



Gauteng Provincial Government Budget

Budget Booklet

2005/06

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Paul Mashatile

MEC for Finance and Economic Affairs

Ilunga loMkhandlu wesiFunda saseGauteng
kwezeziMali nezoMnotho

Leloko la molao phethahatso la Gauteng la dijhelete le
Ekonomi

LUR vir Finansiële & Ekonomiese Sake

Gauteng Budget 2005/2006

We are tabling the 2005/06 Gauteng Provincial Government MTEF Budget during the year in which we mark the 50th Anniversary of the Freedom Charter.

As we celebrate this anniversary we have, through this Budget, allocated resources in a manner that will further advance the broad objectives of the Charter and deepen the gains we have made so far in expanding access to a better life.

Since 1994, we have succeeded in putting in place a solid foundation upon which we can advance towards our strategic objectives. The results of our work are beginning to show with increased access to social services, improved service delivery and a growing economy. We are succeeding in building a better society founded on equality and dignity for all.

Our priorities for the current term of government are:

- Enabling faster economic growth and job creation
- Fighting poverty and building safe, secure and sustainable communities
- Developing healthy, skilled and productive people
- Deepening democracy and nation building, and realising the constitutional rights of our people
- Building an effective and caring government

This budget sets out just how these priorities will be met through the various programs and projects of the Gauteng Provincial Government over the next three financial years.

The Gauteng Growth and Development Strategy is in line with our commitment to contribute towards the national objective of halving poverty and unemployment by pursuing sustained and higher levels of economic growth. We will also focus on the challenges of the second economy - that part of our economy characterised by high levels of unemployment, lack of skills and general underdevelopment.

Social services make up 81% of the total expenditure budget reflecting our commitment towards the delivery of quality social services to all the citizens of Gauteng. We have also allocated resources to infrastructure projects and provincial initiatives that stimulate economic growth, create jobs and contribute in the fight against poverty.

I trust that you find this document useful in contributing to the understanding and analysis of the Gauteng Provincial Budget for the 2005MTEF.



Paul Mashatile
Gauteng MEC for Finance and Economic Affairs

Why do we need a budget?

A budget is a plan that identifies how the money available is going to be spent. The budget allows us to plan spending such that we achieve the goals we set ourselves.

We have an obligation to keep the public informed of government activities and how money is spent.

By tabling a budget we also provide a spending plan against which government's performance could be measured and monitored.

This booklet explains the Gauteng budget for the financial year 1 April 2005 to 31 March 2006.

What are the Provincial priorities and Strategic objectives adopted by the Executive Council for the Gauteng Provincial Government?

■ Enabling faster economic growth and job creation

Key actions and programmes

Enabling, supporting and investing in:

- Strategic economic infrastructure including the Gautrain Rapid Rail Link, the Innovation Hub and the Johannesburg International Airport Industrial Park
- Labour absorbing and value adding sectors and expanding the knowledge-based economy
- Targeted geographical areas, which would enhance broad based economic growth and local economic development
- Promoting Gauteng as a preferred destination for investment, tourism and business and the home for competitive sport
- Broadening wealth creation through support for BEE and SMME development and co-operatives, including creating opportunities for self-employment and playing a role in micro financing with a focus on women and youth
- Playing a strategic role as a procurer of goods and services
- Maximising the use of agricultural land and increasing support to black farmers
- Building Gauteng into an integrated and globally competitive region

■ Fighting poverty and building strong, sustainable communities

Key actions and programmes

Introduction of a comprehensive consolidated infrastructure programme to ensure the streamlined and sequenced delivery of public assets. This programme will ensure that:

- New settlements are serviced with public amenities before or as soon as possible after people move into new houses
- Our public assets can be regenerated as the community changes, for example, schools in ageing communities can be converted into community centres
- Government investment can be concentrated around public spaces or transport hubs
- Contracts are awarded to local small and emerging entrepreneurs and the use of labour in construction and maintenance is maximized and
- Public assets are maintained, sustainable and fully utilised
- Implementation of the Expanded Public Works Programme in Gauteng, including the consolidation of existing public works programmes

What are the Provincial priorities and Strategic objectives adopted by the Executive Council for the Gauteng Provincial Government?

