

BUDGET SPECIAL

Gauteng Budget 2006/2007

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



Gauteng Treasury MEC Paul Mashatile

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%)



Equitable share
R23,362 billion (69%)
Conditional Grants
R8,744 billion (25,8%)

Provincial Revenue



R1, 758billion
(5,2%)

Direct charges
R40,4 million



TOTAL NET REVENUE
R33,824 billion

Sources of provincial own revenue



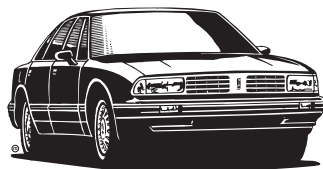
Gambling and betting taxes
R372,4 million
(21,2%)



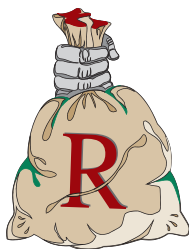
Patient fees
R184,5 million
(10,5%)



PROVINCIAL OWN REVENUE
R1,758 billion



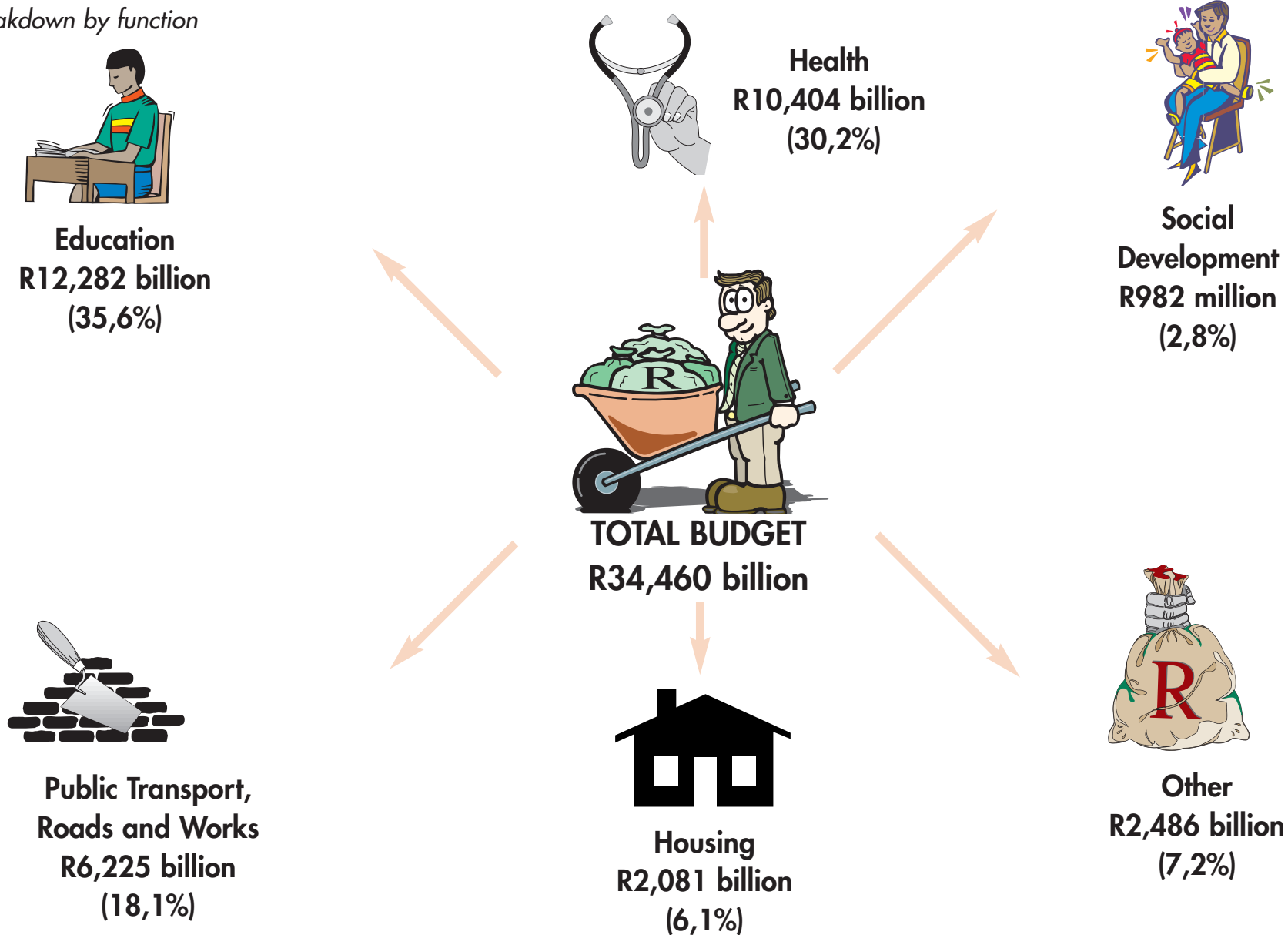
Vehicle licenses
R938 million
(53,3%)



