinces increased their main budgets by R7 billion. The provincial adjustments consist mainly of unspent conditional grants rolled over from the previous financial year (approved by National Treasury) and other funds surrendered to the Provincial Revenue Funds during 2017/18.

Total Expenditure

6. Table 1 shows the preliminary spending outcomes for provinces and indicates that in 2018/19, provinces have spent R591.2 billion or 98.8 per cent of the revised budget of R598.6 billion for the financial year. Spending in nominal terms is 6.3 per cent or R35.1 billion higher than the R556.1 billion that was spent by provinces in 2017/18.
7. All provinces have spent more than 97 per cent of their adjusted budgets. Compared to the previous financial year, spending has increased by 6.3 per cent in aggregate. Spending growth ranges between 5.2 per cent and 7.9 per cent.

Table 1: Provincial Aggregated Budgets and Expenditure as at 31 March 2019

R thousand	Adjusted budget 2018/19				Total	Actual payments as at 31 March 2019					Actual payments as % of adjusted budget	2017/18: Outcome as at 31 March 2018	Year-on-year growth
	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets		Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total			
Eastern Cape	66 024 737	8 466 457	4 857 145	3 976	79 352 314	65 095 476	9 435 706	4 414 967	11 017	78 957 166	99.5%	74 629 820	5.8%
Free State	27 859 528	4 804 694	2 464 140	77	35 128 439	27 915 156	4 968 843	2 043 684	5 976	34 933 659	99.4%	33 004 324	5.8%
Gauteng	97 102 567	20 018 286	5 527 293	772	122 648 918	94 316 067	20 664 805	4 586 302	25 949	119 593 123	97.5%	110 845 487	7.9%
KwaZulu-Natal	103 647 552	12 098 811	7 960 109	283	123 706 755	102 238 608	12 495 423	7 589 605	10 677	122 334 313	98.9%	116 249 721	5.2%
Limpopo	56 101 841	8 429 046	1 892 888	70 913	66 494 687	55 624 071	8 422 143	1 806 374	69 030	65 921 618	99.1%	62 025 692	6.3%
Mpumalanga	38 845 900	5 674 589	3 962 690	–	48 483 179	38 544 091	5 643 108	3 942 582	9 123	48 138 904	99.3%	44 718 143	7.6%
Northern Cape	14 736 659	1 705 449	1 182 922	–	17 625 030	14 475 094	1 749 464	1 304 094	–	17 528 652	99.5%	16 593 709	5.6%
North West	33 589 400	5 846 421	2 466 922	2	41 902 745	32 933 020	5 807 309	2 110 290	244	40 850 863	97.5%	38 654 375	5.7%
Western Cape	47 936 165	10 257 320	5 088 509	13 286	63 295 280	47 453 453	10 207 146	5 221 046	22 485	62 904 130	99.4%	59 330 234	6.0%
Total	485 844 348	77 301 073	35 402 617	89 309	598 637 347	478 595 036	79 393 947	33 018 944	154 501	591 162 428	98.8%	556 051 504	6.3%

Social Services

8. Table 2 below indicates preliminary provincial spending on social services. The adjusted budget for social services includes education, health and social development and amounts to R458.6 billion. As at 31 March 2019, spending on social services amounts to R455 billion or 99.2 per cent of the R458.6 billion adjusted budget.

Table 2: Provincial Social Services Expenditure as at 31 March 2019

R thousand	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of total provincial expenditure	% share of total Social Services expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
Education	241 927 168	239 626 522	99.0%	40.5%	52.7%	225 477 836	6.3%
Health	196 134 523	195 588 696	99.7%	33.1%	43.0%	180 836 425	8.2%
Social Development	20 502 969	19 804 726	96.6%	3.4%	4.4%	18 763 276	5.6%
Total	458 564 660	455 019 944	99.2%	77.0%	100.0%	425 077 537	7.0%

Education

9. Provinces have tabled a combined adjusted budget of about R241.9 billion for the delivery of education and related services. This constitutes about 40.4 per cent of total provincial adjusted budgets. Table 3 below indicates that preliminary spending on education amounts to R239.6 billion or 99 per cent of the adjusted budget at the end of 2018/19. This reflects an increase of 6.3 per cent, or R14.1 billion compared to the R225.5 billion spent in 2017/18.

