

**Western Cape Government  
Provincial Treasury**

# **BUDGET 2015 SPEECH**

**Minister of Finance  
Dr I Meyer**

5 March 2015



Honourable Speaker and Deputy Speaker

Honourable Premier and Cabinet Colleagues

Honourable Leader of the Opposition

Honourable members of the Western Cape Legislature

Honourable Members of the National Assembly

The Western Cape Public Service Commissioner and staff of the PSC

Mayors, Councillors and Municipal officers

Director-General and Heads of Department

Special Guests, Business and Community Leaders

Colleagues

Citizens of the Western Cape

Honourable Speaker, I rise today to present the WC 2015/16 Budget of the Western Cape Province. Madam Speaker, this budget is citizen centric, pro investment, pro-poor and pro-delivery. As such, it is an agenda for action.

This budget is an instrument to create hope in challenging times. Madam Speaker, we are indeed living in challenging times.

Madam Speaker in challenging times you must listen to the voices of the poor, both in urban and rural areas. We have heard the small and big businesses on growing the economy and creating jobs. Together with my colleagues we heard the voices of the unemployed and the youth of this Province. Madam Speaker, people in all walks of life have spoken to us in the last year about the socio-economic challenge in Province.

Honourable Madam Speaker, when drafting this budget we agreed that behind these figures of this budget are **people, real people** with **real needs** and **challenges**. People who are daily confronted with the economy of their households. Getting a job, keeping your children in school, paying taxi fare, buying bread and milk, buying school clothes, facing load shedding, and wonder how to cope the next day. Life is tough for people, and through the various budget votes my Cabinet colleagues will deal with how we as a government will respond to some of these issues. Life is equally tough for businesses, big and small and this budget speaks also to their economic and social environments.

This budget creates hope, for our citizens, because we must co-create higher opportunities for people to Excel.

Madam Speaker, we have engaged with both farm workers and farmers because we understand the need to grow the economy in the agricultural sector and maintain stability and create prosperity in rural areas. Madam Speaker, we have seen the impact of water and energy on businesses. Two days ago Cabinet met Business on the energy issues. Honourable members, we have travelled every corner of the Province and spatially the needs vary from region to region. This Budget reflects the needs across the geographical footprint of this Province.

There were extensive consultations with varying sectors in our society, because we wanted this budget to reflect the voices of our people. This budget has heard these voices. This budget is delivered with the voices of reason and inputs from various sectors in our society.

This budget offers the people of the Western Cape a "spring of hope", Speaker, because it aims to grow the Western Cape economy and create jobs.

This budget offers the youth of the Western Cape a "spring of hope" as it provides the opportunity to break the back of generational poverty through education and skills development.

Speaker, the 2015 Budget focuses on balancing public finances while managing risk and maintaining fiscal stability in a weak economic environment whilst giving effect to the **2014 - 2019 Provincial Strategic Plan**.

The provincial budget process aims to ensure that resources are allocated to priorities and that government spending remains within sustainable fiscal limits.

The **fiscal objectives for the 2015 Budget process** are aimed at:

- **Promoting allocative efficiency:** achieving an allocation of resources that reflects the priorities of government.
- **Value for money:** providing public services in a way that reduces costs of providing goods and services while maintaining quality, producing more with less and achieving results (economy, efficiency and effectiveness).
- **Fiscal sustainability:** maintaining stability in key government programmes and managing risks in a constrained economic and fiscal environment.

### **The Global economic outlook**

According to the International Monetary Fund (IMF), global economic growth was recorded at 3.3 per cent in 2014. However, while growth in advanced economies accelerated from 1.3 per cent in 2013 to 1.8 per cent in 2014, growth in emerging and developing economies moderated from 4.7 to 4.4 per cent across the same period.

Overall, global economic growth is predicted to accelerate to 3.5 per cent in 2015 and to 3.7 per cent in 2016.

