



Gauteng Provincial Government Budget

Budget Booklet

2006/07

Gauteng Treasury
94 Main Street, Marshalltown, Johannesburg
Private Bag X091, Marshalltown 2107
Tel: 011 355 8000 • Fax: 011 355 8500
Website: www.finance.gpg.gov.za



Paul Mashatile

MEC for Gauteng Treasury

Ilunga loMkhandlu laseGauteng kwezeziMali

Leloko la tsa Matlotlo a Gauteng

LUR vir Gauteng Tesourie

Gauteng Budget 2006/07

The tabling of the 2006/07 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. The MTEF Budget is reflective of the political priorities of the province. It illustrates how we will allocate resources to specific programmes and projects in line with the priorities we have set for ourselves during the current term of government. 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

During the current term of governance, we have made significant progress in reaching the goals we have set for ourselves. The 2006/07 Budget builds on these successes and allows us 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 urbanisation.

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 infrastructure projects which will serve as catalysts to increased economic growth and job creation.

Along side economic growth initiatives, we are also committed to expanding expenditure on social services such as Health, Education and Social Development. Social sector expenditure will target key priorities over the next three years, including the roll out of sites that provide anti-retroviral treatment to HIV and AIDS patients, and the continuation of the HIV and AIDS prevention programme.

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



Paul Mashatile
MEC for Gauteng Treasury

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 2006 to 31 March 2007.

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. We will ensure the success of the 2010 World Cup soccer tournament and use it as an opportunity to consolidate our preferred destination status for investment, tourism and sport.
- Broadening wealth creation through support for BBBEE and SMME development and cooperatives, 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 to advance our economic objectives including support for local manufacturers and black and women's economic empowerment.
- Maximising the use of agricultural land and increasing support to black farmers in respect of skills, infrastructure and access to markets.
- Building Gauteng into an integrated and globally competitive region where the economic activities of the different parts of the province complement each other in consolidating Gauteng as an economic hub of Africa and an internationally recognised global city region.
- The Growth and Development Strategy (GDS) which aims to address socio-economic transformation in the province, maintaining political stability, establishing a functioning state infrastructure, growing the provincial economy and reducing high levels of unemployment and poverty.

Through:

- Ensuring provincial socio-economic development based on integrated, sustainable and participatory planning and development.
- Providing economic growth, job creation and related targets for the province for the next decade

of democracy.

- Building on cooperative governance and inter-governmental relations.
- Increasing relationships and partnerships with other sectors of society.
- Identify opportunities for all sectors of society and citizens to be involved in reconstruction and development of the province.

■ 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:

- 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; these must be maintained and fully utilised.
- Government investment can be concentrated around public spaces or transport hubs, including the planned Gautrain stations, to enhance access to services and promote local economic development.
- Contracts are awarded to local small and emerging entrepreneurs and the use of labour in construction and maintenance is maximised.
- The Expanded Public Works Programme is implemented in Gauteng, including the consolidation of existing public works programmes.
- The provision of basic services to all, including a certain amount of water and electricity free. A key priority will be the provision of water and sanitation, which plays an important role in promoting good health.
- Densification of a wide variety of housing aimed at various markets, on well located land and delivered in partnership with the private sector and other role players. The future of hostels in our province will also be resolved.
- The formalisation of informal settlements on safe, habitable and appropriately designated land.
- Urban regeneration, including working with all spheres of government and pulling together public and private sector investment in ways which maximise benefits.
- Promoting and enabling local economic development initiatives to provide work, build community infrastructure and ensure access to local opportunities, particularly in the poorest communities. Government will seek to coordinate and target its investment in certain local areas or precincts so as to maximise its impact.
- Development and implementation of a comprehensive public transport management strategy that increases access to safe and affordable transport, reduces the traveling time of people and goods in our province and to outside destinations and reduces the negative environmental impact of motorised transport.
- Creation of a safe and healthy environment through producing less waste, reducing the use of

non-renewable resources and addressing the pollution of our air, water and soil.

