



PEOPLES GUIDE TO THE 2007/08 MTEF PROVINCIAL BUDGET

“IT’S YOUR BUDGET, BECOME A PLAYER”

IT’S YOUR BUDGET, BECOME A PLAYER!

This year we plan to roll-out our **“It’s your budget, become a player”** campaign which MEC Maureen Modiselle launched in her Budget Speech last year. We would like all the people of our province to accept the budget as theirs and to become players.

But what do we mean when we say “It’s your budget”?

Government does not have money! The money that the Provincial Government is spending belongs to the people. It does not matter how rich or how poor you are, Government is always taking its share in the form of taxes. If you are poor and you can only afford bread, part of the money you pay for the bread goes to Government in the form of taxes. So Government is spending your money! The Provincial Government’s spending plans are contained in the Provincial Budget. So, if you are providing the money that is spent by Government, and if Government’s spending plans are contained in the budget, **it must be your budget!**

What does it mean “become a player”? Every game that we play has certain rules. We know that in soccer if you break the rules you will be penalized, either by way of a penalty kick, a yellow card or even a red card! We therefore warn our team mates not to break the rules. The crowd may scream, shout or swear without making an impression on the player. However, if you take your team mate to task when he or she breaks the rules he or she will be ashamed and feel guilty. But why? Because as a player you know that your ill discipline will make the whole team to suffer and it can even cost the team the game.

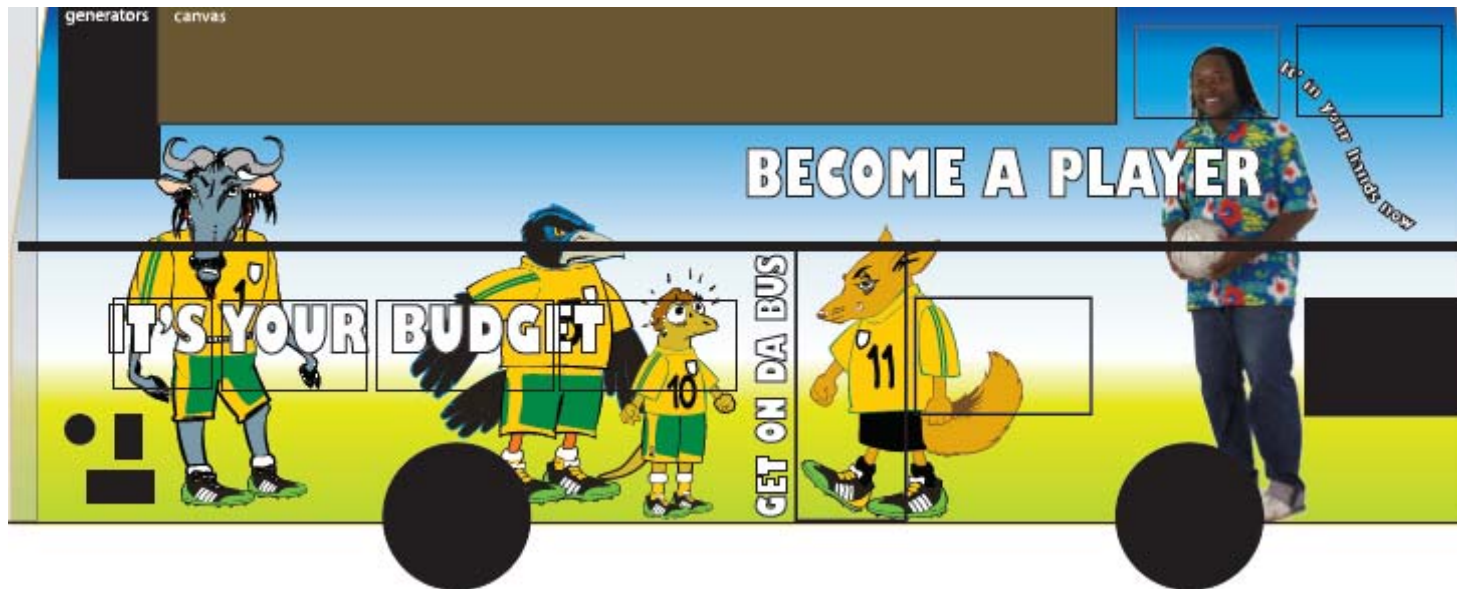
Implementing the Provincial Budget has many rules, of which the most important one is **“don’t waste money!”**