Global growth is likely to be supported by the decline in the oil price, as supply (boosted by the shale-gas exploration in the US), is expected to continue to outstrip demand. Although the lower oil price is detrimental to oil-producing countries, as export revenue inevitably comes under pressure, this is outperformed by the positive impact on net oil-importing countries. For oil-importing countries, the lower oil price boosts economic growth via lower inflation, resulting in an increase in disposable income and spending.

Partly as a result of the recent fall in the oil price, inflation forecasts for 2015 have been revised sharply lower in recent times, particularly in advanced economies. The IMF projects consumer inflation to moderate from 1.4 per cent in 2014 to 1.0 per cent in 2015, before accelerating to 1.5 per cent in 2016. In emerging economies, inflation is expected to accelerate to 5.7 per cent in 2015 before moderating to 5.4 per cent in 2016.

### **Developments and Outlook in the South African economy**

In 2014, real GDP growth had decreased from 2.2 per cent in 2013 to 1.5 per cent. However, economic growth in South Africa accelerated in the fourth quarter of 2014 by 4.1 per cent quarter-on-quarter<sup>1</sup>. This followed growth of 2.1 per cent in the third quarter, marginal growth of 0.5 per cent in the second quarter and a contraction of 1.6 per cent in the first quarter.

In the primary sector, growth rebounded due to a strong performance by the mining sector post its contraction in the first half of the year due to strikes; and growth was maintained in the agricultural sector amid good crop and animal product production. The secondary sector rebounded (after three consecutive quarters of contraction) due to a strong acceleration in manufacturing output; a slight acceleration in construction and a marginal increase in electricity production.

The National Treasury forecasts GDP growth to increase to 2 per cent in 2015 and to further increase to 2.4 per cent in 2016.

### **Economic outlook for the Western Cape**

According to Statistics South Africa, economic growth in the Western Cape slowed to 2.4 per cent in 2013, from 2.7 per cent in 2012.

The tertiary sector remains the most dominant economic sector in the Province. In 2013 output by the tertiary sector made up 73 per cent of total output in the Province largely attributed to the finance, insurance, real estate and business services sector which amounts to 33 per cent and the wholesale and retail trade, catering and accommodation sector accounting for 15 per cent of GDP.

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<sup>1</sup> Unless stated otherwise, all quarter-on-quarter rates referred to in this section are seasonally adjusted and annualised.

This was followed by the secondary sector which contributed 23 per cent mainly driven by the manufacturing sector contributing 17 per cent and the construction sector contributing 5 per cent. The share of the primary sector (mining and quarrying and agriculture) contributes approximately 4 per cent to the overall GDP.

Looking ahead, it is unlikely that the structure of the Western Cape economy will change dramatically. As such, it will remain tertiary sector orientated.

According to BER/Quantec estimates the construction sector is likely to be the fastest growing sector, with average growth of 4.1 per cent over the period 2014 – 2019. This is followed by the finance, insurance, real estate and business services and transport, storage and communication sectors with average growth of 3.5 per cent and 3.1 per cent respectively. In contrast, modest growth of only 1.4 per cent on average is predicted for the mining and quarrying sector between 2014 and 2019. Economic growth in the Western Cape is forecast to grow to 2.1 per cent in 2015. Overall, the Western Cape economy is forecast to grow by an average rate of 2.7 per cent between 2014 and 2019.

## **2014 - 2019 Provincial Strategic Plan and Game Changers**

The 2015 Budget responds to the challenges of low growth, high unemployment and socio economic challenges through a framework of action outlined in the **Provincial Strategic Plan**. The Provincial Strategic Plan **sets out five Provincial Strategic Goals** for the **next five years** that is backed by transversal, departmental and sectoral plans and budgets.

The Provincial Strategic Plan is the implementation agenda with the aim to contribute to the objectives of the National Development Plan, Medium Term Strategic Framework and the OneCape 2040 vision. The vision is to work towards a highly skilled, innovation-driven, resource efficient, connected, high opportunity society for all.

## **Creating Opportunities for Growth and Jobs**

Honourable Speaker, economic growth and jobs remain the Western Cape Governments' number one priority, and are central to fight poverty in a sustainable way.