Table 3: Provincial Education Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Education to total provincial expenditure	% share of Education to total Social Services expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	35 128 346	35 033 143	99.7%	44.4%	56.4%	32 807 620	6.8%
Free State	13 622 963	13 721 999	100.7%	39.3%	54.5%	12 990 596	5.6%
Gauteng	45 711 906	44 700 075	97.8%	37.4%	47.0%	41 414 305	7.9%
KwaZulu-Natal	50 983 637	50 347 731	98.8%	41.2%	52.3%	48 316 485	4.2%
Limpopo	30 834 506	30 680 064	99.5%	46.5%	58.5%	29 020 420	5.7%
Mpumalanga	20 921 598	20 734 664	99.1%	43.1%	58.6%	19 283 726	7.5%
Northern Cape	6 437 552	6 456 444	100.3%	36.8%	53.1%	6 006 305	7.5%
North West	16 136 880	15 841 518	98.2%	38.8%	54.7%	15 071 543	5.1%
Western Cape	22 149 780	22 110 884	99.8%	35.2%	46.7%	20 566 836	7.5%
Total	241 927 168	239 626 522	99.0%	40.5%	52.7%	225 477 836	6.3%

10. At the end of the financial year, all provinces have spent more than 97 per cent of their adjusted education budgets. Spending by provinces ranges between 97.8 per cent and 100.7 per cent.

Table 4: Provincial Personnel Expenditure: Education as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Education Personnel to total personnel expenditure	% share of Education Personnel to total Education expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	27 570 469	27 386 529	99.3%	53.7%	78.2%	25 833 475	6.0%
Free State	10 691 162	10 973 985	102.6%	50.6%	80.0%	10 299 394	6.5%
Gauteng	34 138 539	33 674 154	98.6%	49.7%	75.3%	31 428 370	7.1%
KwaZulu-Natal	42 892 737	42 271 038	98.6%	55.7%	84.0%	40 061 215	5.5%
Limpopo	24 799 681	24 726 235	99.7%	54.0%	80.6%	23 182 961	6.7%
Mpumalanga	16 565 306	16 458 781	99.4%	57.8%	79.4%	15 307 099	7.5%
Northern Cape	4 936 520	4 948 518	100.2%	49.8%	76.6%	4 608 761	7.4%
North West	12 643 473	12 587 071	99.6%	51.9%	79.5%	11 585 956	8.6%
Western Cape	16 349 134	16 351 283	100.0%	48.3%	74.0%	15 178 886	7.7%
Total	190 587 021	189 377 594	99.4%	52.8%	79.0%	177 486 117	6.7%

11. The bulk of education expenditure (79 per cent) is spent on personnel (compensation of employees) as reflected in table 4 above. At the end of 2018/19, provinces have spent R189.4 billion, or 99.4 per cent, of the R190.6 billion personnel adjusted budget. Spending by provinces on personnel ranges from 98.6 per cent in Gauteng and KwaZulu-Natal, to 102.6 per cent in the Free State.

12. Preliminary education capital expenditure amounts to R9.8 billion, or 95.8 per cent, of the R10.2 billion adjusted budget (table 5). This is 6.9 per cent less than the spending observed in 2017/18. Education capital expenditure is the lowest in the North West (75.9 per cent) while the Northern Cape, KwaZulu-Natal, Mpumalanga and the Western Cape overspent on their capital budgets by a combined R247.7 million.