Other sources
R263,1 million
(14, 8%)

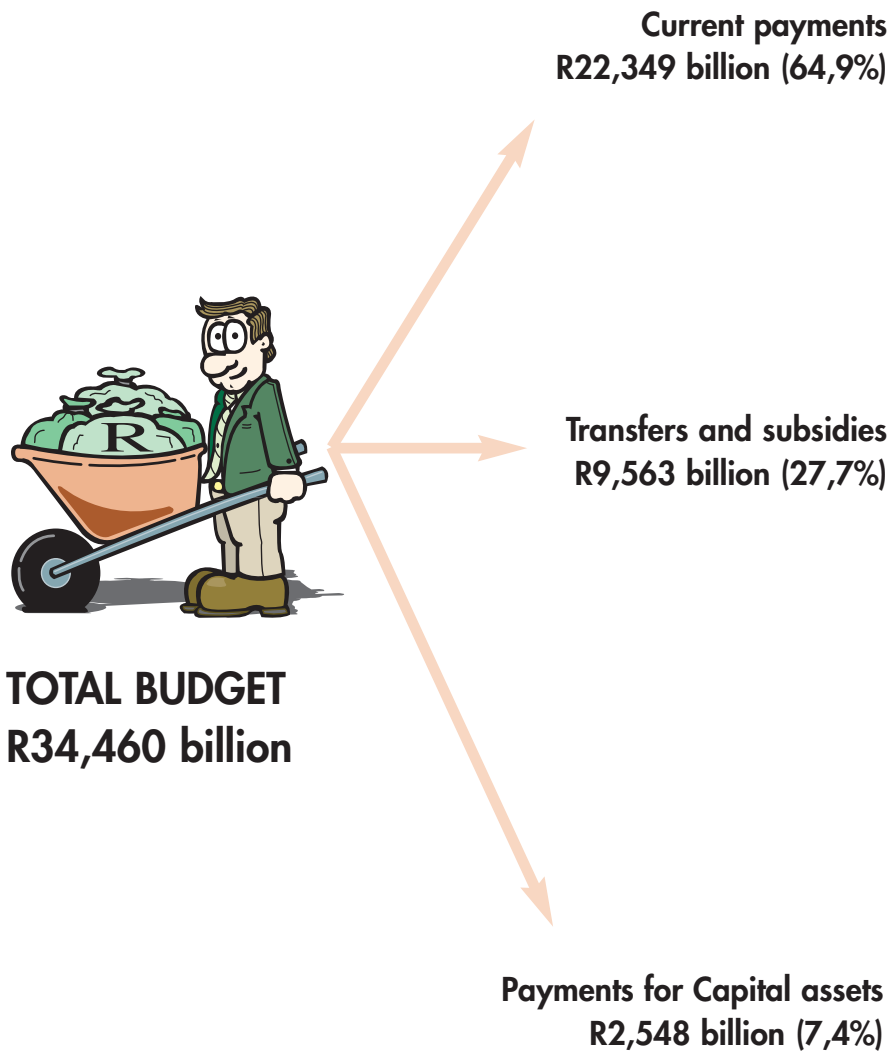
How do we spend our money?