## **Project Khulisa**

Khulisa means to “to grow”. Project Khulisa aims to create growth and jobs in those sectors of our region which hold a clear competitive advantage.

Project Khulisa is a set of high impact interventions in three sectors which have high-potential opportunities for the delivery of growth and jobs: Agri-processing, Tourism, Oil and gas services (including rig repair). While there is a significant focus on these identified sectors over the next 3 - 5 years, key sectors such as Business, Processing and Outsourcing – BPO, Film, ICT/ Software will be supported as required for a well-functioning economy.

Key enablers; energy, water, skills development, infrastructure and reducing red tape; are critical to realise the potential for growth and job creation and will receive focused attention over the medium to long term. My colleague, Minister Alan Winde will provide further detail during his budget vote.

## **Red Tape Reduction**

Red Tape is the primary inhibitor of successful economic growth and is largely caused by two fundamental issues, namely economic unfriendly legislation and inefficient processes and procedures. **Today I am pleased to announce** that an amount of R30.450 million has been provided over the 2015 MTEF to resolve issues that negatively affect the establishment and growth of business over the period. A dedicated Red Tape Unit will continue to focus on:

- Implementing a Regulatory Impact Assessment process to determine the economic impact of new and existing legislation within the Province;
- Identifying, investigating and fixing problematic bureaucratic processes; and
- Lobbying and providing advocacy for a business friendly and competitive legislative environment particularly within the SMME environment.



## Skills Development

Appropriate Skills Development is critical if you want to grow the economy. Therefore Madam Speaker, **I am pleased to announce today that** an amount of R51.29 million for the 2015/16 financial year and R55.38 million for 2016/17 and R55.59 million in 2017/18 for skills development. These specific initiatives are particularly aimed at **young people to increase their employability** and **placement of people in work places** in order to address the challenges of experiential learning. Targets include training **150 artisan** and **1920 semi-skilled candidates**. Upon completion of training the majority of these candidates will then be placed in host companies.

Besides a strong focus on artisan development, other key areas include: creative and design capabilities, financial, business outsourcing, Digital Economy and entrepreneurial skills. Interventions to improve the science, technology, engineering and maths qualifications are also a high priority.

## Agricultural sector

The agricultural sector in the Western Cape is an important contributor to the regional economy. The Western Cape is also South Africa's key agricultural export region. The Western Cape Government is committed to support the agricultural sector and **today I am pleased to announce that** an amount of R2.4 billion over the next three years will focus on the value chain of agricultural support and services for the sector with specific emphasis on transformation of the sector.

**Key medium to long term targets** in the agricultural sector are to:

- Maintain the **export position** for the next 5 years by growing its value added from R16.349 billion in 2013;
- Ensure that at least 70 per cent of all agricultural land **reform projects** are **successful** over the next 5 years;
- Support the **farmers** and **industries** to increase sustainable agricultural production by at least 10 per cent over the next 10 years;
- Optimise the sustainable **utilisation of water** and **land resources** to increase climate smart agricultural production;

- Increase **agricultural and related economic** opportunities in selected rural areas;
- Enhance the **agri-processing** capacity at both primary and secondary level; and
- Facilitate an increase in **relevant skills development** in the agricultural sector.

Exports are key to the growth of the economy of the Western Cape.

Agricultural and agri-processed products will be promoted in the established markets like Europe, countries in Africa and in BRICS especially China as well as the domestic market. Honourable **members I am pleased to announce** that thirty (30) agri-processing businesses will be supported to participate in these promotional platforms while thirty (30) agribusinesses will be assisted with a range of services towards accessing markets in 2015/16 financial year.