Table 5: Provincial Capital Expenditure: Education as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Education Capital to total capital expenditure	% share of Education Capital to total Education expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	1 765 367	1 567 190	88.8%	35.5%	4.5%	1 540 017	1.8%
Free State	666 547	537 834	80.7%	26.3%	3.9%	653 977	-17.8%
Gauteng	1 583 487	1 494 882	94.4%	32.6%	3.3%	1 787 082	-16.4%
KwaZulu-Natal	1 785 752	1 916 281	107.3%	25.2%	3.8%	1 957 495	-2.1%
Limpopo	986 581	944 495	95.7%	52.3%	3.1%	1 259 072	-25.0%
Mpumalanga	989 921	1 041 755	105.2%	26.4%	5.0%	808 491	28.9%
Northern Cape	357 889	410 121	114.6%	31.4%	6.4%	461 757	-11.2%
North West	895 082	679 147	75.9%	32.2%	4.3%	1 063 272	-36.1%
Western Cape	1 157 135	1 170 228	101.1%	22.4%	5.3%	958 096	22.1%
Total	10 187 762	9 761 933	95.8%	29.6%	4.1%	10 489 259	-6.9%

Health

13. Provinces tabled a combined adjusted health budget amounting to R196.1 billion. Health is the second largest item of provincial spending and makes up 32.8 per cent of total provincial adjusted budgets.

Table 6: Provincial Health Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Health to total provincial expenditure	% share of Health to total Social Services expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	24 025 525	24 377 287	101.5%	30.9%	39.2%	22 272 679	9.4%
Free State	10 380 370	10 220 656	98.5%	29.3%	40.6%	9 801 951	4.3%
Gauteng	46 762 330	46 130 924	98.6%	38.6%	48.5%	42 013 459	9.8%
KwaZulu-Natal	42 547 172	42 636 089	100.2%	34.9%	44.3%	39 911 321	6.8%
Limpopo	19 801 774	19 733 197	99.7%	29.9%	37.6%	18 387 177	7.3%
Mpumalanga	13 119 591	13 098 692	99.8%	27.2%	37.0%	12 083 013	8.4%
Northern Cape	4 854 311	4 850 190	99.9%	27.7%	39.9%	4 567 352	6.2%
North West	11 543 471	11 506 834	99.7%	28.2%	39.7%	10 303 417	11.7%
Western Cape	23 099 979	23 034 827	99.7%	36.6%	48.6%	21 496 056	7.2%
Total	196 134 523	195 588 696	99.7%	33.1%	43.0%	180 836 425	8.2%

14. Table 6 above indicates that preliminary spending on health by provinces in 2018/19 amounts to R195.6 billion or 99.7 per cent against the adjusted budget of R196.1 billion.

15. Health spending in nominal terms is 8.2 per cent or R14.8 billion higher than the R180.8 billion that was spent by provinces in 2017/18.

16. Preliminary health personnel expenditure as shown in Table 7 below amounts to R121.6 billion, or 99.7 per cent of the R122 billion adjusted budget, representing an increase of R9.2 billion or 8.2 per cent compared to the R112.4 billion spent in 2017/18.

Table 7: Provincial Personnel Expenditure: Health as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Health Personnel to total personnel expenditure	% share of Health Personnel to total Health expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	16 140 454	16 000 062	99.1%	31.4%	65.6%	14 558 949	9.9%
Free State	6 731 412	6 696 782	99.5%	30.9%	65.5%	6 262 522	6.9%
Gauteng	26 994 471	27 032 708	100.1%	39.9%	58.6%	25 085 331	7.8%
KwaZulu-Natal	26 666 629	26 421 137	99.1%	34.8%	62.0%	24 614 793	7.3%
Limpopo	14 284 320	14 207 027	99.5%	31.0%	72.0%	12 978 967	9.5%
Mpumalanga	7 708 843	7 704 305	99.9%	27.1%	58.8%	7 217 105	6.8%
Northern Cape	2 806 482	2 808 328	100.1%	28.3%	57.9%	2 572 131	9.2%
North West	7 076 830	7 164 517	101.2%	29.6%	62.3%	6 412 002	11.7%
Western Cape	13 563 600	13 515 314	99.6%	39.9%	58.7%	12 660 391	6.8%
Total	121 973 040	121 550 180	99.7%	33.9%	62.1%	112 362 191	8.2%

