

**Western Cape Government
Provincial Treasury**

BUDGET 2019 SPEECH

**Minister of Finance
Dr IH Meyer**

5 March 2019

Budget Speech 2019 Western Cape Government

Honourable Speaker and Deputy Speaker

Honourable Premier and Cabinet Colleagues

Honourable Leader of the Official Opposition

Honourable Leaders of Opposition Parties

Executive Mayors and Deputy Mayors

Mayco Members of Finance

Chairpersons of Municipal Finance Committees

Honourable Members of the Western Cape Legislature

Members of the Consular Corps

Heads of Departments

Municipal Managers

Senior officials of the Western Cape Government

Citizens of the Western Cape

Special Guests

Ladies and Gentlemen

Introduction

Madam Speaker, this Budget consolidates the work of the Western Cape Government over the last five years.

A budget gives expression to the strategy and policies of the Government of the day.

A budget is more than just numbers; it is the story of change.

Change that affects people's lives.

Behind a budget are people, real people with real needs and aspirations.

The budget is an instrument to facilitate the journey of change of change.

While a budget is a technical document, it must be informed by normative and political dimensions to give effect to a government's mandate.

Our mandate is clear: build an open opportunity society.

Central to this mandate is to create choices for citizens, encourage personal responsibility and reward excellence.

A budget must rally behind the future vision.

Therefore, Madam Speaker, I table in this House today a:

- Budget for jobs
- Budget for service delivery
- Budget for safety
- Budget for youth
- Budget for infrastructure
- Budget for Climate Change; and a
- Budget for good governance.

Commenting on the Budget tabled by Minister Tito Mboweni on 20 February 2019 Nick Spaul, of the Financial Mail describes the national budget as not a SONA Budget but rather a ESKOM Budget.

The state of Eskom is the state of the South African economy.

Ten million people are out of work and unemployed.

South Africa is in a period of weak economic growth, a revenue shortfall and an increase in national debt.

State owned enterprises continue to fail because of fraud corruption and maladministration.

SOE's continue to drain South Africa's resources.

South Africa experienced disastrous load shedding in 2014/15, with the economic cost estimated nationally at R20 billion (for stage 1 load shedding) and R80 billion (for stage 3 load shedding) per month. For the Western Cape, this represented between R3 billion and R8 billion per month, and slowed down the upward momentum of economic growth.

In response, the Western Cape Government established the Energy Security Game Changer in 2015, whose main purpose has been to reduce our dependence on Eskom and diversify our energy sources, with a focus on renewable energy.

Much has been achieved since 2015. The Game Changer, together with GreenCape, has assisted municipalities to put in place the regulatory frameworks that would allow their customers to install rooftop solar PV and receive compensation for extra electricity fed into the municipal grid. In 2015, only two municipalities had this legal framework in place; today, 22 out of our 25 municipalities that distribute electricity have this in place. The generic municipal by-law and policy guidelines developed in the Western Cape are now being used by other municipalities in South Africa to enable regularised rooftop solar PV installations.

The Western Cape has actively promoted the installation of solar PV.

From 18 Megawatts of installed solar PV in 2015, we now stand at 112 Megawatts – an increase of over 600 per cent.

We have also addressed energy efficiency in provincial buildings. Since 2015, electricity consumption in our buildings has been reduced by 13 per cent, and our consumption is an impressive 38 per cent below the industry benchmark.

And yet, once again, we are faced with load shedding. The Western Cape is now more energy-resilient than it was in 2015, but it would be much more so had national regulatory obstacles been cleared away. For example, Municipalities are currently prevented from purchasing electricity from Independent Power Producers, and their ability to do so would have had a substantive material impact on Municipalities' energy resilience.

In June 2018, the Premier wrote, to Eskom highlighting her concern that there was again a significant risk of load shedding and was assured that Eskom was taking the necessary steps to avoid this.

On 25 February 2019, the Premier convened a special Premier's Coordinating Forum (PCF) to identify actions that Municipalities could take to mitigate any further load shedding that may take place. Our analysis suggests that in the next five years, there is a significant risk of load shedding owing to a deterioration in coal plant capacity and the planned closure of old coal-fired plants that produce thousands of megawatts.

