

BUDGET STATEMENT

2006/07

Gauteng Provincial Government

21 February 2006



The Provincial Budget Statement for 2006/07 MTEF is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

To obtain additional copies of this document, please contact:

The Head Official of Treasury
Department of Gauteng Treasury
Gauteng Provincial Government
Private Bag X091, Marshalltown, 2107



Paul Mashatile

MEC for Finance and
Economic Affairs

FOREWORD

The tabling of the 2006/2007 Gauteng Provincial Government MTEF Budget represents an important milestone in our ongoing endeavour to respond in a comprehensive way to the aspiration of the people of Gauteng. This Budget allows us to make further advances towards our objective of achieving higher levels of economic growth and development which are necessary for us to eradicate the legacy of our under development that has condemned many of our people to conditions of poverty, joblessness and homelessness.

The MTEF Budget is reflective of the political priorities of the province. It illustrates how we will allocate resources to specific programs and projects in line with the priorities we have set for ourselves during the current term of governance. Our priorities 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 realizing the constitutional rights of our people
- Building an effective and caring environment

The 2006/2007 Budget builds on the successes we have achieved in reaching the goals we have set for ourselves. During the current term of governance, we have made significant progress in enabling faster economic growth and job creation. This we have done through the implementation of the provincial Growth and Development Strategy and the establishment of the Gauteng Enterprise Propeller, an agency that provides financial and non-financial support to SMMEs and cooperatives in Gauteng. These interventions have also contributed towards bridging the gap between the first and the second economies and have broadened participation in the economic mainstream.

Through the Blue IQ project we have invested over R2 billion in improving strategic economic infrastructure in Gauteng and our efforts to position Gauteng as a preferred destination for competitive sport, tourism as well as foreign and domestic investment continue to bear fruit.

We continue to direct more resources towards primary health, Bana Pele, providing school feeding and free scholar transport with a view to contribute towards developing healthy, skilled and productive people.

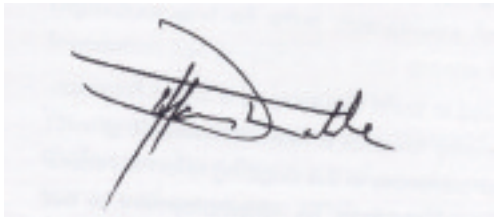
As a result of years of careful economic planning and efficient financial management, we are able through the 2006/2007 Budget to make even more advances towards our objectives. This year's Budget further expands allocations for social services, improving service delivery and capital expenditure, without losing sight of existing and anticipated challenges brought about by rapid urbanization.

The increased allocations we are making over the MTEF Budget for capital expenditure further underscore our commitment to accelerating economic growth, creating jobs and fighting poverty. This capital expenditure funding will be directed towards infrastructural projects which will serve as catalysts to increased economic growth and job creation.

Alongside economic growth initiatives, we will continue to provide and improve on our social security net in the form of grants and other welfare services in order to contribute towards the fight against poverty. In the 2006/07 financial year when the distribution of social security grants is transferred to the new South African Social Security Agency, the allocation to the social sector (health, education and social development) will decrease from 80% in the previous financial year to 69%. A majority of this funding is for direct transfers to beneficiaries in the form of social grants. This will therefore not have a significant effect on core service delivery in the social sector.

Social sector expenditure will also target key priorities over the next three years, including the roll out of sites that provide anti-retroviral treatment to HIV/Aids patients, and the continuation of the HIV/AIDS prevention program.

I trust that you find this document useful in contributing to the understanding and analysis of the Gauteng Provincial Budget. I also trust that this Budget will take us even closer to the achievement of the priorities we have set for ourselves.

A handwritten signature in black ink, appearing to read 'Paul Mashatile', is written over a horizontal line.

Paul Mashatile
Gauteng MEC for Finance and Economic

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