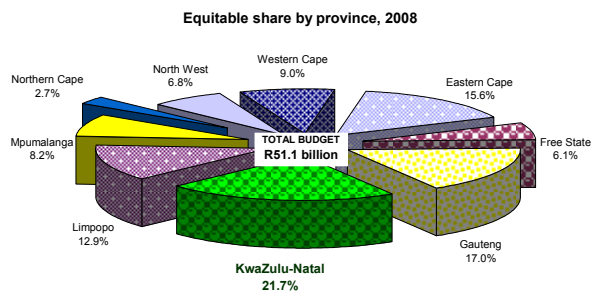


Budget at a glance: 2008/09



The Province of KwaZulu-Natal receives the largest share of equitable share revenue at 21.7%, followed by Gauteng at 17%.

Summary of Revised Budgets by Department, 2008/09 MTEF

R000	Outcome Audited	Medium-term estimates				
	2006/07	2007/2008	2008/09	2009/10	2010/11	
1. Premier	310,089	397,089	397,802	452,793	464,612	
2. Provincial Legislature	160,791	217,198	208,708	221,741	235,278	
3. Agriculture and Environmental Affairs	1,291,802	1,377,745	1,665,752	1,972,785	2,171,887	
4. Economic Development	414,628	1,478,441	2,646,518	3,373,245	2,747,027	
5. Education	16,218,726	19,003,096	21,389,127	23,914,043	26,420,070	
6. Provincial Treasury	506,002	372,858	522,072	495,266	362,721	
7. Health	11,663,951	14,572,383	15,042,826	16,843,770	19,523,923	
8. Housing	1,252,921	1,520,850	1,799,693	2,137,881	2,617,256	
9. Community Safety and Liaison	59,360	78,800	104,022	133,808	146,602	
10. The Royal Household	38,147	38,715	39,356	42,400	45,202	
11. Local Government and Traditional Affairs	654,132	784,305	1,027,816	1,131,536	1,268,322	
12. Transport	2,539,187	3,121,635	3,755,282	4,533,179	4,764,172	
13. Social Welfare and Population Development	941,579	1,036,992	1,198,113	1,364,220	1,650,975	
14. Works	450,267	495,243	733,087	799,914	866,319	
15. Arts, Culture and Tourism	266,249	293,200	355,260	371,648	447,436	
16. Sport and Recreation	113,566	162,777	215,492	267,039	285,129	
Total	36,881,397	44,951,327	51,100,926	58,055,268	64,016,931	

The total budget for 2008/09 is R51.1 billion. This is 14% higher than last year's budget of R45 billion. More than 70% of the budget goes to Education and Health.

Summary of Total Receipts and estimates by vote

R000	Audited		Adjusted Budget		Medium-term estimates		
	2006/07		2007/08		2008/09	2009/10	2010/11
Transfers from national	96.9%	36,032,918	42,677,360	49,509,202	56,335,923	62,166,686	
Equitable share	84.6%	32,052,488	37,424,754	43,245,643	49,022,008	53,678,048	
Conditional grants	12.3%	3,980,430	5,252,606	6,263,559	7,313,915	8,488,638	
Own Revenue	3.1%	1,446,417	1,423,141	1,591,724	1,719,345	1,850,245	
Total	100%	37,479,335	44,100,501	51,100,926	58,055,268	64,016,931	

The province generates 3.1% of total receipts. The bulk of the revenue is transfers from National Treasury.

Spatial expenditure at District Municipality level

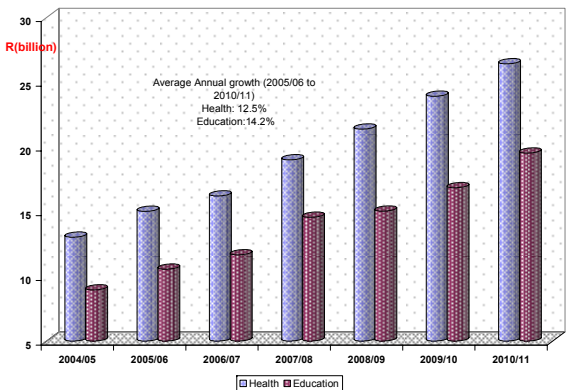
R000	Estimated Actual	Medium-term estimates				Percentage share	Average annual growth
	2007/08	2008/09	2009/10	2010/11	2008/09	2007/08 - 2010/11	
eThekweni	12 111 903	12 498 490	13 795 216	15 592 105	27.6		8.8
Ugu	2 167 195	2 549 898	2 915 064	3 173 002	5.6		13.6
uMgungundlovu	8 409 984	11 181 206	12 863 322	13 465 036	24.7		17.0
Uthukela	1 854 694	2 220 540	2 415 476	2 617 553	4.9		12.2
Umzinyathi	1 571 231	1 796 599	2 050 051	2 300 623	4.0		13.6
Amajuba	1 539 153	1 776 568	2 046 417	2 256 257	3.9		13.6
Zululand	3 014 377	3 322 734	3 697 151	4 091 672	7.3		10.7
Umkhanyakude	2 585 527	2 268 594	2 618 136	2 969 870	5.0		4.7
uThungulu	2 561 285	3 648 160	4 141 776	4 538 049	8.0		21.0
Ilembe	2 261 189	2 203 935	2 383 415	2 602 901	4.9		4.8
Sisonke	1 683 627	1 859 972	2 077 011	2 268 603	4.1		10.5
Total	39 760 165	45 326 695	51 003 035	55 875 671	100.0		12.0