### **Economic development strategic initiatives**

This Government will use **key infrastructure catalytic projects** to stimulate and grow the provincial economy. **I am pleased to announce today** that an amount of **R175 million is prioritised for key infrastructure catalytic projects** focused on stimulating the growth of the provincial economy: **the Broadband** (connected citizens, connected business and connected leadership); **Saldanha Bay IDZ, Improved Air Access; Cape Health Technology Park; Expansion of Cape Town International Convention Centre; Port of Cape Town Precinct and Design initiative**. The Saldanha Industrial Development Zone is set to become a thriving industrial zone with a **vibrant workforce** on the West **Coast** of the Province with links to the Oil and gas sector and the metals and machinery industry. Broadband initiatives aim to support growth in the provincial economy through the support of broadband usage, infrastructure and readiness by citizens and businesses to stimulate broadband up-take.

Madam Speaker, **I am pleased to announce that** R57 million over the next three years have been allocated by the Cabinet for Green Economy initiatives. The focus will be on four strategic themes: energy security, resource efficiency, better living models and leadership and coordination. Exploring alternative energy sources will include a focus on Smart Grids and Liquefied Natural Gas.

## Infrastructure for growth

Budget 2015 continues funding programmes aimed at planning and implementing actions of infrastructure projects and improving the quality of infrastructure spending.

Infrastructure specifically is key and critical to unlock opportunities for investment and job creation and **I am pleased to announce** that an amount of R17.3 billion **will be invested in** education, health, environment, transport and public works infrastructure projects alone.

In Education the focus will be on building new schools and classrooms and on replacing schools made of inappropriate materials. Close to R4.0 billion will be spend on school infrastructure over the 2015 MTEF. It is anticipated that 19 schools will reach practical completion by 31 March 2016.

The Health infrastructure allocation of approximately R2.2 billion over the medium term expenditure framework makes provision for new health facilities and the refurbishment, upgrading and maintenance of existing facilities, including health technology. Eight capital infrastructure projects are planned to achieve practical completion in 2015/16, twelve in 2016/17 and 9 projects in 2017/18. The Minister of Health, Minister Mbombo will provide further detail during her budget address.

Transport infrastructure investment (R8.96 billion over the MTEF) aims to preserve surfaced roads, gravel roads and bridges and to prevent the accumulation of backlogs. The investment also aims to upgrade roads from gravel to surfaced standard as well as to improve hazardous locations to sustain the downward trend in road deaths and improve safety.

Public Works infrastructure investment totalling approximately R2 billion over the MTEF will provide balanced provincial government building infrastructure that promotes integration, accessibility, equity, environmental sensitivity, economic growth and social empowerment.

Environmental Affairs and Development Planning intend to spend R91.2 million over the 2015 MTEF mainly on capital infrastructure projects at various nature reserves across the province.

## **Improving Education Outcomes and Opportunities for Youth Development**

### **Education**

Improving education and opportunities for youth are key focus areas of this Government. In this regard, **Madam Speaker, I am announcing that** a total of R55.7 billion will be directed to improving Education outcomes over the 2015 MTEF.

Key focus areas include:

- A five year teacher development plan including pre-service and in-service training and incentives.
- Provincial curriculum management strategies with a specific focus on Language and Mathematics Development Strategies and plans for increased access to vocational subjects.
- Social support and a platform for youth development: the school nutrition programme, fee relief and safe schools.
- Support for independent schools that educate those from poorer communities.
- Quality Grade R: the emphasis will be both on improving access to a growing population of pre-schoolers and on improving the quality of learning.
- Effective infrastructure programme to create an inspiring environment: the focus will be on building new schools and classrooms as required and replacing schools made of inappropriate materials. The proportion of the budget to be spent on maintenance is to grow over the MTEF.

### **e-Learning**

Improving the quality of teaching and learning in the Western Cape through e-Learning is a key priority of this Government. Investments in high speed broadband connectivity (WAN) complemented by a well-managed Local Area Network (LAN) to construct technology enhanced smart classrooms in the Western Cape will be undertaken. The shift toward e-Learning aims to

expose learners and educators to different teaching methods and materials, expand learning and collaborative opportunities through online platforms, improve retention and improve learner skills applicable to the workplace and tertiary education. LAN will be installed in 610 schools over the next five years, 3 350 classrooms across 248 schools will benefit from the Smart Classroom Project over the same period and 500 of the Western Cape's poorest schools will receive refreshed computer labs. **Madam Speaker this Budget allocates an amount of R698.632 million** for e-Learning over the 2015 MTEF period. Madam Speaker, the Honourable Minister of Education will further outline how e-Learning will transform education in this Province.

