BUDGET2013

DEODELES GUINT AFRICAN Revenue Service





In February of each year, the Finance Minister tables the national budget, whereby he announces government's spending, tax and BUDGET borrowing plans for the next three years. The national budget divides money between national departments, provinces and municipalities.

INFRASTRUCTURE INVESTMENT KEY TO IMPROVING SERVICE DELIVERY



o improve the delivery of, and access to, basic services and increase the capacity and efficiency of the economy, government will over the next three years invest R827 billion in the building of new and the upgrading of existing infrastructure.

These investments will improve access by South Africans to healthcare facilities, schools, water, sanitation, housing and electrification. On the other hand, investment in the construction of ports, roads, railway systems, electricity plants, hospitals, schools and dams will contribute to faster economic growth. The biggest chunk of the investment in infrastructure will continue to come from Eskom which will invest R205.1 billion over the next three years. Eskom's new power stations, Medupi and Kusile, are expected to start producing electricity in 2014 and 2015 respectively.

To upgrade roads and therefore contribute to safety, government has allocated R32.9 billion over the next three years for national roads. A further R27.6 billion has been allocated for the upgrade of provincial roads. In addition, government has set aside R2 billion for the rehabilitation of roads used to transport coal from the mines to Eskom's power stations in Mpumalanga.

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To increase access to water and sanitation, which are vital for the well-being of South Africans, government is investing in dams, bulk water supply schemes and waste water infrastructure. In addition to the rehabilitation of 25 dams across the country, government is building 7 new dams as well as increasing the capacity of existing ones, Hazelmere, Clanwilliams, Tzaneen and Nwamitwa. In addition, government has allocated about R150 million for the cleaning up of water which has been contaminated by mines.

Government remains committed to the provision of housing for low-income groups. In line with this commitment, government has set aside R3 billion over the next three years for social housing (medium-density rental housing in urban areas). R30.3 billion has been made available for the upgrade of informal housing in metropolitan municipalities

and R1.1 billion for rapidly urbanising mining towns.

To upgrade schools, government has allocated R8 billion over the next three years for the replacement of 496 inappropriate schools (of which 395 are mud schools), for the supply of water to 1 257 schools, provision of sanitation to 868 schools and for the connection of a further 878 schools to the electricity grid. These investments are in line with the National Development Plan's objective of ensuring that all schools meet the minimum infrastructure standards by 2016.

Government has also allocated R23.9 billion to provinces in the form of an education infrastructure grant for the building, upgrading or maintenance of existing infrastructure. An additional R6.5 billion has been made available for the construction of two new universities in Mpumalanga and the Northern Cape, as well as to improve facilities for disabled students and staff in existing universities. Government will also continue to investment in health infrastructure. The largest share, for example, of the combined R29.5 billion allocated to the provincial departments of health over the next three years, is for infrastructure at district and regional hospitals.

INFRASTRUCTURE SPENDING CHANGES LIVES IN NEWCASTLE

Before the construction of a new bridge in Newcastle, SIBONGILE SERIBE used to spend R20 a day on a taxi travelling to work and back. Now she simply walks to the factory. "It's just 15 minutes. And, for night shift there are street lights to keep it safe," says Sibongile. The gleaming new bridge joins the township to the town and has uplifted the local economy as taxi fares are now much cheaper. Taxi driver SIPHO MLOTSHWA says the old road was congested and dangerous. "There's a hairpin bend up there that caused many accidents. The most tragic accident was in 1997 when 33 school children died in a collision between their school bus and a truck. The new bridge is constructed at the scene of this accident and residents call it "Asiphephe Bridge" meaning 'keep it safe"."



1. Minister's message 2. Poverty and inequality alleviation



1. Quality health care for all 2. Where the money comes from 3. How will it be spent?



1. Tax relief for individuals 2. Tax Proposals

3. Social grants value



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