Almost 60% of total expenditure (on service delivery, excluding head-office costs) occurs in eThekweni, uMgungundlovu and Zululand, while the highest average expenditure growth is in uThungulu. The increase in expenditure will contribute to the improvement of service delivery in local communities.

Policy Priorities driving the 2008/09 Budget

The 2008/09 budget focuses on three key areas: fighting poverty through improved service delivery, especially in the education and health sector, refining and improving our second economy interventions, with the emphasis on skills development, training and preferential procurement and upscaling investment in economic and social infrastructure.

Access to Services



Education

Public Ordinary school statistics by province, 2006

	Number			Ratio	
	Learners	Educators	Schools	Learner : Educator	Learner : School
Eastern Cape	2,136,189	64,168	5,929	33	360
Free State	670,083	22,721	1,752	29	382
Gauteng	1,617,124	47,990	1,880	34	860
KwaZulu-Natal	2,662,202	81,171	5,651	33	471
Limpopo	1,902,279	56,962	4,243	33	448
Mpumalanga	922,823	26,746	1,749	35	528
Northern Cape	208,135	6,543	421	32	494
North West	894,249	30,388	2,115	29	423
Western Cape	949,092	30,499	1,454	31	653
Total	11,962,176	367,188	25,194	33	475

KZN learners are three times the entire population of the Northern Cape province. Such demand for education services cannot be ignored.

Health

Primary health care visits per province, 2006/07

	PHC total headcount	Expenditure per PHC headcount	Utilisation rate - PHC	Utilisation rate for under 5 year olds - PHC	Supervision rate
Eastern Cape	15,437,641	63	2.4	4.0	78.0%
Free State	7,688,691	89	3.0	4.1	64.0%
Gauteng	14,961,820	108	2.2	3.3	65.0%
KwaZulu-Natal	18,703,020	72	2.2	4.1	100.0%
Limpopo	14,063,129	208	2.7	5.6	100.0%
Mpumalanga	6,923,114	72	2.4	4.1	40.0%
Northern Cape	8,029,057	89	2.3	4.1	73.0%
North West	2,267,522	65	3.0	4.0	45.0%
Western Cape	13,126,182	69	3.7	4.8	34.0%
Target 2006/07	-	78	3.5	5.0	100.0%
Total	101,200,176	91	2.5	4.3	66.6%

KZN has the highest number of visits at Primary Health Care (PHC) level with a PHC expenditure per headcount of R72 which is slightly below the target of R78.

Utilisation rate of only 2.2 visits per uninsured person is the lowest together with Gauteng and below the target of 3.5.

Housing

Housing units completed and in process of completing

Number	1994/95 - 2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	Total
Eastern Cape	117,759	10,816	58,662	27,119	37,524	19,825	16,526	288,231
Free State	71,699	7,005	9,155	16,746	16,447	20,536	19,662	161,250
Gauteng	269,264	46,723	24,344	49,034	66,738	59,310	77,044	592,457
KwaZulu-Natal	206,670	14,379	24,485	33,668	36,734	35,872	38,290	390,098
Limpopo	63,147	16,667	14,953	15,810	16,514	46,613	23,609	217,513
Mpumalanga	68,860	14,584	21,649	21,232	18,000	14,985	10,851	169,962
Northern Cape	20,569	2,588	6,056	3,787	3,598	8,667	3,880	49,145
North West	87,684	13,885	23,784	10,484	10,037	35,515	46,972	228,361
Western Cape	148,376	16,634	20,500	15,735	11,756	11,310	34,585	258,896
Total	1,074,028	143,281	203,588	193,615	217,348	252,834	271,219	2,355,913

