

Overview of Gordhan's budget

Finance Minister Pravin Gordhan has announced a large expenditure plan that will be anchored around the National Development Plan (NDP).



Pravin Gordhan will spend R1,25trn over the next 12 months to bolster South Africa.
Image GCS

Tabling the 2014 Budget in Parliament on Wednesday (26 February), Minister Gordhan announced that government's spending will be R1.25trn for the 2014/15 financial year.

He said consolidated non-interest spending will increase to R1.3trn by 2016/17 - an increase of about 2% per year over the next three years.

Education will get the lion's share of the money, with an allocation of R254bn, followed by health (R146bn) and social protection (R144bn).

Another R143bn will go towards housing and community amenities, while R57bn will be spent on employment and social security programmes.

When tabling the Medium Term Budget Policy Statement in October, dubbed the mini-budget, Gordhan warned that abusing public finances and resources was harming governance. He implemented austerity measures for top executives relating to expenditure, travel and accommodation.

He also set a debt ceiling for all government expenditure in a bid to decrease the budget deficit.

Discipline required

Gordhan cautioned against abuse, saying the successful implementation of all government plans relied on sound discipline, hard work, co-operation and sustained improvements in productivity - both in the public and private sectors.

"Our present circumstances oblige us to live and spend modestly and keep a careful balance between social expenditure and support for growth.

"And so in framing the 2014 budget we have reprioritised expenditure within the overall ceiling set in the October Medium Term Budget Policy Statement. The budget deficit will steadily decline over the period ahead.

"The next administration will inherit sound public finances, a platform for implementation of the National Development Plan (NDP) and a framework for collaboration with all stakeholders in driving social and economic transformation forward," he said.

Government spend highlights



Government says it will create 6m 'work opportunities' over the next five years, primarily for young people. Image: [LED](#)

Government aims to create 6m work opportunities by 2019. About R10.3bn will go towards manufacturing development incentives, while R15.2bn will be set aside for economic competitiveness and support packages for businesses. A further R3.6bn has been allocated for job creation within special economic zones.

Spending on education and training will be higher than any other category. Over the next three years, R78bn will go towards university subsidies while R34.3bn will be spent on building schools.

Government will continue to invest in railway infrastructure to improve people's lives, and will spend R11bn in 2014 for new rolling stocks and for upgrading the signalling infrastructure.

To ensure a healthy South Africa, government will spend R77bn on primary healthcare services and a further R240bn on public hospitals.

During the debate on President Jacob Zuma's State of Nation Address (SONA), Health Minister Aaron Motsoaledi announced that a new vaccine, Human Papilloma Virus (HPV), would be introduced to prevent cancer of the cervix. A total of R600m has been allocated for the roll-out of this vaccine, and young girls from primary schools will be vaccinated from next month.

To bolster the fight against HIV and Aids, R1bn will be allocated to the pandemic's conditional grant in 2017 to sustain the roll-out of antiretroviral treatment. A total of 2.5m people are currently on treatment, and 500 000 new patients are expected to join the programme each year.

As the country awaits the full implementation of the National Health Insurance, R19.3bn will be spent on refurbishing clinics and hospitals, while R1.2bn will be set aside for contracts of general practitioners.

To bolster housing, six metros have been targeted for a new grant of R300m a year to build capacity to plan for integrated human settlements. To this end, government has set aside R899.2m in 2014/15 for provincial government to upgrade sanitation infrastructure.

Over the next two years, R1.9bn will be spent on eradicating the bucket system and R15.4bn is for regional bulk infrastructure over the next three years.

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