

WESTERN CAPE PROVINCIAL BUDGET 2012 HIGHLIGHTS

MAKING BETTER TOGETHER A REALITY

Budget 2012 has allocated resources to high priority areas linked to the achievement of the Provincial Strategic Objectives. Initiatives by the Western Cape Government to address socio-economic challenges have already realised some returns, evidenced through improved educational outcomes, decreased child and maternal mortality rates and expanding treatment for HIV/Aids and TB. These gains should however be viewed within the bigger context of high youth unemployment, increased substance abuse and fractured households.

The fortunes of the Western Cape economy are linked to developments internationally as well as within the broader economy. The Western Cape economic outlook has improved since the recent post-recession period and forecasts indicate that the economy is going to continue to grow over the next few years. However, the key risks to growth remain those mainly external to the Western Cape economy, and largely as a result of dampened growth in advanced economies that will impact on domestic exports.

Investment in strengthening the productive base of the economy through targeted infrastructure investment, improving the competitiveness of the economy through partnerships with the private sector and other spheres of government and unlocking the real growth potential of the export markets will support sustainable economic growth and job creation. Improving education outcomes and skill levels of the labour force, as well as improved health outcomes remain a priority for the Western Cape budget and receives the bulk of the provincial budget. This in turn will aid a reduction in unemployment rates and poverty, both of which are the root cause of a number of social challenges within the Province. Furthermore a number of initiatives are already underway and more will be introduced to promote social inclusion and a culture of active citizenship.

Also underpinning the improvement of the Western Cape Government's performance is a strong focus on good governance. We will focus on greater efficiency, efficacy, value for money; collaboration, synergy and improved accountability within departments, entities and across spheres of government in spending public funds.

Budget 2012 represents the plan towards achieving these objectives and ensuring better lives for all Western Cape citizens.

ADDITIONS TO SPENDING PLANS OVER THE NEXT THREE YEARS

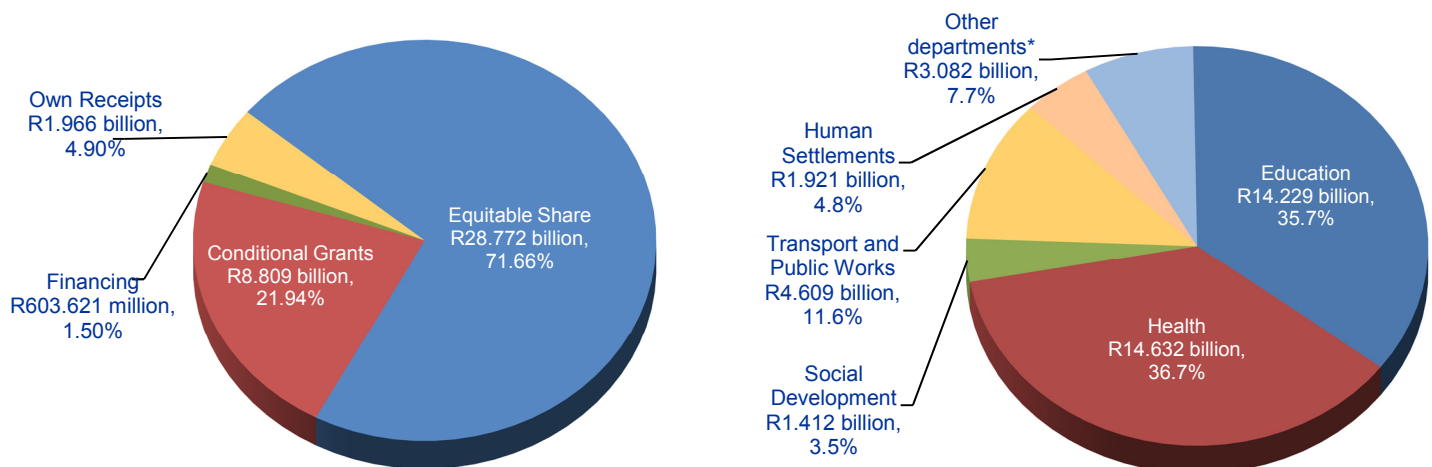
Total funding increases by R9.942 billion which includes:

- R3.671 billion additional towards Health
- R3.077 billion additional towards Education
- R1.368 billion additional towards Transport and Public Works
- R442.662 million additional towards Human Settlements

Additional funds towards economic projects:

- R11 million towards the set-up of the Economic Development Partnership project
- R21 million towards the Strengthening of Wesgro Trade and Investment Promotion
- R16 million towards the establishment of the Saldanha IDZ

PROVINCIAL BUDGET AT A GLANCE



The Western Cape Government finances its expenditure via three source, i.e. National Transfers (Provincial Equitable Share and Conditional Grants), Provincial Own receipts (Taxes and Fees/User charges) and Finances from the Asset Finance Reserve and Provincial Revenue Fund.