- Ensuring the provision of basic services to all, including a certain amount of water and electricity free
- Densification of a wide variety of housing aimed at various markets, on well-located land
- Formalisation of informal settlements on safe, habitable and appropriately designated land
- Urban regeneration
- Promoting and enabling local economic development initiatives
- Development and implementation of a comprehensive public transport management strategy
- Creating a safe and healthy environment
- Working in partnership with communities and the police to ensure safe streets, homes workplaces and schools, especially for women and children.
- Ensuring safety on Gauteng roads through effective traffic management

■ Developing healthy, skilled and productive people

Key actions and programmes

- Promoting adequate nutrition and healthy lifestyles
- Prevention and treatment programmes to act against the causes of ill health and death
- Provision of caring, responsive and quality health services
- Consolidating primary health care services
- Increased investment in our youngest citizens through improved early childhood development services
- Consolidating and strengthening public school education
- Building the skills of our people, especially young people through strengthening Further Education and Training, the promotion of learnerships
- Ensuring life long learning through the strengthening adult basic education and training
- Linking industry, higher education institutions, skills bodies and all spheres of government together to ensure skill supply and demand are matched, especially in relation to skills that are required for a growing economy

What are the Provincial priorities and Strategic objectives adopted by the Executive Council for the Gauteng Provincial Government?

■ Deepening democracy and promoting constitutional rights

Key actions and programmes

- Social crime prevention to prevent and address the causes of crime and violence, particularly against women and children
- Youth development to increase the opportunities for young people to participate in the economy
- Women's empowerment through all government programmes to remove remaining barriers to equal participation in the economy and society
- Using arts and culture, sport and recreation programmes to strengthen nation building and social cohesion
- Sports development as an important programme, not only to promote healthy and active lifestyles, but also nation building and youth development
- Promoting public participation and accountability
- Consolidating democratic participation in all forms of governance

■ Building an effective and caring government

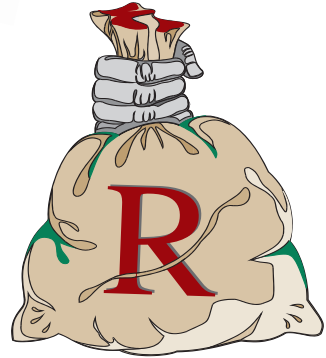
Key actions and programmes

- Provide all citizens with high quality, caring and integrated government services
- Build the capacity of the public service
- Make government accessible through
 - Ensuring accessible information about government services
 - Strengthening communication with our people
 - Strengthening redress or complaints mechanisms
- Use government resources in a prudent yet innovative manner to achieve maximum impact
- Implement our anti-corruption strategy and continue to demonstrate zero-tolerance towards fraud and corruption
- Work with local government to support the transformation process

Where do we get our money from?



National Allocation
Equitable share
Conditional Grants
= R32,045 billion
(95%)



GROSS TOTAL REVENUE
= R33,559 billion



Other
Direct charges
= R36,5 million



Provincial Revenue
= R1, 514 billion
(5%)

Net Revenue
= R33,523 billion

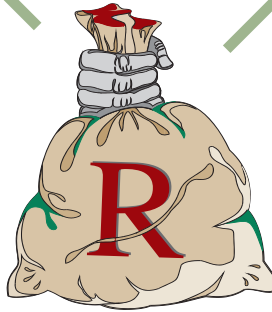
Sources of provincial revenue



**Gambling and
betting taxes**
= R372,6 million
(24,6%)



Patient fees
= R167,3 million
(11,1%)



