

Budget Review

2010

National Treasury

Republic of South Africa

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Foreword

The past 18 months have indeed been tumultuous. The global economy experienced its deepest recession in seven decades, precipitating South Africa's first recession in 17 years. The depth of the domestic downturn is best measured not in GDP figures, but in human terms: more than 900 000 people have lost their jobs since the crisis began, affecting the lives and livelihoods of millions of South Africans.

The strength of the public finances allowed us to mount a concerted response to the crisis, strengthening our social security safety net, and increasing investment in key infrastructure projects, which also served as a stimulus to growth. Our fiscal stance will continue to support the economic recovery, while gradually reducing the deficit to bring the budget back into a sustainable position.

To address South Africa's structural poverty and unemployment, government intends to develop a comprehensive package of economic reforms. The 2010 Budget signals a new approach, identifying key elements of a new growth path to drive faster, more inclusive and job-creating growth. Government has also announced a new way of doing things. The Presidency is setting measurable outcome targets. Along with efforts to reprioritise spending, reduce waste and inefficiency, and fight corruption, this new approach will enable us to do more with less.

This is the first budget of our fourth democratic government. The budget is not just about numbers. It is about people, their desires, their needs and their hopes. The budget is a monetary expression of this government's political priorities and how they will be met in a fiscally sustainable manner. It has been a tough balancing act.

Over the past year, we said farewell to one workaholic Minister, only to welcome a new Minister of Finance who is similarly focused and diligent. Minister Gordhan and Deputy Minister Nene have emphasised the need to do things differently, and have set a high bar for performance.

Through robust discussions, the Ministers' Committee on the Budget has strengthened political oversight of the budget process. We thank them for the immense workload that they shoulder, over and above their line-function responsibilities. Our colleagues in other departments continue to tolerate us despite everything we ask of them in preparing the budget.

National Treasury staff continue to deliver work of exceptional quality, scouring the globe for better ways to present the budget. I consider myself privileged to have been given an opportunity to lead this team. They are a group of highly committed, selfless and tough professionals for whom mediocrity is not an option. Accordingly, to avert a major productivity crisis, we had to buy the Budget Office a new coffee machine.

And so, complete with the stains of good coffee, we present to you the 2010 Budget.



Lesetja Kganyago
Director-General: National Treasury

Measuring our impact on the environment

In 2008, the National Treasury began assessing the environmental impact of the budget process. This is in keeping with the belief that we all have a responsibility to be aware of how our actions affect the environment – and to do something about it.

Last year, we managed to reduce the environmental impact of our budget processes, and we strive to continue this trend.

The National Treasury has attempted to quantify how much carbon dioxide (CO₂) we produce, and how much paper we consume, in the production of the national budget.

We recorded consumption between 1 December 2009 and 17 February 2010 – extending the reporting period covered during production of the 2009 Budget, which only captured the months of January and February.

The three indicators below relate to the CO₂ emissions produced by travel, the amount of paper that National Treasury officials used in their offices during the period, and the amount of paper needed to produce the various budget publications.

Transport

Method	Trips	Distance	CO ₂ emissions	CO ₂ reduction (relative to 2009)
Flights	53 (2-hour return flights)	180 200 km	19 822 kg	6 698 kg
Car trips	251 cars or shuttles hired	36 400 km	7 786 kg	618 kg
TOTAL			27 608 kg	7 316 kg

The decision to transport fewer people from Pretoria to Cape Town for the budget resulted in fewer trips and a lower level of carbon emissions.

Printing

Budget documents are printed on paper stock called Triple Green, manufactured in accordance with three environmental standards: 60% sugar cane fibre, chlorine-free and sustainable afforestation.

In 2009, the Treasury reduced the amount of paper used and consumed nearly 120 fewer trees than in 2008. This year, however, we used more paper to produce the budget. There are two reasons for this: the study covers a longer time period, and more work was created by the addition of several new departments to national government.

Method	Paper in weight	Trees	Relative to 2009
Paper used internally	405 reams or 1 012.5 kg	29	12.5 more trees were consumed than in 2009
Paper used to produce the budget documents	29 900 kg	588	2 fewer trees were consumed than in 2009
TOTAL	30 912.5 kg	617	10.5 more trees were consumed than in 2009

The National Treasury has also continued to use energy-saving measures in its offices to limit the amount of electricity consumed. The implementation of measures such as power-savings lights and controlling the air-conditioning system, has seen a reduction in electricity used in the budget period of 128 MW-h (from 720 MW-h in 2009 to 593 MW-h in 2010).