Your money can be wasted in many ways and not only through theft or corruption. The unauthorized use of a government vehicle for private purposes, taking government’s stationary home for a child, long private phone calls on government’s telephone facilities, government officials loitering around during office hours are some of the examples on how your money can be wasted. What we are asking is take your colleague or any official breaking the rules to task. It is not always necessary to report an official to a higher authority. As a player you have the right to take your team mate to task because if he or she is breaking the rules the whole team will suffer. **So, become a player and help us stop the waste of money!**

How do I become a player?

A bus will be visiting schools and shopping centers in your area throughout the North West Province. Follow the bus and come and meet your favorite sport hero or TV star. At the bus we will also explain and show you how to become a player. We will also take you on a tour through the bus and show you how to be a player. Most of all, come and enjoy the day with us while we show you how to become a player.

GET ON DE BUS AND BECOME A PLAYER!



2007/08 BUDGET HIGHLIGHTS

Change in the province's boundaries

By this time it is old news that provincial boundaries have changed. Previously some municipalities were divided with one portion of the municipality falling in one province while the other portion was part of another province. Provincial boundaries have changed to accommodate municipalities in one province. The North West Province was affected as follows:

Moshaweng, Mothibistad and Huhudi and parts of the Tshwane Municipality are no longer part of the North West Province. These municipalities were transferred to other provinces. Merafong, of which parts were previously in Gauteng, is now part of the North West Province.

What informs the Provincial Budget?

In other words, how does the Provincial Government decide what to do with the money it has?

The basis on which the Provincial Budget is build, is the ruling party's (ANC) Election Manifesto or what they promise to do if you vote for them. The ruling party (then the Government) receives a mandate from the people to implement the policies and priorities that is contained in the Election Manifesto. Flowing from the Election Manifesto, the President's State of the Nation Address provides further detail on matters in the Election Manifesto and the Premier's State of the Province Address provide us with further information from the President's State of the Nation Address, indicating the services that the North West Province should provide to comply with what the President has said. The Provincial Budget is therefore based on a chain of events through which the ruling party's Election Manifesto is implemented.

So, let us evaluate the 2007/08 Provincial Budget against some of the key priorities that were contained in the President's State of the Nation Address and the Premier's State of the Province Address.

Accelerated infrastructure

The President stated in his address: "*The public sector will accelerate infrastructure investment in underdeveloped urban and rural areas through the Municipal Infrastructure Grant, Extended Public Works Programme, and other infrastructure funds to improve service delivery in areas of the Second Economy.*"

The Provincial Government is responsible for infrastructure such as schools, hospitals, clinics and certain roads in the province and the Provincial Budget provides for the following:

Funding for infrastructure

Education

During 2006 13 schools were completed and 50 schools received water (boreholes). Furthermore, 56 schools received sanitation (toilets) while another 34 will be completed in 2007. The Provincial Government also fenced 96 schools, 140 mobile classrooms were deployed at schools and 66 schools were renovated. At schools where there is a shortage of toilets, 210 mobile toilets were installed and 140 classrooms were build at over-crowded schools. The infrastructure money allocated to education in the 2006/07 budget will be used to provide additional toilet facilities at schools, increase toilet

facilities where there is a need, and embark on 69 new projects which include new schools as well as additional classrooms. The continued renovation of schools will also receive preference.

Health

The Moses Kotane and Vryburg hospitals are being upgraded and should be completed soon. Sixteen other projects are ongoing which include the building of new clinics and the upgrading of the Swartruggens Hospital. Over the next three years 6 new Community Health Centres and 22 new clinics are planned to be erected. In addition 9 clinics and Community Health Centres as well as 8 hospitals will be upgraded.