Breakdown by function

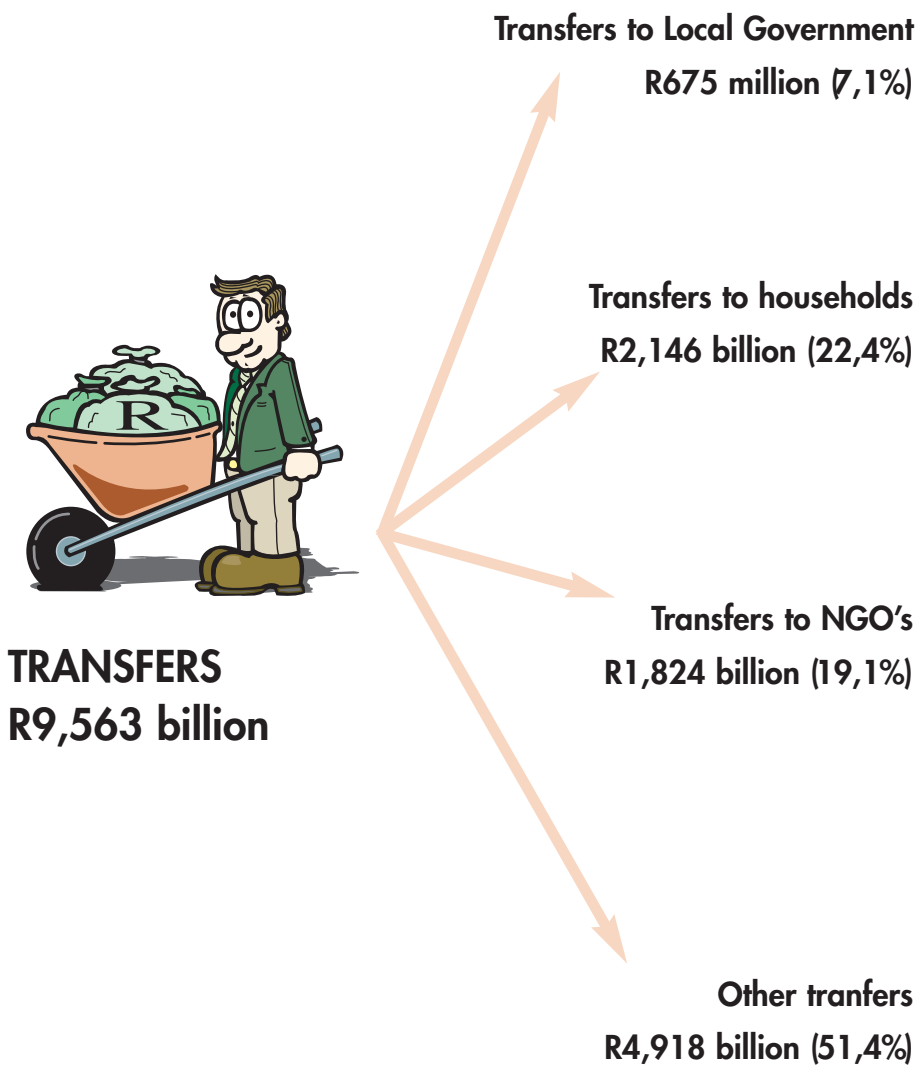


How do we spend our money?