PROVINCIAL REVENUE
= R1,514 billion



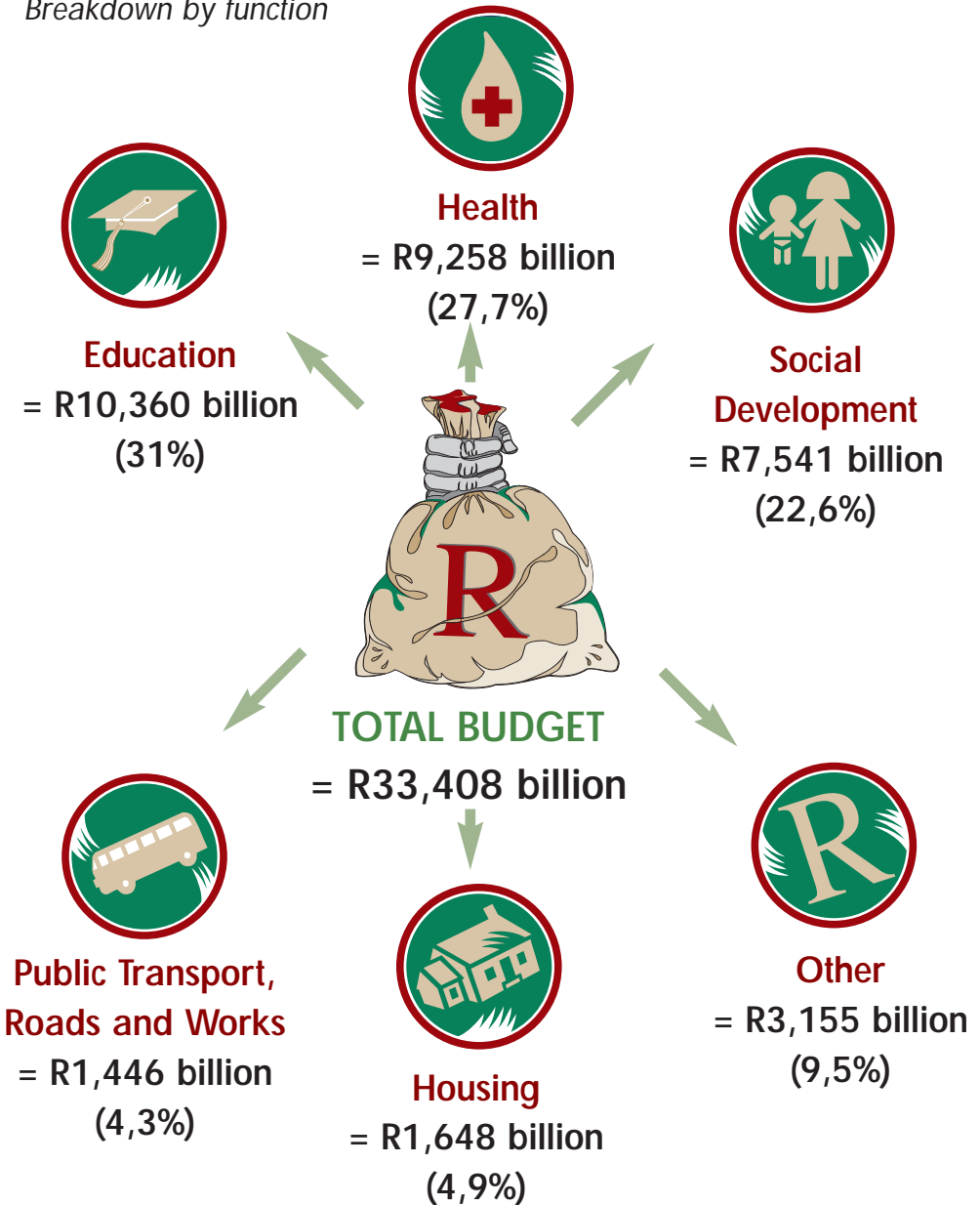
Vehicle licenses
= R744,2 million
(49,1%)



Other sources
= R230,4 million
(15,2%)

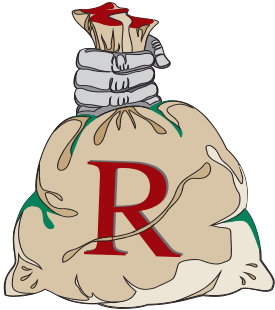
How do we spend our money?

Breakdown by function



How do we spend our money?