### **After School Programme**

School-going learners participate in after-school activities at the 181 school-based MOD Centres, thus creating a safe space and environment for participation in fun-filled activities, play, recreation, sport, arts, culture, as well as academic activities. The main aim of the afterschool programme is to reduce opportunities for crime and anti-social behaviour. This Government is committed to create opportunities for the youth.

In this regard Madam Speaker, **this budget allocates R447.685 million** over the MTEF which include nutrition for participant learners and infrastructure to support the after school programme.

### **Youth development**

The key focus area of Western Cape Youth Development Strategy is the holistic skills development of young people to make them more employable, positive, healthy and well prepared for adulthood.

Many youth development projects and initiatives focus on providing accessible services, opportunities and support for all young people, specifically NEETs (Youth Not in Employment, Education, and/or Training), by offering training in life skills, mentoring and coaching, leadership, entrepreneurship and accredited formal training and job preparedness.

Youth Cafés are an innovative concept to empower and develop skills amongst the youth. Over the 2015 MTEF, R5.640 million will be allocated toward the current Youth Cafes in Mitchell's Plain and Athlone as well as the establishment of an additional another three Youth Cafés in George, Atlantis

and Nyanga Junction. Minister Fritz will provide further detail during his budget vote on Social Development.

## **Increasing Wellness, Safety and Tackling Social Ills**

### **Health**

The Western Cape Government has committed to partner with roleplayers to drive the wellness campaign in this Province. **This Budget allocates R59.089 billion over the next three years** to provide and improve the quality of health services in the Province. There is a need to strengthen the capability for early detection and treatment, the reduction of unhealthy lifestyles and the ability to address the underlying social determinants of disease.

### **Social Development services for the vulnerable**

A budget of R5.999 billion is allocated over the 2015 MTEF for services for the poor, the vulnerable and those with special needs through Social Development services. Improving the quality of child care and protection services, care for older persons, substance abuse interventions, services to persons with disabilities, victim support, shelters for homeless adults, probation services and diversion programmes will be prioritised over the next 3 years.

### **Persons with Disabilities**

Honourable Speaker, let me now turn to persons with disabilities. Under the leadership of Premier Zille and Minister Fritz, persons with disabilities are a priority of this Government. Emphasis will be placed on community responsive programmes and rectifying some of the historic gaps in services to persons with disabilities, including children with severe and profound intellectual disabilities. Honourable Speaker, **I am happy to announce that a disabilities desk will also be established** to ensure that the disabled community can engage with government more readily. The Minister of Social Development, Minister Fritz will give further detail in his budget speech.

Provision has been made over the MTEF to provide, amongst other assistive devices and outreach at clinics, ensure the appropriate referral and placement of learners with special needs and upgrade and maintenance of group homes for adults and children. Honourable members, today we can announce that a budget of R97.033 million is allocated over the MTEF to support persons with disabilities.

### **Promoting arts, culture and Heritage**

Agbare Speaker, ons het almal 'n kollektiewe verantwoordelikheid om vrede, harmonie en samehorigheid te bevorder. Hoewel die begroting met syfers werk, werk ons almal met mense, emosies en kulturele diversiteit.

Hoewel ons 'n lang pad geloop het, moet ons nog meer doen om ons kollektiewe erfenis te bevorder.

Die Departement Kultuursake en Sport is primêr verantwoordelik om ons kulturele landskap te bewaar en te bevorder. Deur middel van sport, kultuur en erfenis beweeg ons nader aanmekaar.

Kulturele warmte bied ons die ruimte om mekaar te respekteer en te waardeer.

Om aktiewe en kreatiewe burgerskap te **bevorder word 'n bedrag van R2.151 biljoen toegeken** aan die Departement van Kultuursake en Sport, oor die volgende drie finansiële jaar.