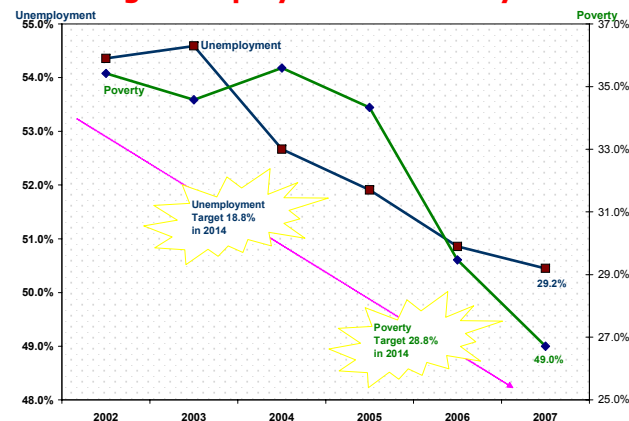
KZN has the second highest number of units built after Gauteng, with an average of 33 000 units per year.

Transport

Province	Surface roads (km)	Gravel roads (km)	Access roads (km)	Total kilometres	Total number of vehicles	Road density: vehicles/km
Eastern Cape	6 233	34 718	7 631	48 582	538 686	11.1
Free State	7 070	22 046	20 000	49 116	424 577	8.6
Gauteng	3 487	1 771	2 410	7 668	3 010 543	392.6
KwaZulu-Natal	7 489	19 347	10 571	37 407	1 112 948	29.8
Limpopo	6 403	11 866	10 578	28 847	359 980	12.5
Mpumalanga	7 062	10 517	7 479	25 058	458 008	18.3
Northern Cape	5 630	53 725	12 023	71 378	163 259	2.3
North West	6 723	19 161	10 017	35 901	422 928	11.8
Western Cape	7 172	24 991	7 822	39 985	1 332 385	33.3
South Africa	57 269	198 142	88 531	343 942	7 823 314	22.7

Through the Expanded Public Works Programme (EPWP), KZN created 35 717 or 73% of the national road and transport EPWP jobs.

Reducing Unemployment & Poverty rates



Unemployment and poverty rates are steadily declining.

What is new money buying in 2008/09?

New money for:

- The provision of learner transport for special schools;
- Revival of boarding schools in the province;
- Continued focus on MDR/XDR TB;
- Training academy for technical skills development;
- Rejuvenation of retail centres in former Black townships; and
- Massification of water, sanitation and electricity delivery in poor municipalities through Local Government and Traditional Affairs (LGTA).

The Economy of KwaZulu-Natal

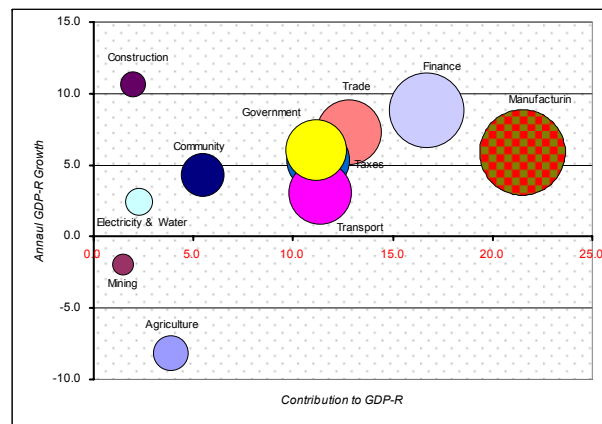
GDP-R (2006): KZN real GDP R193.1 billion; contribution 16.3% to RSA's GDP; GDP-R growth rate 5.3%; Manufacturing had highest contribution (21.5%); Construction was fastest growing industry (10.6%); Agriculture & Mining had negative growth;

Unemployment (2007): Unemployment rate 29.2%; 2.3 million people employed; 0.9 million people unemployed, labour force 6.1 million;

Poverty, 2006: Poverty rate 50.6%; 5.1 million people in poverty; poverty gap R8 780 million;

Development, 2006: Illiteracy rate (15+) 26%; HDI 0.58; Gini coefficient 0.66; life expectancy 42.7 yrs (males) and 47.8 yrs (females); HIV prevalence rate 15.8%;

Demographics, 2007: Total population 10.0 million; population growth 0.9%; total number of households 2.6 million.



The PEOPLE'S BUDGET 2008/09 for sustainable wellbeing

THE JOURNEY TO PROSPERITY CONTINUES

Fighting poverty and unemployment



Province of KwaZulu-Natal

The PEOPLE's BUDGET

2008/09



Dr. Z.L. Mkhize, MEC for Finance and Economic Development



Journey to Prosperity

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