Breakdown by economic classification



TOTAL BUDGET
= R33,408 billion

Current payments
= R20,246 billion (60,6%)

Transfers and subsidies
= R11,707 billion (35%)

Payments for Capital assets
= R1,455 billion (4,4%)

Breakdown by major spending items

TOTAL BUDGET
= R 33,408 billion

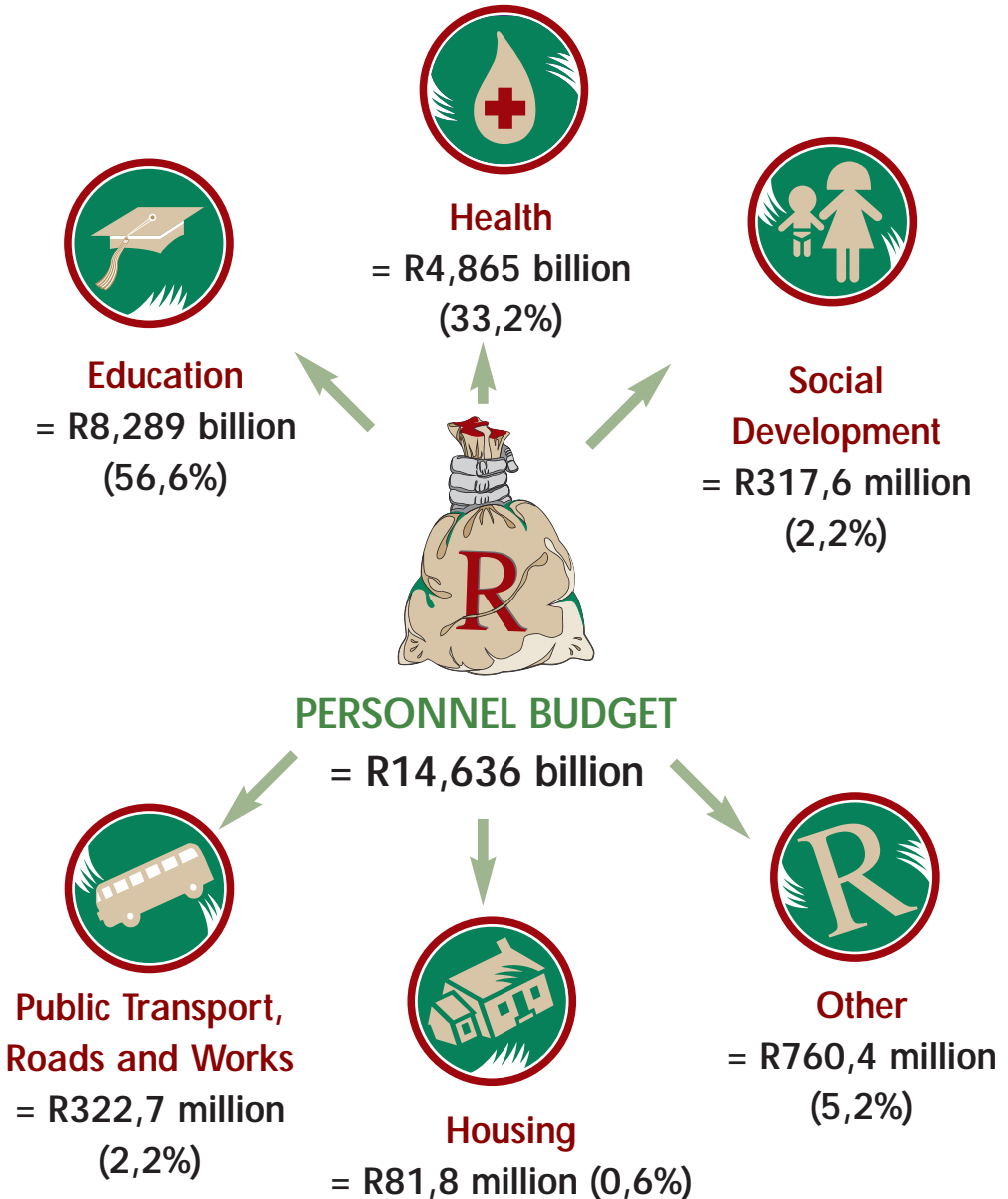
Compensation of employees
= R14,636 billion (43,8%)