### **Enabling a Resilient, Sustainable, Quality and Inclusive Living Environment**

Integrated Human Settlements has been allocated R7.155 billion over the 2015 MTEF toward increasing housing opportunities and improving settlement functionality, efficiencies and resilience.

Over the 2015 MTEF more resources will be shifted towards the upgrading informal settlements to deal with problems of poor living conditions and insufficient access to basic services. The cleaning up of Housing Demand Database in municipalities will continue to be prioritised to ensure that limited housing opportunities are allocated to the most deserving beneficiaries. Strategic partnerships will also play a critical role in providing GAP/Affordable housing and rental opportunities.

Catalytic projects will be undertaken in Worcester, Paarl, George, the City of Cape Town and in Saldanha Bay.

Environmental Affairs and Development Planning has been allocated a budget of R1.629 billion over the next three years.

### **Regional Socio-Economic Project/Violence Prevention through Urban Upgrading**

This Programme represents the combination of the Regional Socio-Economic Projects (RSEP) and the Violence Prevention through Urban Upgrading (VPUU) programmes. The main goal of the programme is to partner with active citizens to plan and implement upgrading and safety projects in poor neighbourhoods in the Province. The participating municipalities include Drakenstein, Theewaterskloof, Saldanha Bay and Breede Valley Municipalities.

The RSEP/VPUU project provides practical application to building safe and sustainable neighbourhoods, reducing social, cultural, economic and institutional exclusion of former townships and improving the quality of life in these areas. Urban restructuring is one of the main streams of the project in each of the municipalities. Amounts of R21.3 million in 2015/16, R38.8 million in 2016/17 and R64.3 million in 2017/18 are allocated for this project.

### **Good governance and integrated service delivery through partnerships and spatial alignment**

#### **Broadband initiatives**

The Broadband 2030 Vision is that "Every citizen in every town and village has access to affordable broadband infrastructure and services, has the necessary skills to effectively utilise this infrastructure and is actively utilising this in their day-to-day lives".

The Western Cape Broadband Implementation Plan aims to co-ordinate and integrate government action to improve the provision of telecommunication infrastructure, skills and usage within the Western Cape. Madam Speaker, **I am pleased to announce that** an amount of **R1.216 billion** over the 2015 MTEF is earmarked for the Connected Government Project.

In addition **Madam Speaker**, this budget allocates for the **Rural Library Connectivity project** an amount of R19.058 million over the 2015 MTEF. This project provides internet access to rural communities all over the Western Cape. The target for 2015/16 is to have an additional **15 libraries to go live**, which will total 215 libraries that have been connected to the internet.



Madam Speaker, WIFI hotspots at 384 Western Cape Government sites will be installed that has fibre connectivity. In 2015/16, the first 50 hotspots will go live and people within range will be able to surf the Internet for free up to a limit of 250 MB per month.

### **NDP in Action**

The main aim of a Joint Planning and Budgeting Process is to mainstream the objectives of the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), and the Provincial Strategic Plan (PSP) and to integrate these within a provincial and local government context.

### **Aktiewe Burgerskap**

Agbare Speaker, ek lewer vandag die Begroting, terwyl ons nooddienste personeel nog steeds werk om die brande in die Kaap te blus. Ons Burgermeester van Kaapstad, Provinsiale en Metro nooddienste werk onverpoos om ons bates, ons mense en die omgewing te beskerm.

Tydens my besoek Dinsdag, saam met die Burgermeester van Kaapstad en die Hoofswep aan die Lakeside Brandweer Stasie het ek eerste hands die omvang van die skade en nood ervaar. Premier Zille het gister ook die brand geteisterde gebiede besoek.

Die situasie is buitengewoon en saam met die Stad is die Provinsie besig om die nodige ondersteuning te bied.

