

# BUDGET 2012

## People's Guide

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In February of each year, the Minister of Finance announces government's spending, tax and borrowing plans for the next three years. This is called the national budget. It describes how government will raise money and spend it. The national budget divides money between national departments, provinces and municipalities.

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Picture by Government Communication and Information System (GCIS)

## BUILDING INFRASTRUCTURE TO GROW OUR ECONOMY & IMPROVE PEOPLES' LIVES

**S**outh Africa's infrastructure investment campaign is about providing goods and services that create a better working and living environment.

Providing infrastructure such as electricity, water, transport, telecommunications, hospitals and housing allows businesses to grow and individuals to enjoy a better quality of life. Our investments aim to eliminate the significant backlog of services that need to be provided, while keeping pace with new demands that are created as the economy grows and living patterns change. Over the next three years, government plans to invest R844.5 billion into building roads, hospitals, schools, dams, electricity plants, and ports and rail systems.

People need public transport that is

safe, reliable and comfortable to travel to work, school or anywhere else they need to go. South Africa needs to improve commuter rail transport to make the movement of people cheaper, faster and safer. Metrorail's aging fleet must be replaced and expanded to keep up with demand. Accordingly, the Passenger Rail Agency of South Africa (PRASA), which runs Metrorail, is investing more than R80 billion to renew its fleet and upgrade stations countrywide over the next 20 years. In 2014/15 government is allocating an additional R4 billion to PRASA to purchase 233 wagons, and a further R1 billion for related signalling and depot infrastructure.

This renewal programme will improve comfort and safety for the 2.4 million passengers who travel on Metrorail

each work day. In addition, the bus rapid transport system, which was put in place in major cities such as Johannesburg and Cape Town in 2010 continues to be expanded.

To ensure that South Africans have access to quality health services, hospitals need to be renewed and upgraded.

Making these improvements will also help pave way for the introduction of national health insurance. Government is providing R450 million to upgrade about 30 nursing colleges. A further R426 million is allocated to begin the revitalisation of five large hospitals – Chris Hani, King Edward, George Mukhari, Limpopo and Nelson Mandela Academic.

Government is committed to improving the quality of life of all South Africans,

and providing housing for low-income groups is a priority. However, the persistence of large informal settlements points to the difficulty in keeping pace with demand for low-income housing in urban areas.

More resources are being directed to accelerate delivery. Spending on housing and community amenities is expected to increase by R9.9 billion over the next three years.

Of this amount:

- R1.8 billion for municipal water infrastructure;
- R3.9 billion for upgrading informal settlements.

Government is committed to creating a better working and living environment in South Africa. These investments, over time, will do just that.