Short- medium-, and long-term options were presented at the PCF. In the short-term, municipalities need to ensure that there is clear, timeous communication on load shedding to customers through their websites, social media, and other methods. Municipalities have done well to date in sharing this information effectively.

There is also the possibility that Municipalities will be able to procure power from Independent Power Producers in the near future. The City of Cape Town initiated legal action on this issue in 2015, and recently urged the High Court to prioritise it on the court roll. Municipalities need to prepare themselves for such procurement processes in the meantime.

Apart from these measures, the Western Cape Government is also actively pursuing the importation of liquefied natural gas (LNG) into the Western Cape through Saldanha Bay. It is finalising a feasibility study which confirms that there is sufficient demand for natural gas and that the availability of natural gas will contribute significantly to the competitiveness and growth of our

industries. In addition, gas-fired power will be needed to balance out the variability of renewable energy in the Western Cape. The Province is cooperating closely with Transnet and national authorities to make LNG importation a reality.

Agbare Speaker, ingevolge die Geïntegreerde Hulpbronplan vir Elektrisiteit word beoog om steenkool gedrewe kragstasies teen 2050 uit diens te stel.

Die Wes-Kaap is dus geregtig en gereed om onself te posisioneer vir die vestiging van hernubare energie-bronne, waaronder son en windkrag as primêre energieleverskaffers in die toekoms.

Suid-Afrika, en die Wes-Kaap met sy lang kuslyn, moet ook windkrag inspan om 'n gebalanseerde energie aanbod teen 2030 te lewer.

Wind turbines verg staal, koper, veselglas in die vervaardigingsproses, waarvan staal bykans 90 per cent uitmaak. Die hulpbronne benodig in die uiteindelijke vervaardiging van turbines bring nuwe areas van werkskepping na vore. Die Wes-Kaap is gereed om in ons provinsie met visie en innovasie weg te beweeg van Eskom se monopolistiese opwekking van elektrisiteit.

Dit is in hierdie verband verblydend om te sien dat GRI Renewable Industries, 'n Spaanse onderneming, begin het met die vervaardiging van wind turbines in Atlantis.

Deur skoon energie op te wek kan dus 'n bydrae lewer om werk te skep. Ons het die getuienis daarvoor.

Finally, Madam Speaker, the most appealing aspect of building our energy resilience is that it also results in cleaner air and new green economy jobs, and thereby cements our reputation as the Green economic hub of Africa.

Madam Speaker, let me now turn to the fiscal risks.

Madam Speaker, the National fiscal risks remain a matter of serious concern and needs to be addressed as it hovers threateningly over the Western Cape economy.

The South African economic landscape requires structural reform to deal with the fiscal crisis in South Africa.

This Government has assessed the risks and presents the following policy options to address the national fiscal risks:

Reduce the budget deficit

- Budget deficit can be narrowed through the increasing of revenue collected by the government or by reducing expenditure;
- Reducing government expenditure but be alert to emerging risks and long-term pressures on public expenditure, including an ageing population and rising costs of health and social care; and
- Government should live within its means to prevent the occurrence of budget deficits and an increase in debt to GDP ratios.

Limiting of the debt to GDP

- Debt repayments diverts funding away from expenditure;
- Lower debt burdens reduce interest payments so that government funds can be used for investment, and expenditure on government priorities; and
- Government debt unfairly burdens future generations.

Limit the exposure of Government to loss making public entities

- The South African Government currently bails out its loss making public entities using taxpayer funds;
- Government is in this way effectively subsidising inefficiency and mismanagement. Well managed State Owned Entities would not require constant bailout packages from the State;

- Government should consider selling off certain state owned entities which are not strategically important and whose sale would be in the public interest. The advantage of this option is that government receives the capital amount from the sale of the entity, and no longer needs to use taxpayer funds to bail out an ailing entity.

Maintenance of Macroeconomic stability

- Ensure strong financial systems that can withstand economic crises, that also fosters growth and income. The financial system plays a vital role in supporting sustainable economic growth and meeting the financial needs of citizens and organisations. The financial system should be efficient in allocating resources and should be resilient during times of severe economic shocks;
- A strong economy reduces the need for government intervention and transfer payments and leads to lower expenditure;
- A stable and diversified economy, has less exposure to exchange rate fluctuations;
- Institutional frameworks are needed that allow monetary and fiscal policy to reduce the ups and downs of the economic cycle in the short-term while ensuring sustainability over the long term;
- Enhanced trade relationships would allow local industries to access markets more easily.