Agbare Speaker, terwyl ons die nood en verwoesting van die brande gesien het, het ons ook die harte van die mense van Kaapstad gesien. Dit is ongelooflik om te sien hoe 'n krisis, of te wel, 'n katastrofe mense verenig om te help. In al die pyn, hartseer en emosies het mense, NRO's, studente, besighede, geestelike leiers en vrywilliges almal opgestaan en hulp aangebied. Toe ek die harte en hande van die mense van Kaapstad sien, het ek een van die pillare van die Nasionale Ontwikkelings Plan, naamlik, aktiewe burgerskap sien flits.

Ons het eerste hands ervaar dat mense van die Wes-Kaap bereid is om aktiewe burgerskap te bevorder.

In die see van wanhoop, het hulle pogings weer hoop geskep..... hoop dat ons gesamentlik komplekse probleme kan aanpak. Hul pogings het weer inhoud geblaas in ons slagspreuk: *Beter Tesame*. Met dieselfde toewyding, ywer en samewerking moet ons ook die ander sosiale euwels soos misdaad en dwelms benader. Ons salueer ons nooddienste personeel en die honderde vrywilligers vir hul onbaatsugtige diens.

## Partnerships

Provincial Public Private Partnership projects are another strategic interest of this Government. **I am happy to announce that** the total PPP projects under implementation amount to R60.7 million in 2015/16, increasing to R67.3 million in 2017/18. In addition, an amount of R22.2 million has been set aside for projects in preparation, registered in terms of Treasury Regulation 16.

The concluded PPP deals in the Province are:

- The operation and maintenance of Chapman's Peak Drive;
- Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital; and
- De Hoop Nature Reserve's eco-tourism project.

## Creating Public value

Speaker, the goal of government is to achieve public value which involves greater effectiveness in tackling the problems that are most important to the citizens. Taking this citizen centric approach facilitates citizens' access to government, improving consultation and providing a people-centred approach to service delivery.

Innovative WCG initiatives to improve public value that also have a pro-poor focus, amongst other, include:

- The RSEP/VPUU pilot programme which aims to partner with active citizens to plan and implement upgrading and safety projects in poor neighbourhoods in the Province.
- The WCG Broadband Implementation Plan particularly the e-Education stream which focuses on improving education outcomes in poorer schools.

- The expansion and strengthening of community based care models, e.g. community based health programmes.
- The strengthening of NGO funding-transfer models, thereby improving assurance for reporting, governance, administration and financial management.
- Key policy interventions aimed at increasing employment and decreasing unemployment with the emphasis on improving skill levels, providing much needed work experience and exposure via the public employment programmes and the provision of support for small and medium and micro-enterprises.
- Supporting municipalities to strengthen public participation processes.
- Facilitating access to government services through the Community Development Worker Programme, in conjunction with the Thusong Centres Programme and Mobile Thusong Outreach.

### **Increasing safety**

Speaker, the safety of our citizens is a critical focus of the Western Cape Government.

The Community Safety Improvement Partnership (CSIP) will therefore be the key focus area over the next three years. Key elements of the CSIP include:

- The promotion of professional policing through systems of effective oversight;
- Ensuring that all public spaces and buildings are safe;
- To build community resilience; and
- To deal with safety concerns through viable safety partnerships and programme.

Key activities toward this goal include the regular inspection of police stations to identify, record and report on any operational deficiencies in close cooperation with the National Secretariat of Police and the establishment of the Western Cape Police Ombudsman to deal with complaints of

communities. **Madam Speaker this budget allocates R729 million** over the 2015 MTEF to increase the safety of our citizens. Honourable Speaker, Minister Plato will further outline detail plans in this regard in his Budget Vote: Community Safety.

### **Strategy to reduce alcohol abuse and misuse**

A Game Changer strategy is being developed to reduce the negative impact of alcohol and substance abuse and misuse on individuals and communities. Specific programmes targeting youth include after schools support programmes, safety promotion interventions and programmes that keep youth off the street are amongst those already underway. Possible future initiatives include female and maternal education; facilitating behaviour change; increasing penalties; legislative reform; and collaborating with the private/business sector to reduce the harmful impact of alcohol.