- Working partnerships with communities and the police to ensure safe streets, homes workplaces and schools, especially for women and children.
- 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 such as violence, road accidents, stress, HIV and AIDS, poor lifestyles and alcohol abuse.
- Provision of caring, responsive and quality health services through:
 - reducing waiting times
 - improving front line services
 - revitalising health infrastructure
 - investing in our health care professionals and workers and
 - empowering our communities with health information and education.
- Consolidating primary health care services to deal with common conditions, build community participation and enable inter-sectoral collaboration.
- Increased investment in our youngest citizens through improved early childhood development services.
- Consolidating and strengthening public school education so that all children in our province, especially the poorest, have equal access to quality 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, retraining and reskilling, to give those who have left school early or have been retrenched a second chance.
- 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.

■ 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 and realise their potential, including through enabling participation in sport, art and culture.
- 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, including through our Imbizo, Lets Talk campaign and public hearings and strengthening the role of the Legislature.
- Consolidating democratic participation in all forms of governance through strengthening the participation of our people in forums such as ward committees, School Governing Bodies and Community Policing Forums.

■ Building an effective and caring government

Key actions and programmes

- Providing all citizens with high quality, caring and integrated government services. This critically includes removing obstacles to effective service delivery, making sure services are sustainable and increasing the responsiveness of the public sector to complaints and problems from citizens.
- Building the capacity of the public service:
 - A comprehensive skills development programme, including learnerships and for managers and staff on the frontline of service delivery
 - Performance management of public servants
 - Strengthening our HIV and AIDS workplace programmes
 - Improving the representivity of the public service especially of black people, women and people with disabilities at managerial and professional levels
- Making 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 and
 - Implement our anti-corruption strategy and continue to demonstrate zero tolerance towards fraud and corruption
- Use of government resources in a prudent yet innovative manner to achieve maximum impact.
- Implementing our anti-corruption strategy and continue to demonstrate zero tolerance towards fraud and corruption.
- Working with local government to support the transformation process.

Where do we get our money from?

National Allocation

R32,106 billion (94,8%)



Provincial Own Revenue



Equitable share R23,362 billion (69%)

Conditional Grants R8,744 billion (25,8%)

R1,758 billion

(5,2%)