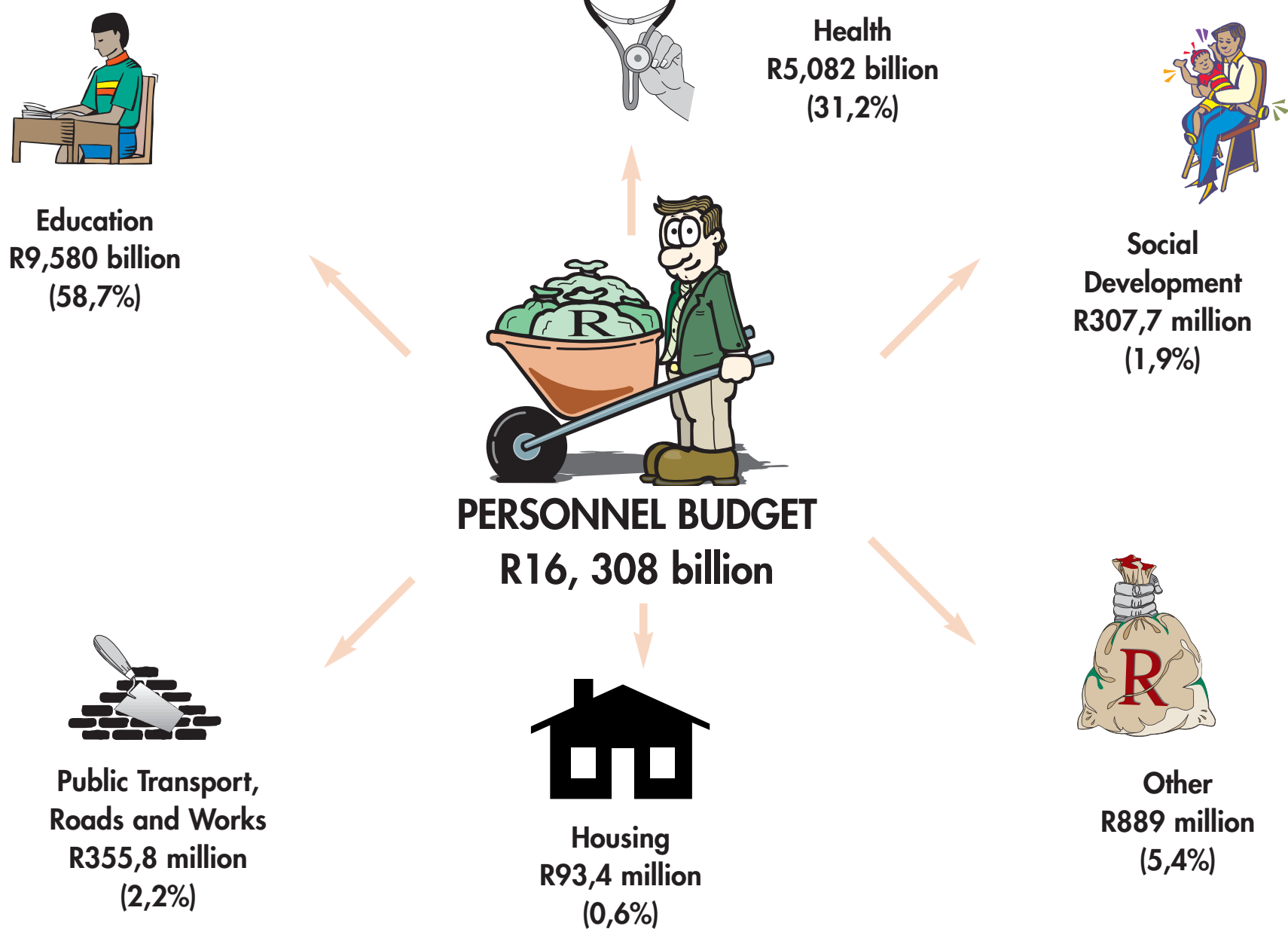
Breakdown by economic classification



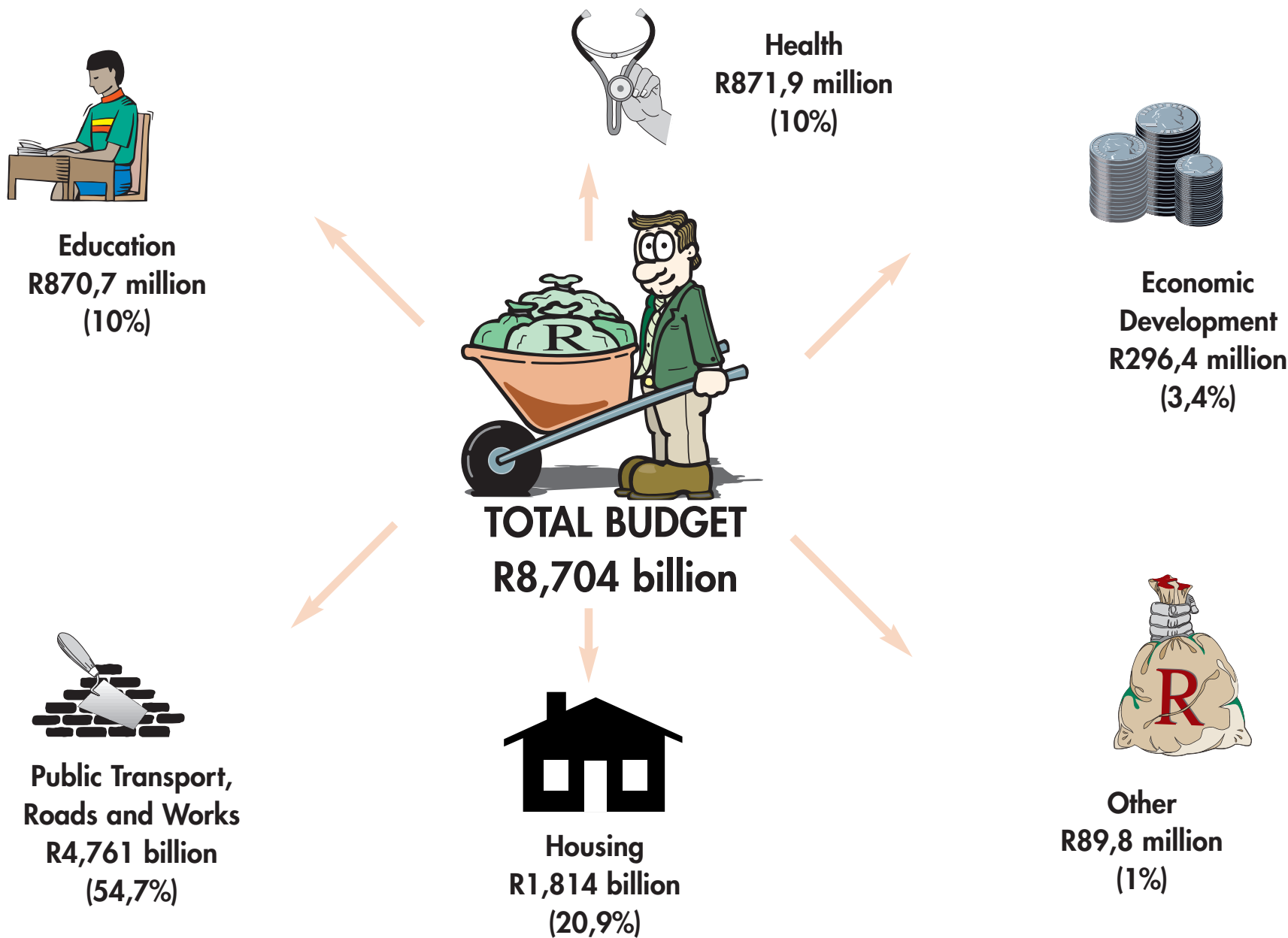