17. Preliminary spending on non-personnel non-capital items, including medicines, drugs and other current expenditure, amounts to R65.2 billion, or 101.1 per cent, of the R64.5 billion adjusted budget.

18. Capital spending in the health sector amounts to R8.9 billion, or 91.5 per cent of the R9.7 billion adjusted budget. This represents an increase of R520.6 million or 6.2 per cent compared to the R8.3 billion spent in the previous financial year.

Table 8: Provincial Capital Expenditure: Health as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Health Capital to total capital expenditure	% share of Health Capital to total Health expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	1 399 776	1 289 370	92.1%	29.2%	5.3%	1 236 256	4.3%
Free State	761 179	685 219	90.0%	33.5%	6.7%	654 221	4.7%
Gauteng	2 243 187	1 624 439	72.4%	35.4%	3.5%	1 476 113	10.0%
KwaZulu-Natal	1 918 017	1 758 380	91.7%	23.2%	4.1%	1 592 882	10.4%
Limpopo	373 046	431 371	115.6%	23.9%	2.2%	457 016	-5.6%
Mpumalanga	1 098 276	1 033 033	94.1%	26.2%	7.9%	1 057 356	-2.3%
Northern Cape	376 034	392 792	104.5%	30.1%	8.1%	480 835	-18.3%
North West	707 044	649 787	91.9%	30.8%	5.6%	641 097	1.4%
Western Cape	816 977	1 003 400	122.8%	19.2%	4.4%	751 434	33.5%
Total	9 693 536	8 867 791	91.5%	26.9%	4.5%	8 347 210	6.2%

19. Capital health spending by provinces varied, with the lowest rates of expenditure recorded in Gauteng at 72.4 per cent and the highest rate was recorded in the Western Cape at 122.8 per cent.

Social Development

20. The adjusted social development budget of R20.5 billion makes up about 3.4 per cent of the total provincial adjusted budget.

21. Provinces registered preliminary spending of R19.8 billion, or 96.6 per cent, of the R20.5 billion adjusted budget. This represents an increase of about R1 billion or 5.6 per cent compared to the R18.8 billion spent in 2017/18.

22. There are varying levels of spending among provinces, the lowest being in Gauteng at 90.9 per cent while the highest being the North West with 99.9 per cent.

Table 9: Provincial Social Development Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Soc Dev to total provincial expenditure	% share of Soc Dev to total Social Services expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	2 857 872	2 719 839	95.2%	3.4%	4.4%	2 516 449	8.1%
Free State	1 316 131	1 246 289	94.7%	3.6%	4.9%	1 141 665	9.2%
Gauteng	4 661 496	4 238 456	90.9%	3.5%	4.5%	4 481 860	-5.4%
KwaZulu-Natal	3 311 311	3 299 479	99.6%	2.7%	3.4%	2 916 210	13.1%
Limpopo	2 064 969	2 045 195	99.0%	3.1%	3.9%	1 816 889	12.6%
Mpumalanga	1 538 468	1 526 216	99.2%	3.2%	4.3%	1 474 275	3.5%
Northern Cape	868 207	860 130	99.1%	4.9%	7.1%	839 410	2.5%
North West	1 637 723	1 636 536	99.9%	4.0%	5.6%	1 472 401	11.1%
Western Cape	2 246 792	2 232 586	99.4%	3.5%	4.7%	2 104 117	6.1%
Total	20 502 969	19 804 726	96.6%	3.4%	4.4%	18 763 276	5.6%

Human Settlements and Cooperative Governance

23. The R28.6 billion human settlements and cooperative governance adjusted budget, makes up about 4.8 per cent of the total provincial adjusted budget.