Goods and services
= R5,574 billion (16,7%)

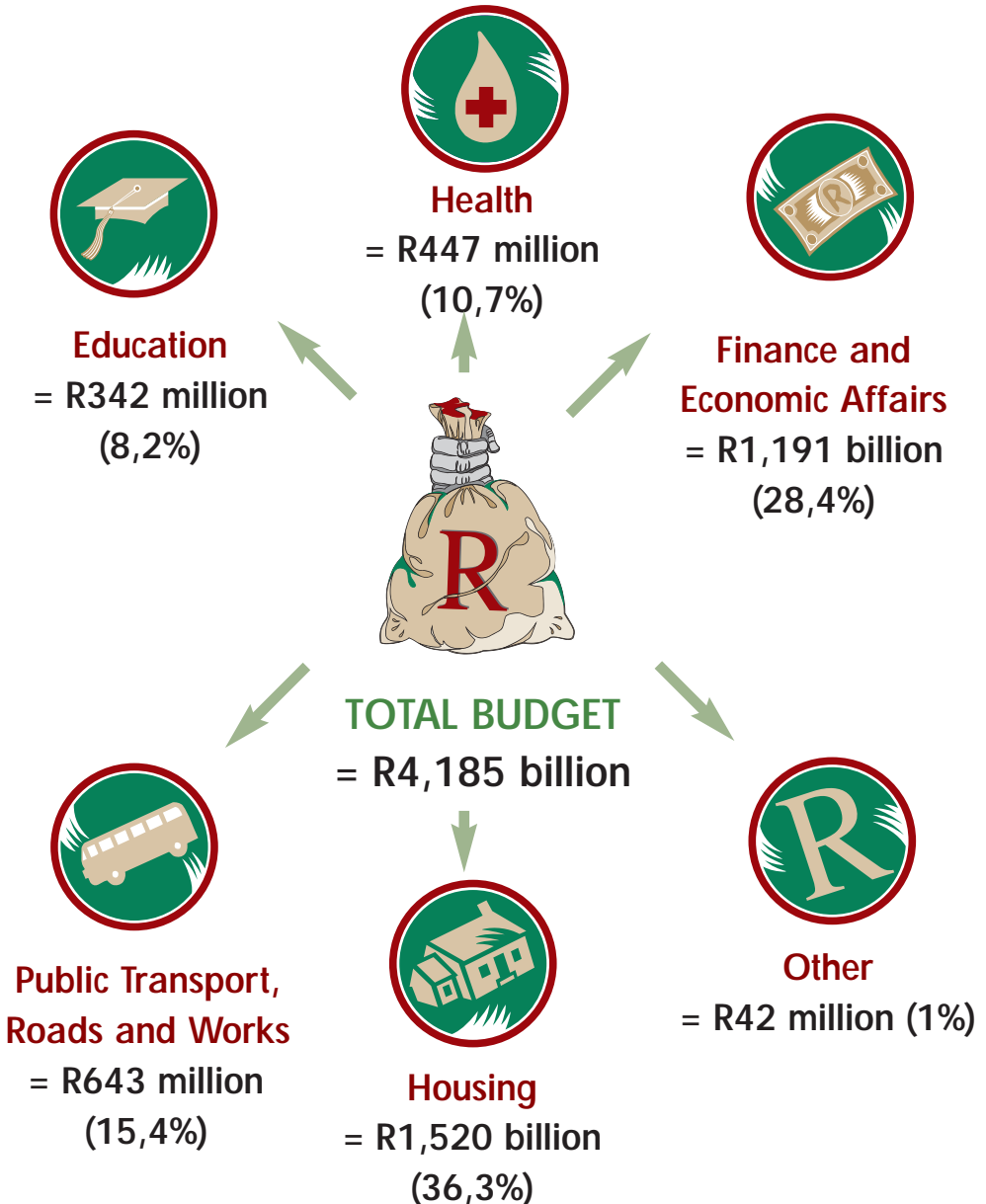
Transfers to households
= R7,999 billion (23,9%)