Breakdown by major spending items



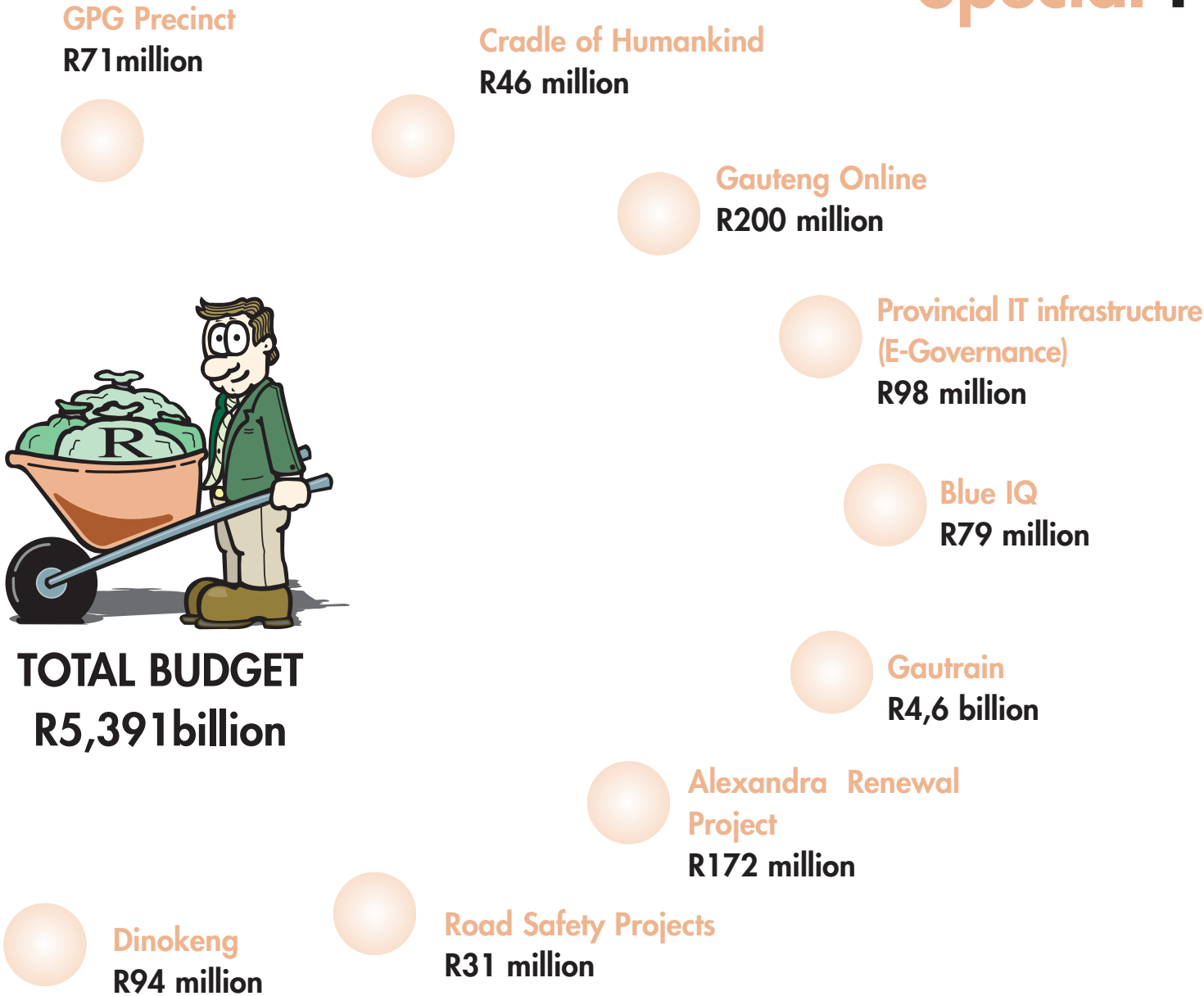
Personnel spending