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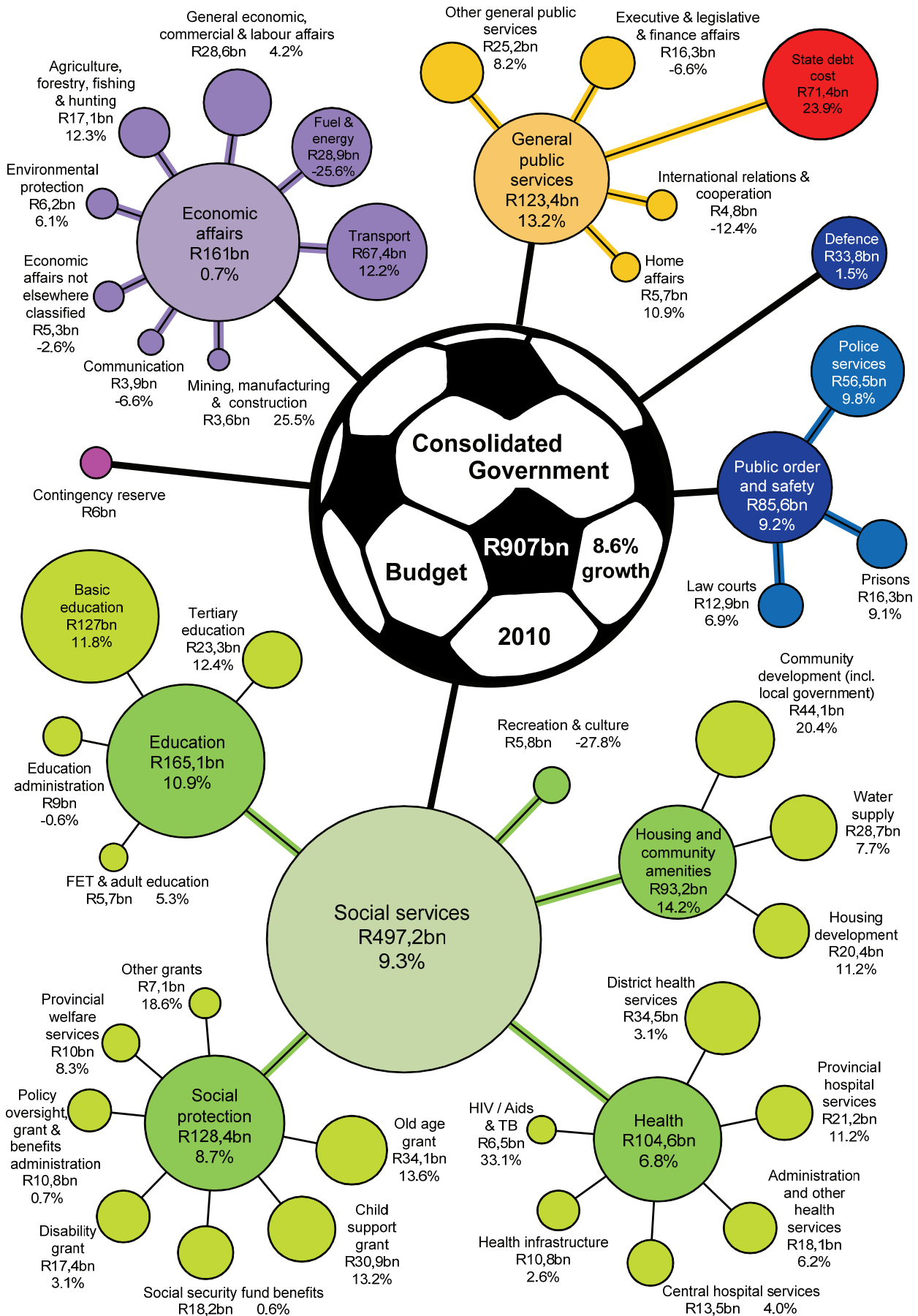
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Note: Consolidated government expenditure in R billion, percentages reflect growth relative to 2009/10 estimated outcome.

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