**Other (include payments
of capital assets)**
= R5,199 billion (15,6%)

Personnel spending

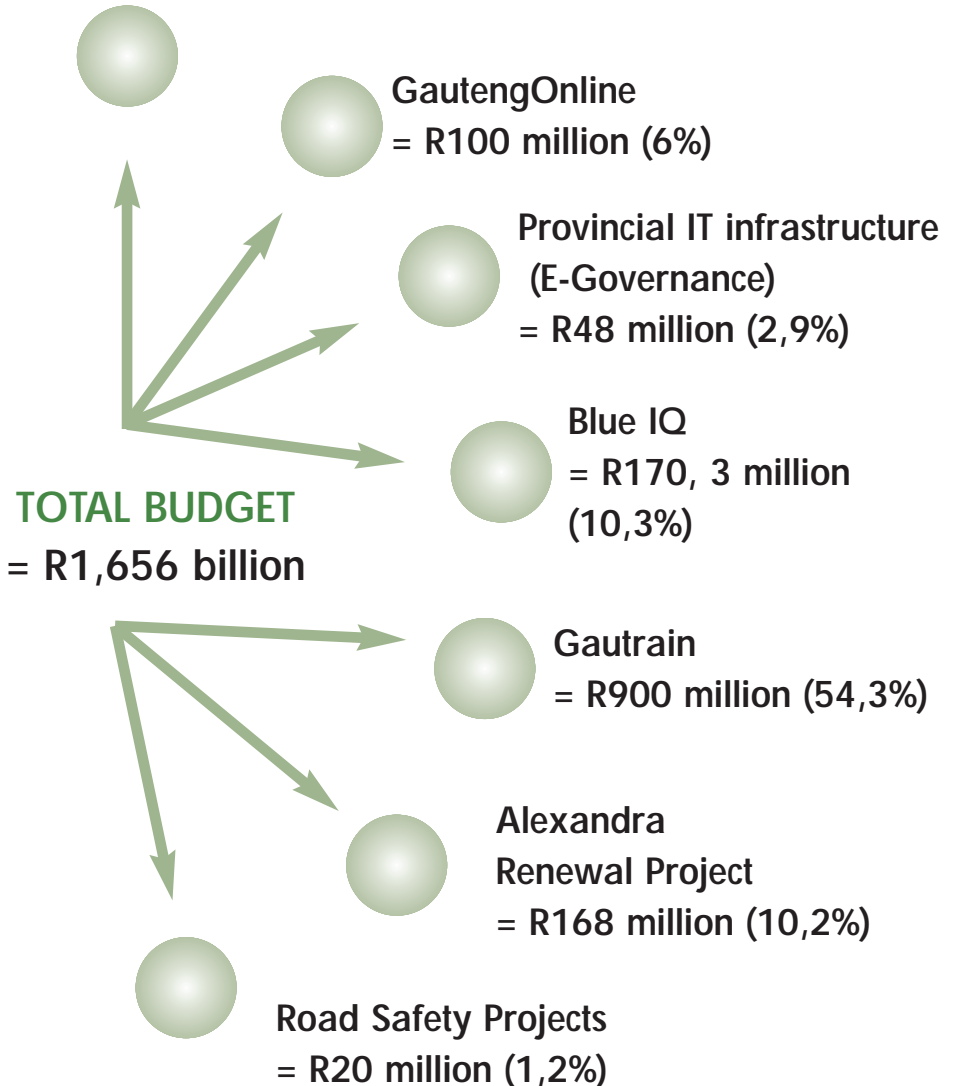


Summary of Capital Projects per department



Special Projects

Growth and Development Strategy
= R250 million (15,1%)



Where have we increased our spending?

Departments	How much we spent last year 2004/05 R'billion	How much we plan to spend this year 2005/06 R'billion	How much have we increased/ (decreased) spending %
Education	10,027	10,360	3%
Health	8,943	9,258	4%
Social Development	6,439	7,541	17%
Finance and Economic Affairs	1,179	1,285	43%
Housing	1,440	1,648	14%
Other	3,179	2,916	(18%)
TOTAL	31,207	33,408	7%

NOTES
