

FOREWORD BY THE HON. DE Africa, MEC FOR FINANCE AND ECONOMIC DEVELOPMENT

1. Background

This is the first budget to be submitted to this distinguished house after celebrating our first decade of freedom and democracy in our country. I am honoured to submit my first Provincial Budget, marking the second decade of our democracy and focusing more on realizing our development objectives.

During the first decade of freedom we had to overcome many obstacles. Economically, we inherited a technically insolvent country. Ten years down the line, we are proud that we have successfully turned our country's economy around. The excitement and positive mood regarding the excellent performance of our economy continues. Our currency has gained substantially in relation to major currencies of developed countries. Our low inflation rate is an example for most developing nations and, according to the latest statistics, inflation is even declining steadily, creating the necessary environment for sustained economic growth.

What is happening to the poorest of the poor in our province country?

During 1998, 4,1 million (40,3%) of our country's households had an income of less than R9,600 per annum. According to the latest statistics, the number of households living below the so-called "breadline" (after

inflation adjustments) has reduced to 3,6 million or 29,8% of our country's total households.

Despite these successes, I am the first to acknowledge that much work still needs to be done.

I therefore table this budget in this distinguished house with the confidence that with this budget we continue to change our spending patterns in the North West Province so that we can be able to address the plight of the unemployed and also stimulate economic growth using the budget as the key instrument.

2. The budget structure

In the 2004/05 Provincial Budget, nationally uniform budget structures were implemented for the health, education and social services sectors. In this Provincial Budget uniform budgets are taken a step further with uniform budget structures being implemented for other sectors such as local government and housing, transport and roads, public works and agriculture.

The new uniform budget structures simplifies comparisons between provinces and it also makes the consolidation of national sector specific budgets easier. The aim is to have uniform budget structures for all sectors in the near future.

Changes to make the Budget more transparent and user friendly will continue in the foreseeable future. As in previous financial years, the Budget consists of the following budget statements:

- Budget Statement No. 1: Budget Overview*
- Budget Statement No. 2: Departmental Estimates*

The outlay and information provided in the Provincial Budget tabled in this distinguished house do not differ much from the budget tabled in the previous year.

3. Basis for compiling the Budget

Two distinct areas are deliberately earmarked and addressed in this budget.

Despite all efforts, the inherited backlogs in areas such as housing, education, health, etc. continue to be challenges past the first ten years of democracy. In our quest to achieve social justice, equity and a better life for all our people, the Provincial Government is committed to eradicate these inherited backlogs. These therefore remain a priority and the Provincial Budget is therefore aimed at addressing the needs of our people as embodied in our policy priorities.

The second area addressed in this budget is economic growth. Funds were earmarked and allocated to address the creation and maintenance of provincial infrastructure, skills development while money has also been allocated for the direct and indirect stimulation of our economy. Our aim remains sustainable high economic growth that will eradicate poverty. In this regard, approximately 10% of the budget will be dedicated to growth and economic development in the province, increasing gradually over time.

The Provincial Government will continue addressing the socio-economic needs of our people but at the same time we shall fight poverty and create a better life for all our people.

The 2005/06 MTEF Budget is a result of the constructive participation of the Members of the Executive Council, the newly established Budget Oversight Committee and heads of department.

I would therefore like to thank the Hon. Premier, all my EXCO colleagues and their heads of department for the constructive role they have played in compiling this Provincial Budget. I would also like to thank the provincial treasury officials and staff for the sterling work they are doing in managing our finances

*DE Africa
MEC for Finance and Economic Development*

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