Direct charges

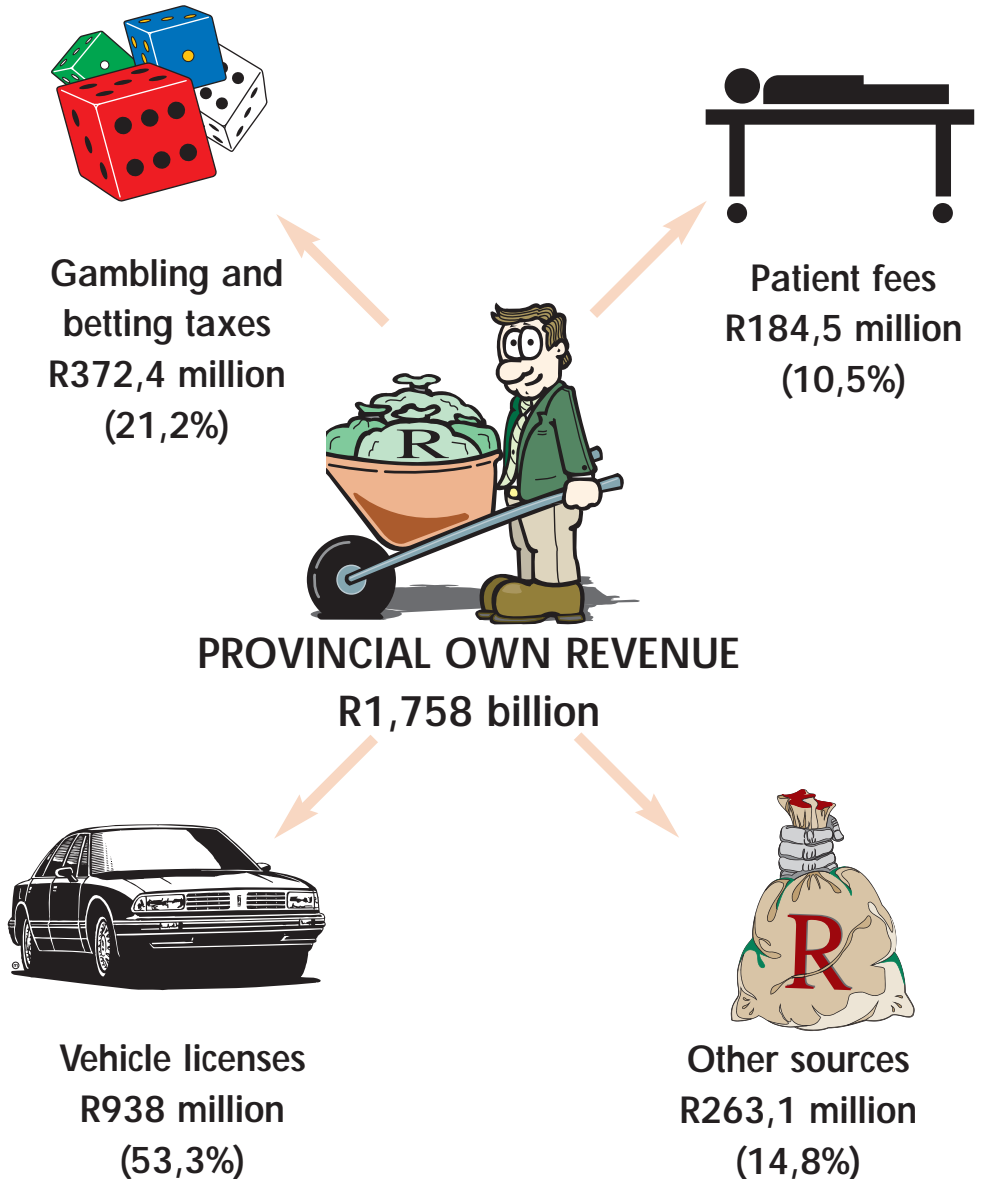
R40,4 million



TOTAL NET REVENUE

R33,824 billion

Sources of provincial own revenue



How do we spend our money?

Breakdown by function



Education
R12,282 billion
(35,6%)



Health
R10,404 billion
(30,2%)



Social Development
R982 million
(2,8%)



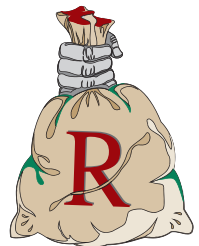
TOTAL BUDGET
R34,460 billion



**Public Transport,
Roads and Works**
R6,225 billion
(18,1%)



Housing
R2,081 billion
(6,1%)



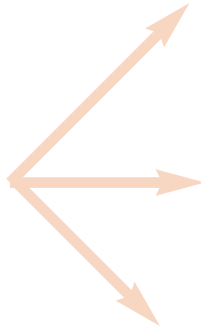
Other
R 2,486 billion
(7,2%)

How do we spend our money?

Breakdown by economic classification



TOTAL BUDGET
R34,460 billion



Current payments
R22,349 billion (64,9%)

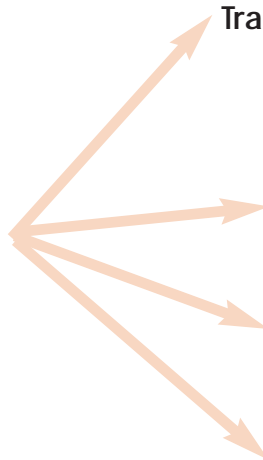
Transfers and subsidies
R9,563 billion (27,7%)

Payments for Capital assets
R2,548 billion (7,4%)