### **Partnerships**

Partnership development initiatives range from the spectrum of intergovernmental (between national/provincial/local government), intra-governmental (between provincial departments) as well as with the private sector and civil society (communities).

More broadly, stakeholders include Foundations and Foreign Donors, Non-Governmental Organisations (NGOs) and Universities which all have an interest in promoting socio-economic development and upliftment.

Partnerships are a direct result of today's governance challenges, where ever increasing expectation is placed on government to fulfil unlimited needs with limited resources. The development of a Whole-of-Society approach within the WCG highlights the importance of entering into partnerships with various role-players such as businesses and communities. The whole of society approach mobilises resources, knowledge, creativity and concerns of all role-players within given service delivery environments. Below is a snapshot of the partnerships that exist between the WCG and related stakeholders.

- Partnership with the Cape Higher Education Consortium (CHEC).
- Community Safety: Partnerships which include Chrysalis, VPUU, Central Improvement Districts (CIDs), Non-Governmental Organisations (NGOs)

and community structures such as Community Police Forums (CPFs) and Neighbourhood Watches (NHWs).

- Arts, culture and heritage: In partnership with relevant stakeholders such as Baxter Theatre, Artscape, Die Burger Suidoosterfees and Cape Town International Jazz Festival, the province has transformed the Arts and Culture sector to be more inclusive of the country's diverse sector.
- Library Services: Partnership with municipalities to provide public library services to communities.
- Sport-related services: works in partnership with civil society, sport clubs, federations and recreational bodies.

Speaker, the spending plans outlined in the 2015 Budget support the Western Cape Government's commitment to protect essential social services and prioritising resources to support higher economic growth and employment.

The 2015 Budget provides for total expenditure amounting to R52.022 billion in 2015/16, R54.458 billion in 2016/17 and R56.579 billion in 2017/18.

When considering the provincial budget within the context of the Provincial Strategic Plan and associated Goals, it is clear that the bulk of the provincial budget has been allocated toward achieving the outcomes of Provincial Strategic Goal 2: Improve education outcomes and opportunities for youth development and Provincial Strategic Goal 3: Increasing wellness, safety and tackling social ills. The services rendered under these Provincial Strategic Goals are largely aimed at the poor. The allocations under these Provincial Strategic Goals thus emphasise the pro-poor nature of the 2015/16 budget.

Speaker, South Africa faces many challenges... some more daunting than others. The one thing that is clear however is that when South African's pull together across all the real and imagined divides that still haunts us, we are able to achieve miracles. This is one such time.

Let's join hands and work together towards building a prosperous, inclusive Western Cape for like the late literary giant, André Brink I also believe, that there is no other place for us to go:

*"For it is this land, shared with others—black, brown and white—where his (and our ancestors) have been buried for nearly four centuries, **this is** our home, for better or worse". André Brink's Memoir*

My oproep is dus vir samewerking om fiskale dissipline te handhaaf terwyl ons terselfde tyd waarde toevoeg vir die mense van die Wes-Kaap.

Speaker, allow me in closing to also express my deep sense of gratitude the Premier and my colleagues in the cabinet for their guidance and wise counsell. I also want to thank the Director General adv Brent Gerber and all the HODs for their support in compiling this Budget. A special word of thanks to the Head Official of Treasury, Mr Zakariya Hoosain and his DDG, Mr Harry Malila and his budget team. The committed support of my staff in the Ministry - Estienne Pretorius, Daniel Johnson, Charmaine de Vos, Linda Jacobs, Chandre Petersen, Zodwa Mdingi and Nicollette (Nicky) as always makes my tasks so much easier. Finally, to my wife and children thank you for your understanding and for unselfshishly allowing me the space to serve the people of the Western Cape.

Speaker, it now gives me great pleasure to table the 2015 Overview of Provincial Revenue and Expenditure, Estimates of Provincial Revenue and Expenditure, the Western Cape Appropriation Bill, the Western Cape Gazette of Allocations to municipalities, and this Speech, for discussion and consideration by this House.

Thank you, dankie, enkosi!