Policy measures to enhance growth

Policies to enhance productivity would significantly contribute towards enhanced economic growth. Enhanced growth would positively contribute towards growth in national income and would allow for higher levels of tax revenues. This in turn would help to accelerate the return to fiscal sustainability and alleviate pressures on taxpayers, public services, and future generations. Notable policy measures include:

- Supporting long-term investment in physical, human and intellectual capital and promoting a dynamic economy which would encourage innovation and help allocate resources to their most productive use;
- Investment in physical infrastructure such as roads, buildings, transport, water, electricity and sanitation through cooperation between the public and private sectors;
- The creation of a Productivity Investment Fund to provide additional investment in areas critical to improving productivity and infrastructure;
- Investment in education, training, and the science and technology sectors would help high value-added manufacturing sectors to be more competitive locally and internationally. High value-added sectors would include industries such as the automotive, electronics, industrial machinery, equipment, and chemicals industries; and
- Shortage of electricity infrastructure has constrained economic growth in South Africa.

Creating an enabling environment for local businesses to flourish and provide incentives to businesses to be innovative. A more enabling environment would include some of the following:

- Regulatory environment friendly to small and medium businesses;
- Protection of property rights;
- Tax friendliness;
- Less red tape to start a business;
- Availability of business financing.

Revenue

- A tax system which supports living standards and economic growth, ensures that everyone pays their fair share of tax, and continues to raise

the revenues to fund our public services. This requires the government to understand emerging risks to the tax system and take action to address them;

- Addressing tax avoidance, evasion and noncompliance;
- Tax revenue is positively affected by a strong and thriving economy.

Improved management of government assets and liabilities

- Identify opportunities to dispose of assets which no longer serve a public policy purpose, improve the returns on assets and reduce the cost of liabilities which remain on the government balance sheet, and reduce balance sheet risk. Strengthen transparency around financial asset sales to demonstrate value for money.

SPENDING PRIORITIES

Good governance

Madam Speaker, when the Premier of the Western Cape, Premier Helen Zille delivered her SOPA address on 15 February 2019 she highlighted that for governments to create sustained progress towards prosperity three conditions are required: The Rule of Law; a culture of accountability, (in which all members of society take their responsibilities seriously), and a capable state that undertakes its duties efficiently, honestly and cost effectively.

The importance of embedding good governance is entrenched by the Western Cape Government in its Provincial Strategic Plan 2014 – 2019 (PSP), Madam Speaker.

Good Governance is a requirement for the achievement of the delivery of services to communities in an integrated, sustainable and equitable manner.

It is the basis of building a robust, flexible and sustainable government.

Madam Speaker, the journey of Good Financial Governance is a continuous one.

It is built on the foundation of adherence to good governance principles and ensuring that the minimum governance requirements as prescribed by the PFMA and the MFMA and other relevant legislation are adhered to.

It ensures that the capabilities of people are continuously and optimally developed and that systems and processes are arranged in a manner that enables resilience to external shocks and enables the sustainable achievement of the government's developmental goals.

Madam Speaker good governance supports and enables the Western Cape Government to deliver its core mandate to the citizens of the Western Cape.

Madam Speaker, it is our commitment to Good Governance that enables the good story of the Western Cape.

A story that highlights that:

- 82 per cent of our budget is spent on the delivery of services to the most vulnerable in our communities.
- Employment in the Western Cape grew by 24.8 per cent between 2009 and 2018, ahead of Gauteng's 18.6 per cent and KwaZulu -Natal's 8.8 per cent.
- Since 2009 we have completed 212 967 housing opportunities and 105 500 housing units are due for completion in the Western Cape by 2022 through a series of catalytic opportunities.
- Today, 91.5 per cent of Western Cape Households live within 30 minutes of a healthcare facility. This is a key reason why we have the highest life expectancy in South Africa
- Over 80 per cent of schools have access to free internet
- We have entrenched a culture of good governance and accountability. We consistently receive the highest number of clean audits, namely 83 per cent, in South Africa across all departments and entities. The Presidency's

MPAT (Measuring Performance and Assessment Tool) for the past six years further confirms that the Western Cape is South Africa's top province for Good Governance.