Table 10: Provincial Human Settlements and Cooperative Governance Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of HS and CG to total provincial expenditure	% share of HSD Grant to total HS and CG expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	3 400 909	3 317 898	97.6%	4.2%	57.5%	3 831 658	-13.4%
Free State	1 823 807	1 752 844	96.1%	5.0%	60.7%	1 812 389	-3.3%
Gauteng	6 595 277	6 298 759	95.5%	5.3%	79.3%	6 396 925	-1.5%
KwaZulu-Natal	5 510 444	5 301 970	96.2%	4.3%	60.4%	5 599 891	-5.3%
Limpopo	2 689 006	2 575 992	95.8%	3.9%	47.5%	2 428 857	6.1%
Mpumalanga	2 473 747	2 418 469	97.8%	5.0%	52.9%	2 354 826	2.7%
Northern Cape	881 281	863 535	98.0%	4.9%	57.9%	806 148	7.1%
North West	2 553 482	2 509 058	98.3%	6.1%	77.9%	2 544 751	-1.4%
Western Cape	2 721 123	2 630 626	96.7%	4.2%	76.7%	3 026 618	-13.1%
Total	28 649 076	27 669 151	96.6%	4.7%	65.6%	28 802 063	-3.9%

24. Preliminary spending on human settlements and cooperative governance amounts to R27.7 billion, or 96.6 per cent, of the R28.6 billion adjusted budget. This represents a decline of R1.1 billion, or 3.9 per cent compared to the R28.8 billion spent in 2017/18.

25. Spending levels range between 95.5 per cent (Gauteng) and 98.3 per cent (North West).

Human Settlements Development grant

26. A significant amount of the human settlements and cooperative governance spending emanates from the Human Settlements Development grant.

27. Table 11 indicates preliminary spending on the Human Settlement Development grant and shows that provinces have spent R18.1 billion, or 98.4 per cent, of the R18.4 billion Human Settlements Development adjusted grant allocation. This is about R2 billion or 9.9 per cent less than the R20.1 billion spent in the previous financial year.

Table 11: Provincial Human Settlements Development Grant Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of HSD grant to total provincial expenditure	% share of HSD grant to total HSD grant expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	1 908 439	1 908 402	100.0%	2.4%	10.5%	2 339 315	-18.4%
Free State	1 072 422	1 063 802	99.2%	3.0%	5.9%	1 192 716	-10.8%
Gauteng	5 163 800	4 996 651	96.8%	4.2%	27.5%	5 302 694	-5.8%
KwaZulu-Natal	3 252 757	3 202 307	98.4%	2.6%	17.6%	3 678 939	-13.0%
Limpopo	1 287 681	1 224 477	95.1%	1.9%	6.7%	1 253 778	-2.3%
Mpumalanga	1 278 427	1 278 427	100.0%	2.7%	7.0%	1 507 662	-15.2%
Northern Cape	507 193	500 396	98.7%	2.9%	2.8%	481 275	4.0%
North West	1 953 485	1 953 503	100.0%	4.8%	10.8%	2 051 245	-4.8%
Western Cape	2 018 903	2 018 903	100.0%	3.2%	11.1%	2 326 758	-13.2%
Total	18 443 107	18 146 868	98.4%	3.1%	100.0%	20 134 382	-9.9%

Personnel expenditure

28. The preliminary spending outcomes for 2018/19 indicate that spending on personnel (compensation of employees) amounts to R358.5 billion or 99.3 per cent of the R361.1 billion provincial personnel revised budget as shown in table 12.