Breakdown by major spending items



TRANSFERS
R9,563 billion



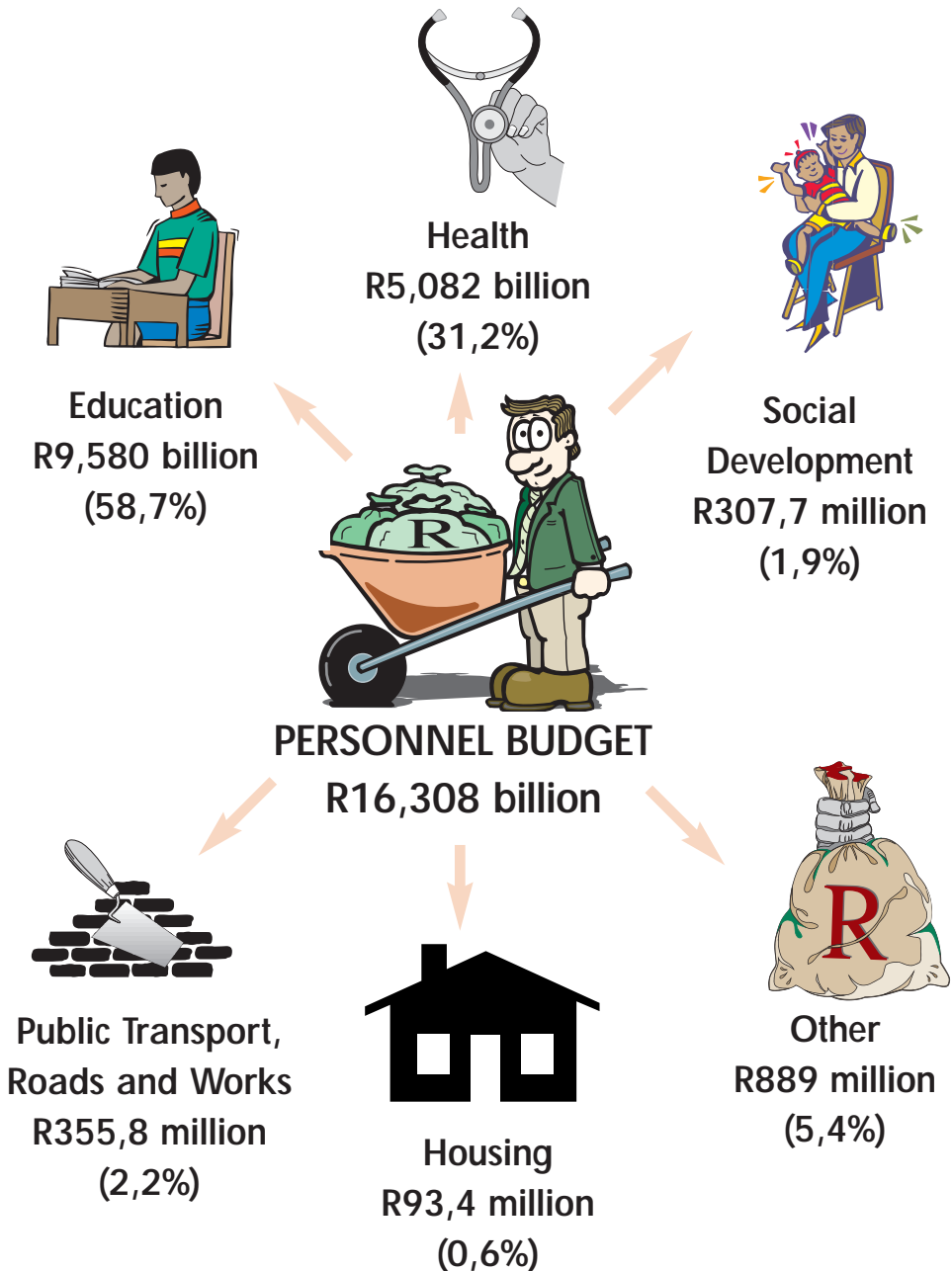
Transfers to Local Government
R675 million (7,1%)

Transfers to households
R2,146 billion (22,4%)

