



PROVINCE OF KWAZULU-NATAL

2006-07 BUDGET STATEMENTS for the **Financial Year ending 31 March 2007**

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FOREWORD

The publication of government budget documents is a key principle of a democratic state. It provides the Executive, the Legislature and the administrative arms of government with the necessary financial and service delivery information – a prerequisite for monitoring government performance. The documentation also affords the civil society an opportunity to hold government accountable to its citizens.

As in previous budgets, the Province of KwaZulu-Natal is publishing a Budget Statements document which contains two primary sections, namely Budget Statement 1 and Budget Statement 2. Budget Statement 1 gives an overview of the provincial budget over the 2006/07 Medium-Term Expenditure Framework (MTEF). It summarises the main budget aggregates, revenue and expenditure and highlights trends in these. It also discusses in detail the socio-economic profile of the province and economic sector performance, thus putting the budget in context. This Statement however, would not be complete without a brief discussion on municipalities. As in the previous year, we have included a section on municipalities which provides details of all provincial grants and transfers to local governments over the MTEF. The early publication of municipal financial information allows the respective municipalities to plan and budget appropriately. It also benefits the provincial Executive in a sense that it gives a clearer picture of the spatial distribution of the provincial budget.

Budget Statement 2 provides a detailed account, per department on strategic objectives, service delivery indicators, outputs and measurable objectives. This Statement further indicates the quantum of additional resources allocated to various provincial departments over the MTEF period. Statement 2 is therefore a valuable source of information and a monitoring tool, particularly for Accounting Officers as they endeavour to roll-out various government programmes within their mandates.

I feel very honoured to be part of the team that is publishing the two Statements. I am certain that the 2006/07 MTEF budget framework will go a long way towards meeting a range of provincial service delivery pressures, and will put the province on a higher economic growth trajectory. I am therefore appealing to my counterparts in other departments to join hands and ensure that service delivery takes place as per our Provincial Growth and Development Strategy.



Sipho Shabalala
Head: Provincial Treasury

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