

PROVINCE OF KWAZULU-NATAL

BUDGET STATEMENTS 2003-2004

**for the
Financial Year ending 31 March 2004**

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FOREWORD

The 2003/04 Budget Statements, as in previous years, comprises two parts: Budget Statement 1, otherwise known as Budget Overview, and Budget Statement 2. The Budget Overview, as the name implies, presents an overview of the Budget, discusses and anticipates Budget trends and developments over the current and forthcoming MTEF periods. It does also sketch a socio-economic and demographic profile of the province, taking care to isolate salient features. The 2003/04 Budget Overview does not disappoint in this regard. It does even reflect some improvement over Budget Overviews of previous years, by containing several new elements and aspects. For example, it offers a more detailed analysis of revenue and expenditure performance, covering infrastructure expenditure and transfers to local government. In addition, it devotes a whole new section to analysing the province's fiscal performance in recent years, drawing attention therein to the fiscal challenges confronting the province. The challenges, for the most part, arise from endeavours to raise revenue and contain expenditure pressures on a wide variety of fronts.

These additions augment the sections introduced last year on performance budgeting and service delivery. Worthy of note, the 2003/04 Budget Overview provides information on service delivery for the main programmes of the provincial government. The purpose is to improve both the transparency of the Budget and accountability to the tax-paying public. Simply put, the intention is to provide the general public – our clients and stakeholders – with a yardstick with which to measure government's performance in delivering essential services.

Taken together, the various chapters of the Budget Overview present a comprehensive summary of the province's fiscal priorities, expenditure performance and service delivery outputs over the period under review.

Budget Statement 2, for its part, provides *detailed* information on the revenue and expenditure profile and MTEF budgets of the various departmental votes.

It has been said that one measure of the quality of a government's budget and financial performance is the quality of the financial documentation and information it provides. If this is true, it is my sincere belief that we have not failed in our duty to the people of this province, and that once again we have demonstrated our commitment to the highest standards of financial management and good governance.



Siphosiso Shabalala
Head: Provincial Treasury

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