Table 12: Provincial Personnel Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Personnel to total provincial expenditure	% share of Personnel to total Personnel expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	51 372 918	50 963 152	99.2%	64.5%	14.2%	47 489 650	7.3%
Free State	21 369 578	21 676 791	101.4%	62.1%	6.0%	20 169 144	7.5%
Gauteng	68 297 918	67 706 876	99.1%	56.6%	18.9%	62 913 274	7.6%
KwaZulu-Natal	77 194 676	75 892 593	98.3%	62.0%	21.2%	71 481 456	6.2%
Limpopo	46 013 931	45 803 767	99.5%	69.5%	12.8%	42 584 123	7.6%
Mpumalanga	28 652 081	28 472 184	99.4%	59.1%	7.9%	26 583 936	7.1%
Northern Cape	9 952 390	9 934 934	99.8%	56.7%	2.8%	9 220 890	7.7%
North West	24 246 167	24 232 663	99.9%	59.3%	6.8%	22 147 063	9.4%
Western Cape	33 974 367	33 863 745	99.7%	53.8%	9.4%	31 544 502	7.4%
Total	361 074 026	358 546 704	99.3%	60.7%	100.0%	334 134 037	7.3%

29. Spending in nominal terms is 7.3 per cent or R24.4 billion higher than the R334.1 billion that was spent by provinces in 2017/18.

Goods and Services

30. Preliminary spending on goods and services as at 31 March 2019 amounts to R120 billion or 96.2 per cent of the R124.8 billion revised budget.

31. This is 7.8 per cent or R8.7 billion more than the R111.3 billion spent in 2017/18.

Table 13: Provincial Goods and Services Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of G&S to total provincial expenditure	% share of G&S to total G&S expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	14 651 819	14 123 083	96.4%	17.9%	11.8%	13 268 676	6.4%
Free State	6 488 252	6 233 497	96.1%	17.8%	5.2%	5 939 270	5.0%
Gauteng	28 803 468	26 585 753	92.3%	22.2%	22.2%	24 137 803	10.1%
KwaZulu-Natal	26 446 213	26 336 552	99.6%	21.5%	21.9%	24 200 741	8.8%
Limpopo	10 086 990	9 819 350	97.3%	14.9%	8.2%	9 174 934	7.0%
Mpumalanga	10 193 819	10 071 320	98.8%	20.9%	8.4%	9 077 847	10.9%
Northern Cape	4 784 227	4 536 232	94.8%	25.9%	3.8%	4 200 625	8.0%
North West	9 336 767	8 694 043	93.1%	21.3%	7.2%	8 307 104	4.7%
Western Cape	13 961 798	13 589 529	97.3%	21.6%	11.3%	13 026 715	4.3%
Total	124 753 353	119 989 359	96.2%	20.3%	100.0%	111 333 715	7.8%

Capital expenditure

32. By the end of March 2019, preliminary capital (payments for capital assets) spending amounts to R33 billion or 93.3 per cent of the R35.4 billion capital adjusted budget. This represents a decrease of R1.9 billion or 5.4 per cent compared to 2017/18.

Table 14: Provincial Capital (Payments for Capital Assets) Expenditure as at 31 March 2019

	Adjusted budget	Preliminary outcome as at 31 March 2019	Preliminary outcome as % of adjusted budget	% share of Capital to total provincial expenditure	% share of Capital to total Capital expenditure	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	4 857 145	4 414 967	90.9%	5.6%	13.4%	4 738 094	-6.8%
Free State	2 464 140	2 043 684	82.9%	5.9%	6.2%	2 342 709	-12.8%
Gauteng	5 527 293	4 586 302	83.0%	3.8%	13.9%	5 073 788	-9.6%
KwaZulu-Natal	7 960 109	7 589 605	95.3%	6.2%	23.0%	8 001 551	-5.1%
Limpopo	1 892 888	1 806 374	95.4%	2.7%	5.5%	2 280 688	-20.8%
Mpumalanga	3 962 690	3 942 582	99.5%	8.2%	11.9%	3 645 174	8.2%
Northern Cape	1 182 922	1 304 094	110.2%	7.4%	3.9%	1 524 171	-14.4%
North West	2 466 922	2 110 290	85.5%	5.2%	6.4%	2 507 119	-15.8%
Western Cape	5 088 509	5 221 046	102.6%	8.3%	15.8%	4 806 691	8.6%
Total	35 402 617	33 018 944	93.3%	5.6%	100.0%	34 919 985	-5.4%