Madam Speaker, I am pleased to announce that the Provincial Treasury is allocated R1.1 billion to drive good financial governance in the Province.

A Good Governance Grant of R30 million is introduced in 2019/20 to reward performing municipalities.

A further initiative to enhance governance will be announced during individual departmental budget addresses.

Growth and jobs

The Departments of Economic Development and Tourism, Agriculture, Transport and Public Works, and Environmental Affairs and Development Planning collectively contributes to the creation of growth and jobs in the Province.

Over the past ten years' success highlights include:

- The Western Cape has the lowest unemployment rate in South Africa, namely, 23.1 per cent in the last quarter of 2018.
- Cape Town is the city with the most job opportunities in South Africa with 14 023 jobs advertised online in January 2019.
- Cape Town-Stellenbosch is Africa's tech hub employing 40 000 people (more than Lagos and Nairobi combined).
- Cape Town is the finance hub of sub-Saharan Africa overtaking Johannesburg in the 2018 Global Financial Centres Index.
- 70 per cent of South Africa's renewable energy manufacturing takes place in the Western Cape, with our country being the fastest growing green economy in the world according to Moody's.
- Cape Town is the meetings and events capital of Africa.

Madam Speaker, I am glad to announce that R132.7 million is allocated to support economic growth and job creation stimulus within the Province including an increased support mechanism for Small, Medium, and Micro Enterprises (SMMEs).

Over the 2019 MTEF, the Department of Economic Development and Tourism aims to stimulate economic growth in the Western Cape which will lead to an increase in job opportunities, especially for young people through an increased support mechanism for Small, Medium, and Micro Enterprises (SMMEs) mainly in rural areas such as Bredasdorp, Clanwilliam, Hermanus, Riebeek West, Swellendam and Caledon.

Trade and Investment Promotion

Over the 2019 MTEF promotion of trade and investment activities within the Western Cape will respond to various markets.

Specific focus will be placed on the African Market as a key investment and trade destination.

The top ten export markets for the Western Cape in 2017 are Namibia, United Kingdom, Netherlands, United States, Botswana, Germany, China, UAE, Kenya and Zambia.

Investment promotion in the Province will be further driven through the establishment of Project Good Hope, which aims to aggressively market Cape Town and the Western Cape as an inspiring and safe place to do business, thereby increasing investor confidence; and the One Stop Shop – Invest SA Initiative.

Energy Security

Madam Speaker, I am pleased to announce that the Western Cape Government will continue the roll-out of priority initiatives linked to energy security, through diversifying the energy mix. Through GreenCape, the

Western Cape attracts investment and enables the creation of jobs primarily in the manufacturing sector.

Supporting agriculture and agri-processing sectors

The Western Cape Government's Commodity Approach has led to successful Land Reform initiatives.

It will now also be applied within the commercialisation programme which aims to make black commercial farmers self-sufficient and empower 20 emerging fruit farmers towards commercialisation.

Market access is an integral component for successful land reform and the commercialisation of emerging farmers.

The Western Cape Government will therefore continue with international promotional events.

Specific focus will be placed on supporting the Sustainability Initiative of South Africa (SIZA), as well the Wine and Agricultural Ethical Trading Association (WIETA).

Madam Speaker, I am pleased to announce that R1 billion is allocated towards successful land reform over the 2019 MTEF for continued market access which is integral to successful land reform and the commercialisation of emerging farmers.

Saldanha Industrial Development and the Atlantis Economic Zone

Over the 2019 MTEF, the SBIDZ will continue as a key driver of the Project Khulisa's Oil and Gas and Marine Engineering Sector with the first elements of the customised infrastructure of the Oil and Gas, and Marine Engineering hub in Saldanha Bay.

We are also Madam Speaker, keeping a close watch on Mossel Bay following the announcement of the discovery of oil and gas off the Mossel Bay coastline.

The SBIDZ Support Group and Ministerial Mandating Committee will further coordinate enterprise development, education and skills development, enabling infrastructure and other social services.

The Atlantis Special Economic Zone (ASEZ) will continue to attract manufacturing and service companies in the green technology space.

Madam Speaker, I am pleased to announce that R156.8 million is allocated over the 2019 MTEF towards the Saldanha Bay Industrial Development Zone (SBIDZ) as a key catalytic driver (in the Oil and Gas and Marine Engineering Sectors) for economic growth within the West Coast District.