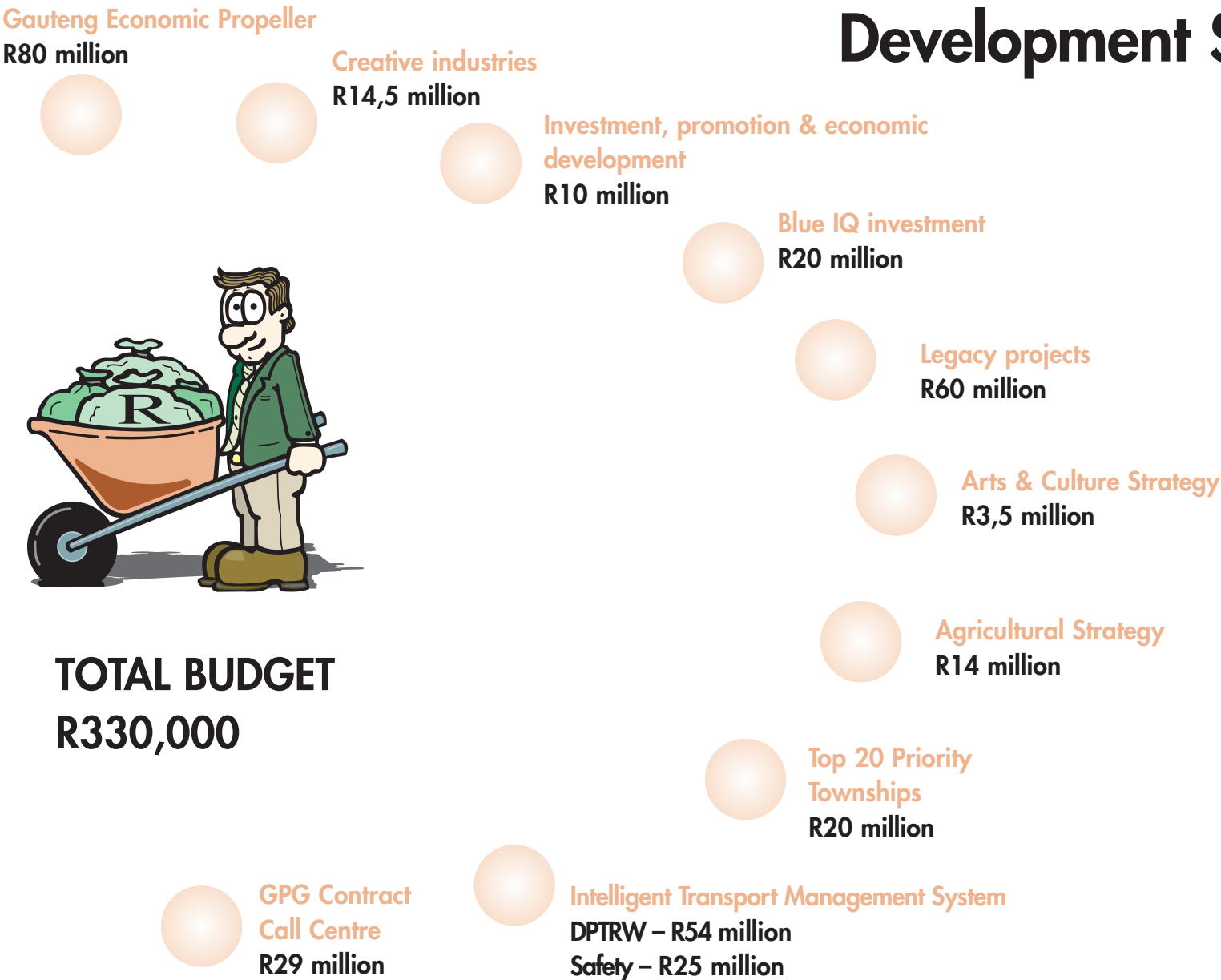
Summary of Infrastructure Programmes per department