33. Table 14 above provides preliminary capital spending information by province. Spending rates vary across provinces with the Free State registering the lowest spending rate at 82.9 per cent of their adjusted budget, while the Northern Cape overspent on its capital budget by 10.2 per cent.

34. Provincial education departments have spent R9.8 billion, or 95.8 per cent, of their R10.2 billion adjusted capital budget. This represents a decrease of R727.3 million, or 6.9 per cent compared to spending over the same period in the previous financial year.

35. Provincial health departments have spent R8.9 billion, or 91.5 per cent, of their R9.7 billion adjusted capital budget, which represents an increase of R520.6 million or 6.2 per cent compared to 2017/18.

36. At 32.6 per cent, the public works, roads and transport departments have the highest share of provincial adjusted capital budgets. Preliminary spending amounts to R11.1 billion or 96.7 per cent against the adjusted budget of R11.5 billion as at 31 March 2019.

Conditional grants

37. An additional R1.4 billion, in aggregate, was allocated to conditional grants by national government through the Adjustments Appropriation Act, 2018 and Division of Revenue Amendment Act, 2018. Against the adjusted allocation of R103.5 billion (including provincial roll-overs approved by National Treasury), spending amounts to R99.6 billion, or 96.2 per cent.
38. Specific grants that show moderate to low rates of spending include (less than 85 per cent):
- Substance Abuse Treatment grant (51.7 per cent)
 - Title Deed Restoration grant (66.1 per cent)
 - Mass Participation and Sport Development grant (74.6 per cent)
 - Learners with Profound Intellectual Disabilities grant (82.2 per cent)

Provincial revenue

39. The preliminary outcomes suggest that total revenue received and collected by all nine provinces in 2018/19 amounts to R593.2 billion, or 100.4 per cent, of the revised revenue budget. National government has transferred 100 per cent of the equitable share and almost 100 per cent in conditional grants to provinces.
40. Provinces have also collected R21.2 billion or 111.7 per cent of the revised own revenue budget of R19 billion. All provinces exceeded their revenue collection targets, except the Free State, having achieved a 95 per cent collection rate.

Table 15: Provincial Own Revenue Collection as at 31 March 2019

	Adjusted budget	Actual collection as at 31 March 2019	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	2017/18: Outcome as at 31 March 2018	Year-on-year growth
R thousand							
Eastern Cape	1 414 636	1 961 715	138.7%	2.5%	9.2%	1 943 775	0.9%
Free State	1 096 424	1 041 371	95.0%	3.0%	4.9%	1 064 208	-2.1%
Gauteng	6 144 380	6 845 276	111.4%	5.6%	32.3%	6 092 082	12.4%
KwaZulu-Natal	3 236 438	3 546 036	109.6%	2.9%	16.7%	3 334 731	6.3%
Limpopo	1 247 168	1 306 549	104.8%	2.0%	6.2%	1 320 973	-1.1%
Mpumalanga	1 320 099	1 399 036	106.0%	2.9%	6.6%	1 346 232	3.9%
Northern Cape	360 539	362 813	100.6%	2.1%	1.7%	351 509	3.2%
North West	1 209 862	1 257 849	104.0%	3.1%	5.9%	1 233 174	2.0%
Western Cape	2 967 069	3 495 412	117.8%	5.5%	16.5%	3 127 097	11.8%
Total	18 996 614	21 216 057	111.7%	3.6%	100.0%	19 813 781	7.1%