R96.5 million is also allocated towards the Atlantis Special Economic Zone (ASEZ), for the manufacturing of green technologies and related services.

Infrastructure Development

Infrastructure development in the Province is underpinned by the provincial Infrastructure led growth strategy as set out in the 2018 Western Cape Medium Term Budget Policy Statement.

I am therefore pleased to announce that the Department of Transport and Public Works, as the key driver of infrastructure development in the Province, is allocated R25.2 billion over the 2019 MTEF toward the construction and maintenance of public works and roads infrastructure, the facilitation of integrated transport services, transport regulation and community based programmes to enhance the livelihoods of the citizens in the Province.

It is worth noting, Madam Speaker, over the past decade this Government has spent over R42 billion on infrastructure: R22 billion on roads, R9 billion on schools, R5.6 billion on health facilities and R1.5 billion on libraries.

Over the 2019 MTEF, the Department of Transport and Public Works will continue to manage the subsidisation of bus operations in the Cape Town Metro area through the Public Transport Operating Grant.

Outside of the Cape Town Metro area, the implementation of sustainable transport systems will continue through the George Integrated Public Transport Network.

Youth (Skills development initiatives)

The Department of Economic Development and Tourism is mandated to oversee the coordination, facilitation and implementation of skills development initiatives within the Province.

Over the 2019 MTEF, focus will be placed on artisan development, skills for the digital economy, financial and business sector skills, improving the quality of maths, science and engineering qualifications and developing entrepreneurial skills - especially among the youth.

The apprenticeship initiative aims to introduce at least 11 300 qualified apprentices into the labour market by 2019 by working with schools, Technical and Vocational Education Training (TVET) colleges and employers across five priority sectors, namely, oil and gas, tourism, agri-processing, ICT and energy.

Skills development in the rural landscape will be prioritised through the implementation of the Agricultural Partnership for Youth Development's (APFRYD) programme, which addresses inequality in education and skills opportunities for rural youth, specifically children of agri-workers.

After school programmes

The Mass participation; Opportunity and access; Development and growth (MOD) Programme, is an after school-based initiative that provides school-going youth with access to sporting, arts and cultural opportunities as well as curriculum linked academic support at school-based MOD Centres.

The MOD Programme promotes ethos of healthy living, lifelong activity and lifelong learning for greater citizen impact.

The number of learners engaged in regular and consistent after school programming has increased from 14 900 in 2014 to 81 120 learners in 2018/19.

Youth Cafés across the Province provide opportunities to youth who is not engaged in education, employment and training (NEETs) to improve their employability and readiness for adulthood.

The Cafés provide skills development and training on life skills, mentoring and coaching and leadership, as well as entrepreneurship and accredited formal training and job preparedness.

Access has been extended to hearing impaired youth, with Youth Café staff undergoing accredited sign language courses since 2017/18.

A further 3 Youth Cafés, in addition to the 11 currently in operation, will be established in 2019/20.

These Youth Cafés will be strategically located in geographic areas within the Metro East, Metro North and Overberg-Cape Winelands.

The Cape Youth at Work programme will continue to supplement the Youth Café programme.

Madam Speaker, The YearBeyond (YeBo) programme is the academic pillar of the DCAS led MOD programme, which provides volunteer opportunities to over 100 young people in recipient communities every year.

These opportunities expose youth extensive leadership training and various pathways into employment. To date, 61 per cent of the 2016 cohort of volunteers have transitioned into either employment or studies, and the remainder continue to volunteer.

Over 2019 MTEF R40.278 million has been allocated for the YeBo programme.

PROVINCIAL SERVICE DELIVERY

Health Services

The growing population, coupled with the increased complexity of ill-health conditions presented at public health facilities, continue to place the public health system under severe pressure.

I am therefore Madam Speaker, pleased to announce that the Department of Health is allocated R78.5 billion over the 2019 MTEF.

Included in this allocation over the MTEF is an additional R511 million toward managing the increased service load pressures and the health system given the growing patient load and the burden of diseases.

The Department of Health is also actively engaged in implementing its Service Strategy, which aims to improve system performance, patient experience, quality of care and life outcomes.

