

FOREWORD

The Government and the people of South Africa have embarked on a journey of transformation and reconstruction. The 1999 Budget Review reports on the fiscal dimensions of this expedition – progress made since 1994 and our plans for the next three years.

Over the past five years a new structure of intergovernmental financial arrangements has been created, giving effect to the respective powers and responsibilities of national, provincial and local government established by the Constitution.

A far-reaching reorientation of public spending has been achieved. Schools and clinics have been built, bringing learning opportunities and better health care to historically deprived communities. Services for women and children have been prioritised. Poor people are being helped to build and buy their own houses. Electricity, water, roads and telephones are extending into townships, informal settlements and rural areas. Modernisation of the courts is in progress, more secure prisons are being built and civil justice services have been extended. New industrial and small business support programmes are in place.

A steady reform of our tax structure is under way. This Budget takes a further step forward, reducing the income tax burden on both individuals and companies.

Through sound fiscal policies and improved financial management, Government has steered a steady course through the turbulence of the international environment of the past two years.

The Government's policies and programmes for reconstruction and development are in place. The medium term spending plans of national departments and provinces have been compiled within an affordable budget framework and give effect to a balanced and integrated approach to sustainable social development. In taking forward the nation's development commitments, the emphasis is now on improved service delivery within the broad structure of spending priorities reflected in the 1999 Budget.

The Budget is the collective outcome of the efforts of dedicated officials and office-bearers in all departments. Valued contributions to the Budget Review are made by the Department of State Expenditure, the SA Revenue Service, Statistics SA, the Reserve Bank and nine provincial Treasuries. It is compiled by a team drawn from the Budget Office and the Asset and Liability Management division of the Department of Finance. Thanks are due to all those whose expertise and dedication to public service have contributed to the 1999 Budget Review.

Maria Ramos
Director-General of Finance

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