Roads

The Provincial Government is concerned about the deaths on our roads and money has been allocated in the 2007/08 budget to make our roads safer. During 2006, in addition to normal road maintenance, building and upgrading of roads as well as emergency filling of potholes were attended to, 110 kilometers of road were upgraded from gravel to paved roads where 685 job opportunities were created. For the 2010 World Cup, cooperation agreements have been entered into the Rustenburg Municipality and the Royal Bafokeng Administration for the upgrading of roads. With the money allocated to roads in the 2007/08 budget, the Provincial Government will mainly be concentrating on road maintenance and the upgrading of roads in various regions.

Government's buildings

The Provincial Government is planning to erect government buildings in all districts. The main purpose of these buildings is to provide one-stop centers (appropriately called mini-Garonas) where all the decentralized departments will be housed. The Provincial Government will therefore take government services to the people. The first two centers are being planned for Vryburg where work has already started and Rustenburg which should start in 2007.

Housing

The Provincial Government is working very closely with municipalities who are responsible for the development of housing projects in their areas. Some municipalities are experiencing a skills shortage and projects are not progressing as expected. The Provincial Government will therefore provide assistance to those municipalities and it is expected that 19 000 new houses will be build during 2007.

On infrastructure the President also said that: *“Among other things, resources for public works programmes will be pooled to ensure maximum impact both in terms of product delivered and employment and skills training opportunities.”*

For the North West Province it means enhancing Black Economic Empowerment as well as the upliftment of small businesses. Therefore almost 70% of all infrastructure projects are allocated to small and Black businesses directly or indirectly through sub-contracts to ensure employment and skills transfer opportunities.

The Accelerated Growth and Development Initiative South Africa (ASGI-SA)

Regarding ASGI-SA the president said: *“I must take advantage of this occasion to explain the ASGI-SA which is not intended to cover all elements of a comprehensive development plan. Rather it consists of a limited set of interventions that are intended to serve as catalyst to accelerate and shared growth and Development”*. And also *“ASGI-SA has once more confirmed the need for us to expand our small, medium and micro enterprises (SMME sector), paying particular attention in this regard to Broad-based Black Economic Empowerment and the development of women and youth.”*

During 2006 the Provincial Government launched the Provincial Growth and Development Strategy that includes the aims of ASGI-SA. The following areas are earmarked in the Provincial Budget for growth and development (PGDS) that supports Government’s ASGI-SA:



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The main well known project is the industrial development zone at the Mafikeng Airport that was launched recently and which will gain momentum in 2007. Many other smaller projects are being developed throughout the province such as the Madikwe sisal project, a mining supplies park near Rustenburg and the refurbishment of industrial buildings belonging to the North West Development Corporation. Money was set aside over the next three years to support and facilitate new businesses in the North West Province. An additional amount of money was also budgeted to kick start a Provincial Growth Fund aimed at economic growth. With this amount the Provincial Government aims to attract investments from the private sector to establish new viable businesses and to expedite economic growth in the province.

Agriculture is another economic sector that is earmarked by the Provincial Government for economic growth and job creation. The Provincial Government will continue providing advisory services to farmers. In addition a large sum of money was set aside over the next three years to assist and support emerging farmers and farmers established on traditional land. During 2006 the Provincial Government concentrated mainly on fencing projects. Prospective employees from surrounding villages were recruited and trained for this purpose. For 2007 several forms of assistance will be provided to farmers such as infrastructure (water, fencing, electrification, etc.), information and knowledge management, training, capacity building and financial assistance.