Continued investment into Health infrastructure and maintenance remains key to ensure delivery of a dignified public health service.

In addition to the current maintenance budgets, R425 million has been allocated over the 2019 MTEF for capital infrastructure delivery and maintenance at Tygerberg Hospital.

Madam Speaker, I am pleased to announce that towards the delivery of quality education and the attainment of education outcomes for learners in the Province, the Western Cape Government has allocated R75.2 billion over the 2019 MTEF.

An additional R1.2 billion over the 2019 MTEF has been allocated to accommodate increasing service load pressures in the main to respond to the increased demand for teacher and related support material as a result of the year-on year increases in learner numbers in the Province.

Teacher development programmes have been prioritised with an allocation of R337.9 million over the 2019 MTEF, with a focus on ICT training and the introduction of the Change mind-set intervention which encourages agility in the adoption of innovative learning approaches. Learner performance in Maths, Science and Technology receives an allocation of R109.9 million over the 2019 MTEF.

This allocation is directed towards teacher training and the provision of the necessary equipment and laboratory consumables to enhance the learning and teaching experience in these areas.

Interventions to increase the quality of education and to maximise citizen impact, particularly on learners in poorer communities, include the provision of meals to learners through the National School Nutrition Programme and the provision for no-fee schools and fee exemptions in fee paying schools.

In addition to existing departmental contributions, R283.1 million will be allocated specifically towards the implementation of e-Learning over the 2019 MTEF, as well as R23. 4 million for broadband access for e-Education.

Early Childhood Development

The continued expansion and support of Early Childhood Development (ECD) Centres has resulted in access to these centres increasing to 76 000 children aged between 0 to 4 years by 2017/18.

The quality of and access to ECD programmes in the Province will be strengthened over the 2019 MTEF by extending infrastructure upgrade opportunities and increasing the ECD subsidy from R15 to R16 per child per day. The intent is to extend ECD access to almost 81 000 children by 2022. Over the 2019 MTEF, R1.132 billion will be invested in ECD and Partial Care by the Department of Social Development.

SAFETY

Madam Speaker, I am pleased to announce that an allocation of R1.1 billion over the 2019 MTEF has been made to the Department of Community Safety to ensure safer communities, public spaces and to promote professional policing.

The Department of Community Safety, in partnership with local municipalities, will facilitate surveillance technologies to assist the community and the police service in fighting crime.

In concert with some Municipalities additional funding has been allocated over the 2019 MTEF toward the establishment of a new K9 and highway patrol unit to safeguard the main routes of transport against the transfer of illegal drugs and goods.

Priority has been given toward the strengthening of research, coordination and evaluation of violence prevention initiatives in communities with high levels of crime and violence through the envisaged establishment of a Violence Prevention Innovation Hub.

Vulnerable crime areas such as Paarl East, Saldanha Bay, Khayelitsha and Gunya forms part of the provincial 'Whole of Society Approach' (WoSA) where socio-economic variables are taken into consideration before drafting the Police Needs Priorities Report.

To make Neighbourhood Watches (NHW) more professional and efficient in maintaining citizen safety, a monitoring tool has been developed to ensure all accredited NHWs operate according to the set legislature standards required by the Western Cape Community Safety Act. Accredited NHWs will be further supported with equipment, training and improved technology platforms to assist in its crime fighting efforts over the 2019 MTEF.

Improving road and rail safety

Madam Speaker, I am pleased to announce that the Department of Transport and Public Works will receive an additional R255.5 million over the 2019 MTEF to address public transport requirements for rail enforcement teams. Over the 2019 MTEF, the Department of Transport and Public Works will continue with the implementation of the Provincial Sustainable Transport Programme.

The deployment of the Rail Enforcement Unit, a collaboration between the Western Cape Government, the City of Cape Town, and the Passenger Rail Agency of South Africa, has seen an increase in the number of security officials and a reduction in crime on our trains.

Just this past week, Madam Speaker, the Rail Enforcement Unit collaborated in six operations with the PRASA Protection Services and the South African Police Service.

They also made four arrests and conducted 1075 stop-and-searches.

The arrests took place in Bishop Lavis, Athlone and Manenberg.

Some of the suspects may be prosecuted in terms of the Criminal Matters Amendment Act which provides for stricter bail conditions and harsher sentences, including up to 30 years' imprisonment for those caught and convicted of destruction of essential infrastructure.