Special Projects



Special Projects: Gauteng Development Strategy



Where have we increased our spending?

Departments	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%

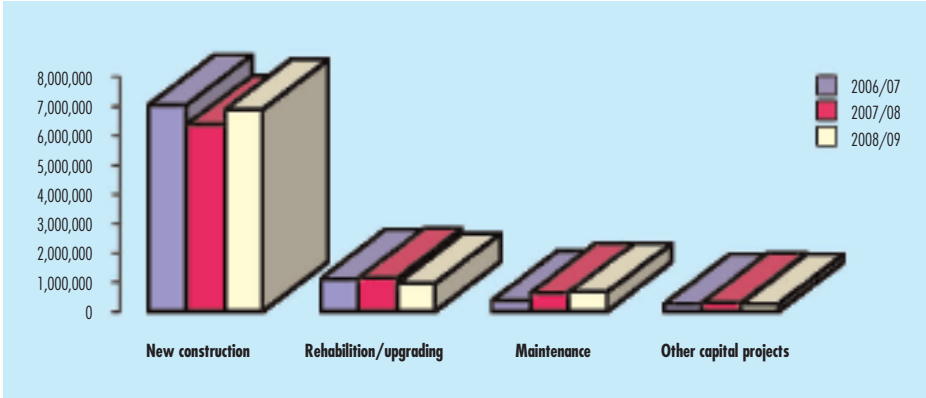


Allocation amongst Infrastructure expenditure categories

R thousand	2006/07				
	New Construction	Rehabilitation/ Upgrading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic Development	265,550	30,825			296,375
4 Health	370,868	185,302	288,878	26,821	871,869
5 Education	670,679			200,000	870,679
6 Social Development	5,620		21,000		26,620
7 Housing	1,056,854	730,570	22,197	4,714	1,814,335
9 DPTRW	4,641,000	97,733	10,000	11,771	4,760,504
11 DACE	2,700	1,070	2,000		5,770
12 SRAC		57,400			57,400
Total Infrastructure per Category	7,013,271	1,102,900	344,075	243,306	8,703,552