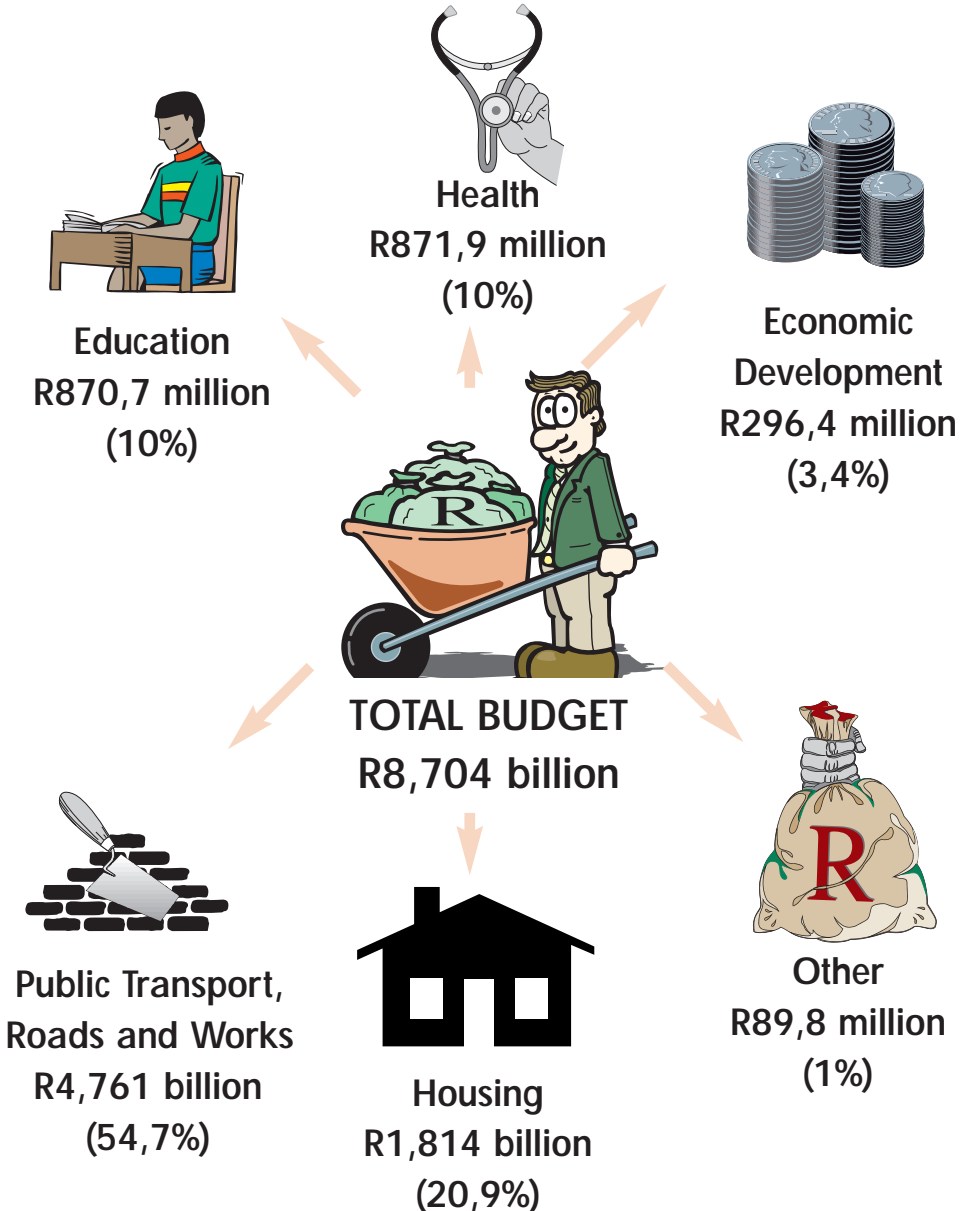
Transfers to NGO's
R1,824 billion (19,1%)

Other tranfers
R4,918 billion (51,4%)

Personnel spending



Summary of Infrastructure Programmes per department



Special Projects

GPG Precinct

R71 million

Cradle of Humankind

R46 million

Gauteng Online

R200 million

Provincial IT infrastructure
(E-Governance)

R98 million

Blue IQ

R79 million

Gautrain

R4,6 billion

Alexandra Renewal
Project

R172 million

Road Safety Projects

R31 million

Dinokeng

R94 million



TOTAL BUDGET

R5,391 billion

Special Projects: Gauteng Development Strategy

Gauteng Economic Propeller

R80 million

Creative industries

R14,5 million

Investment, promotion & economic development

R10 million

Blue IQ investment

R20 million

Legacy projects

R60 million

Arts & Culture Strategy

R3,5 million

Agricultural Strategy

R14 million

Top 20 Priority Townships

R20 million

Intelligent Transport Management System

DPTRW – R54 million

Safety – R25 million

GPG Contract

Call Centre

R29 million



TOTAL BUDGET

R330 million

Where have we increased our spending?

Department	Adjusted Budget 2005/06 R billion	How much we plan to spend this year 2006/07 R billion	How much have we increased spending %
Education	10,807	12,282	13,6%
Health	9,841	10,404	5,7%
Social Development	860	982	14,2%
Housing	1,764	2,081	18%
Public Transport	2,088	6,225	198,1%
Community Safety	181	220	21,5%
Local Government	129	160	24,2%
Other Departments	1,909	2,106	10,3%
Total Spending: GPG	27,579	34,460	24,9%