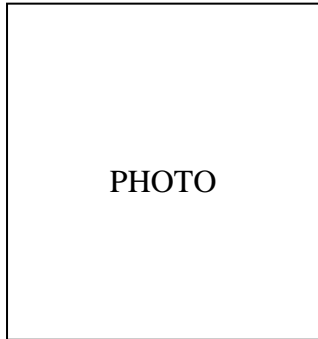


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The Provincial Government also established a unit in the Provincial Treasury which is responsible to attract and support SMMEs to participate in government’s procurement processes. Owners of small businesses are being trained on how to complete tender forms. People interested in this service should contact the Central Procurement Office in Mafikeng at (018) 387 4221. Furthermore, the provincial procurement process is biased towards Black Economic Empowerment, especially towards youth and women as well as SMMEs. At this stage it is estimated that more than 60% of the province’s purchases of goods and services are procured from groups identified by the President.

One of the main drawbacks for small businesses is to obtain capital required for larger projects. The Provincial Government has realized this. However, an agreement was signed with ABSA Bank to establish a joint incubator fund for SMMEs development over a period of three years. More information on how to access the money will soon be provided by the Department of Economic Development and Tourism.

Elimination of school fees for the poorest primary schools



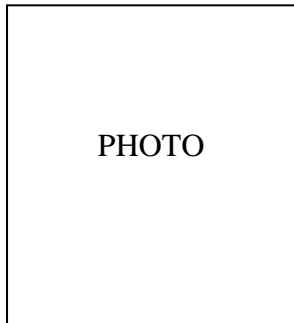
Regarding the elimination of school fees, the President stated that: *"We will, of course make other interventions in the area of education and training. These include eliminating school fees for the poorest quintile of primary schools, targeting 529 schools to double the Maths and Science graduate output to 50 000 by 2008, and re-equipping and financing the Further Education and Training colleges."*

Many of our poor community's children cannot go to school because their parents cannot afford the school fees. This is a large challenge in the North West Province where the unemployment is still relatively high. The Provincial Government therefore responded as follows:

No-fee schools are already being addressed starting from the poorest schools in our province. Money has been set aside over the next three years for this purpose and 978 schools in the North West Province will eventually benefit from the exemption.

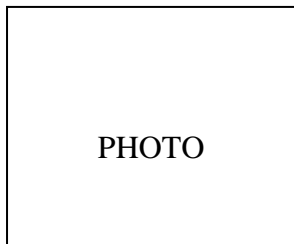
To partly address the shortage of mathematics and science teachers, all temporary mathematics and science educators were appointed on a permanent basis during 2006. In addition, a bridging course for prospective mathematics teachers was arranged with the North West University to enhance mathematical literacy. Money is also provided in the 2007/08 budget for the upgrading of salaries for educators over the next three years, starting with school principals. In addition, money is also earmarked over the next three years for the upgrading of Further Education and Training colleges.

Sport facilities



The Provincial Government has for some time earmarked the development of sport facilities as a way to reduce crime amongst the youth in our province. This programme will now be expedited and money has been budgeted over the next three years for new sport facilities and the upgrading of existing facilities. New sport facilities will be created in rural and urban areas while the money will also be used to upgrade some of the existing facilities.

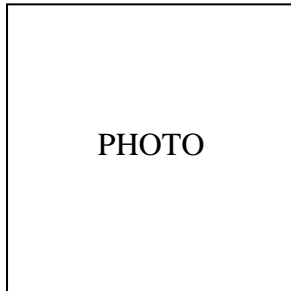
Community Development Workers



In this regard the President stated that: *"To improve the ability, particularly of local government to meet the needs of the people, by March this year (2006) we shall have deployed 3 000 Community Development Workers."*

A total of 285 Community Development Workers were trained during 2006 and deployed at municipalities throughout the province. The Community Development Workers were drawn from local communities to assist to facilitate communication between Municipalities, community itself, Provincial Government and other stakeholders.

Bucket eradication



The President stated that: *"I should mention that government has decided that we must completely eradicate, in the established settlements, the "bucket toilets" by the end of 2007."*

Bucket eradication is a national priority which is mainly addressed by the National Government and municipalities. Although the President stated that the bucket system will be eradicated by 2007 in "established settlements", the Provincial Government has identified a need for improving the sanitation in various areas throughout the province. The Provincial Government's programme of improving sanitation will therefore go beyond 2007 and money has been provided in the 2007/08 budget for this purpose. The programme will at least continue for the next three years. During 2006 approximately 5,000 bucket systems were replaced with water born sewer systems by the Provincial Government while in some districts the Provincial Government will provide additional funds that will enable municipalities to eradicate all the bucket systems in established settlements during 2007, as announced by the President.