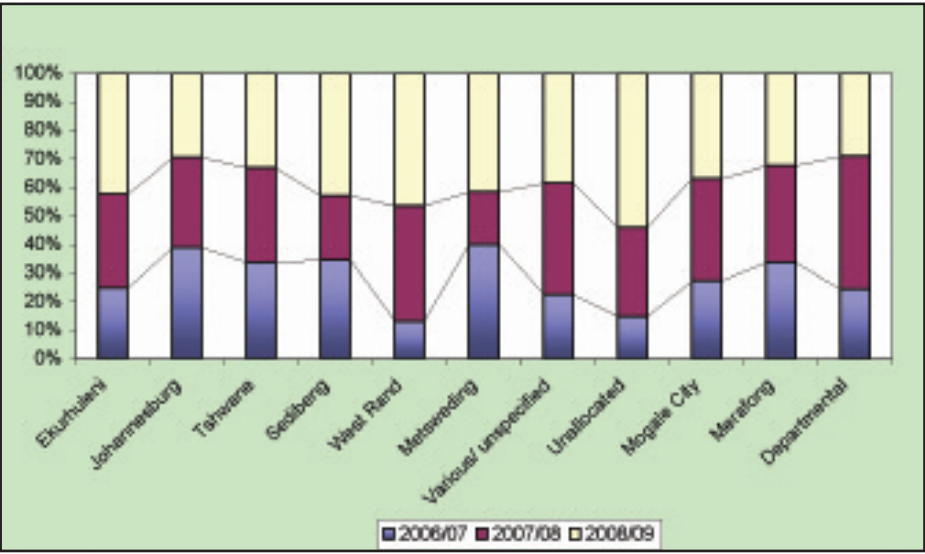
R thousand	2008/09				
	New Construction	Rehabilitation/ Upgrading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic Affairs	448,600				448,600
4 Health	655,693	230,341	358,153	28,502	1,272,689
5 Education	508,000		132,062	200,000	840,062
6 Social Development	33,420		21,000		54,420
7 Housing	1,915,591	476,259	30,081	5,696	2,427,627
9 DPTRW	3,297,474	210,626	80,750	3,817	3,592,667
11 DACE	1,050	5000	4,500		10,550
12 SRAC		9,900			9,900
Total Infrastructure per Category	6,859,828	932,126	626,546	238,015	8,656,515

R thousand	2007/08				
	New Construction	Rehabilitation/ Upgrading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic Affairs	187,550				187,550
4 Health	452,393	174,289	358,153	28,202	1,013,037
5 Education	308,000	152,046	169,503	240,000	869,549
6 Social Development	33,420		21,000		54,420
7 Housing	1,684,206	616,922	30,081	4,246	2,335,455
9 DPTRW	3,672,000	170,041	23,250	2,446	3,867,737
11 DACE	2,700	1,940	4,000		8,640
12 SRAC		9,900			9,900
Total Infrastructure per Category	6,340,269	1,125,138	605,987	274,894	8,346,288



Allocation amongst municipal areas

Name of Municipality	2006/07	% of municipality over total allocation	2007/08	% of municipality over total allocation	2008/09	% of municipality over total allocation
Metros						
Ekurhuleni	871,270	10,0%	1,161,502	13,9%	1,489,712	17,2%
Johannesburg	6,204,209	71,3%	5,021,044	60,2%	4,687,099	54,1%
Tshwane	516,276	5,9%	503,471	6,0%	507,197	5,9%
Subtotal	7,591,755	87,2%	6,686,018	80,1%	6,684,008	77,2%
District and Local						
Sediberg	350,712	4,0%	229,675	2,8%	435,775	5,0%
West Rand	172,952	2,0%	531,018	6,4%	612,764	7,1%
Metsweding	86,290	1,0%	39,431	0,5%	89,902	1,0%
Mogale City	40,159	0,5%	52,715	0,6%	54,278	0,6%
Merapong	7,800	0,1%	7,780	0,1%	7,500	0,1%
Subtotal	657,913	7,6%	860,620	10,3%	1,200,218	13,9%
Other						
Various/ unspecified	387,552	4,5%	670,597	8,0%	661,876	7,6%
Unallocated	12,600	0,1%	26,524	0,3%	46,134	0,5%
Departmental	53,732	0,6%	102,529	1,2%	64,279	0,7%
Subtotal	453,884	5,2%	799,650	9,6%	772,289	8,9%
Total Infrastructure per Municipality	8,703,552	100%	8,346,288	100%	8,656,515	100%



Access to information

Fraud and Corruption Toll Free Number

0800 600933

Please call us if you have any information
on fraud and corruption in the
Gauteng Provincial Government

Visit our website at
www.finance.gpg.gov.za

Comments on the budget are welcome
and can be forwarded to:

The Head Official of Treasury
Department of Finance and Economic Affairs
Gauteng Provincial Government
Private Bag X091
Marshalltown
2107

CAPEX PROJECTS 2006/2007 FINANCIAL YEAR