* Other departments: Premier, Provincial Parliament, Provincial Treasury, Community Safety, Environmental Affairs and Development Planning, Agriculture, Economic Development and Tourism, Cultural Affairs and Sport, Local Government

The largest beneficiaries of the 2012/13 budget are Health (36.7 per cent), Education (35.7 per cent), Transport and Public Works (11.6 per cent) and Human Settlements (4.8 per cent).

Summary of provincial payments and estimates by vote

Provincial department R'000	Revised estimate 2011/12	Medium-term estimate				2011 MTEF to 2012 MTEF changes
		2012/13	2013/14	2014/15	Annual Average	
1. Department of the Premier	694 018	699 802	754 436	785 667	4.22	95 990
2. Provincial Parliament	86 716	93 603	99 254	105 209	6.66	18 141
3. Provincial Treasury	142 920	154 286	164 441	172 665	6.51	29 605
4. Community Safety	307 218	358 414	374 027	396 251	8.85	101 107
5. Education	13 377 152	14 229 057	15 141 749	16 010 394	6.17	3 076 967
6. Health	13 429 652	14 632 361	15 739 982	16 751 232	7.65	3 671 371
7. Social Development	1 319 677	1 411 512	1 539 274	1 633 460	7.37	375 830
8. Human Settlements	1 834 960	1 920 894	2 059 383	2 193 014	6.12	442 662
9. Environmental Affairs and Development Planning	348 534	379 273	390 645	414 039	5.91	75 811
10. Transport and Public Works	4 191 101	4 608 897	4 592 152	4 795 666	4.59	1 367 761
11. Agriculture	517 192	559 792	589 321	616 270	6.02	132 120
12. Economic Development and Tourism	257 070	291 117	383 542	403 091	16.18	275 275
13. Cultural Affairs and Sport	352 480	390 761	410 342	443 701	7.97	240 468
14. Local Government	129 997	155 228	155 413	164 730	8.21	38 466
Total provincial payments and estimates by vote	36 988 687	39 884 997	42 393 961	44 885 389	6.66	9 941 575

The total budget for 2012/13 amounts to R39.885 billion. The budgets for all departments are growing by between 4.22 per cent and 16.18 per cent over the 2012 MTEF. The total increase over the 2012 MTEF amounts to R9.942 billion.

TOWARDS ACHIEVING THE PROVINCIAL STRATEGIC OBJECTIVES

Education

We will strengthen our initiatives to improve literacy and numeracy in primary schools; improve the number and quality of matric passes; reduce the number of under-performing schools; provide every child from Grades 1 to 12 with a textbook in every subject; and provide quality Grade R programmes at public ordinary schools.

Health

We will reduce the incidence of injuries and infectious diseases like HIV and AIDS and TB, and improve women and child health. We have also completed the Khayelitsha Hospital and are constructing a hospital in Mitchell's Plain.

Economic Infrastructure Projects

We will stimulate job creation and strengthen our economy through our multi-year, game-changing capital investment programmes:

- Three city regeneration projects: R149.50 million towards the Founders' Garden/Artscape precinct, R156.65 million towards the development of a government precinct in the CBD and R103 million towards the development of the Somerset Hospital precinct.
- R161.79 million towards the doubling of the Cape Town International Convention Centre implemented together with the City of Cape Town and the private sector.
- Additional R300 million for roads infrastructure projects:
 - Upgrading the divisional road between Gansbaai and Bredasdorp to increase tourism along this scenic route.
 - Planning for new bridges at the Wingfield interchange.
 - Planning a new road network around the Saldanha Bay Industrial Development Zone.
- R31.69 million towards creating a Telecommunications Broadband project to bring broadband access to every school, every provincial and every municipal government facility in the Western Cape, and ultimately to every citizen, while driving down the cost of broadband access for business.

Improving our Communities

We will promote social inclusion and reduce poverty by:

- Funding social development projects that focus on children youth, older persons and substance abuse.
- Focusing on school sport, after school programmes and libraries in poorer communities.
- Increasing access to housing opportunities.
- Enhancing safety through security partnerships.
- Reducing fatalities caused by road accidents.



**Western Cape
Government**

Provincial Treasury