Fight corruption



The President stated that: *"perhaps, needless to say, the government will remain focused on the challenge to fight corruption in the public sector and in society at large."*

The Provincial Government has taken up the challenge of addressing fraud and corruption in our Provincial Administration. The Provincial Government established an Anti Corruption Forum as well as a Fraud Prevention Committee. The North West Province has a Forensic Unit that is functioning under the management of the Fraud Prevention Committee.

The campaign by the provincial treasury *"It's your budget become a player"* is also one of the fraud prevention initiatives launched by the Provincial Government.

Onslaught on illiteracy and scarce skills

The Provincial Government's onslaught on illiteracy is continuing on all fronts. A total of 240 ABET Centres are available throughout the province which is employing 2,025 educators. In addition the Provincial Government opened 200 literacy centers where unemployed youth with senior certificates are facilitating classes. The North West province has 21 centers of excellence throughout the province where diverse projects are being offered.

Addressing unemployment

The Expanded Public Works Programme (EPWP) is one of number of Government initiatives aimed at addressing unemployment and alleviating poverty in South Africa in the short to medium term. The EPWP involves creating temporary work opportunities for the unemployed, using public sector money. The aim with temporary employment is to provide the workers with skills that can be used to find permanent employment.

The EPWP is implemented under four sectors – infrastructure, economic, social and environment and culture sectors – thereby expanding the focus of the programme beyond the traditional infrastructure sector. The North West Province is participating fully in this initiative in the following manner:

Infrastructure Sector

The infrastructure sector involves large-scale programmes using labour-intensive methods to deliver government-funded infrastructure. The emphasis is on the construction of rural and low volume roads, municipal pipelines, sidewalks and storm water drains.

Labour intensive infrastructure projects under EPWP involve:-

- Using labour-intensive construction methods to provide employment opportunities to local people;
- Providing training or skills development to those locally employed workers; and
- Building cost-effective and quality assets.

Economic Sector

The economic sector focuses on entrepreneurial activities. This is achieved by developing small business through venture learnership. It is assumed that these venture entrepreneurs will employ more people. The venture learnerships address economic, administrative and behavioral barriers that contribute to failures in starting and sustaining a business.

Social Sector

The social sector's initial focus is on the expansion of Home and Community Based Care (HCBC) programmes in the health/social areas and on Early Childhood Development programmes in the social/education areas. These programmes are highly labour-intensive and provide enormous opportunities for the creation of work opportunities, given the large needs for these services.

Environment and Culture Sector

The environment and culture sector involves the employment of people on projects to improve their local environments under programmes initiated by the Department of Agriculture, Conservation and Environmental Affairs, Department of Sports, Arts and Culture as well as Tourism.

These programmes include water, people and parks, land care programmes, growing tourism economy, working on fire and wetlands programmes, and community-based natural resource management.

Up until 2006, the Provincial EPWP programme has created almost 13,000 job opportunities. The provincial Government will continue to expand this programme over the next three years.



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Conclusion

The Provincial Government is continuing to provide the services that they promised to deliver. Although you may be in a hurry to get your road fixed or if you are waiting for a house, just remember, the Government cannot do every thing simultaneously. Please be patient, your road will be fixed and your house will be build.

Finally, in future, when you see people working on a road, don't be irritated if you have to wait a while to get pass them. It is your tax money at work!

This guide to the 2007/08 provincial budget is published by the North West Provincial Treasury to keep people of the North West Province informed of how the Provincial Government is responding to the needs of the people. Any suggestions to improve this publication or comments are welcome and should be addressed to The North West Provincial Treasury, Private Bag X2060, Mmabatho, 2735: Attention Mr. E van Wyk