Safety in Schools

Over the 2019 MTEF, the safe schools' initiative within the WCED has been allocated a budget of R112.5 million.

In addition to physical school safety, interventions such as the installation of secure perimeter fencing, restricted electronic access and monitored alarm systems, strategic partnerships between schools and communities are key to improving safety in schools.

Other initiatives which will be given further support include the Walking Bus programme and the Safe Schools Call Centre which provides support to both learners and teachers regarding matters relating to their safety in a range of categories, such as abuse, gang activity, bullying and vandalism.

Social development services for the poor and most vulnerable Madam Speaker, I am pleased to announce that the Department of Social Development is allocated R7.8 billion over the 2019 MTEF to provide social welfare services to the most vulnerable in the Province.

Included in these amounts are additional allocations totalling R132.7 million over the 2019 MTEF to ensure the sustainability of the current services rendered and meet the increasing demand for social welfare services in the Province.

The Eye on the Child and Isibindi programmes are two key community-based programmes aimed at identifying and assisting children most vulnerable to abuse and neglect.

Over the 2019 MTEF, the Isibindi programme will be extended to two additional sites, in Kalksteefontein and Nyanga.

R590 million over the 2019 MTEF has been budgeted for services to persons with disabilities.

The expansion of services to persons with disabilities over the MTEF includes improved access to residential care for children with intellectual disabilities, with 30 additional beds to be made available at the Sivuyile Centre by mid-2019.

Arts, culture and sport

Madam Speaker, over the past decade this Government has built 53 new libraries and upgraded a further 18.

This has empowered 42 more communities in 24 municipalities.

The Western Cape holds the highest library membership in South Africa and by far the highest book circulation.

Support for major events have increased by 248 per cent.

Funding for local sport organisations have increased by 124 per cent with an average of 120 organisations being supported at a grassroots level each year.

Madam Speaker I am therefore pleased to announce that the Department of Cultural Affairs and Sport is therefore allocated R2.5 billion over the 2019 MTEF toward the promotion of arts, culture and sport in the Western Cape.

R242.1 million is allocated specifically and exclusively toward library services.

This funding will go towards the procurement of library materials, electronic resources and professional library staff training with a particular focus on connecting rural libraries to broadband.

Sport and Recreation is allocated R677.3 million toward providing sport and recreation activities for the citizens of the Province.

CLIMATE CHANGE

Climate Change Response

The recent severe drought has resulted in water being identified as a major provincial enterprise risk.

Madam Speaker, I am pleased to announce that in response, the Western Cape Government allocated R83.9 million towards enabling the promotion and stimulation of a greener economy and water secure Province.

The Department of Local Government, in being the central coordination point for planning and management of the drought in the Province will support municipalities over the 2019 MTEF with the:

- The provision of technical and geo-hydrological services that entails the reprioritisation of financial resources toward water augmentation and demand management projects;
- The provision of professional support and advice with the drilling and testing of boreholes; and
- Providing specialist consulting services which entails the assessment of the current status on Water Use Licenses and assistance in adhering to the licensing conditions; and the provision of drought relief funding support.

The drought has also contributed to the spate of devastating fires recently experienced in the Province, particularly in the Metro, West Coast (Wuppertal), Overberg and Garden Route areas. The Department

of Local Government has been allocated funding in the 2018/19 Adjusted Estimates to deal with these disasters.

The Department of Local Government is also allocated an additional R38.9 million over the 2019 MTEF to appoint additional capacity toward the management of the drought crisis.

An additional R25 million has been allocated to address drought related matters and the exploration of new wellfields in the Central Karoo District area.

The Province has also received an additional R83,773 million from National through the Provincial Emergency Housing Grant.

This allocation is taken up in the Western Cape Additional Adjustments Appropriation Bill 2018/19, which I also table here today in Parliament.

The Department of Agriculture has prioritised sound water management as a key requirement to flourish.

This Department remains an important stakeholder in the improvement of the Brandvlei dam canal inlet and subsequent distribution and usage of additional water capacity to emerging farmers.

An additional allocation of R1.2 million in 2019/20 toward the evaluation of the Western Cape Agricultural Sector Climate Change Framework and Implementation Plan will contribute to further efficiencies.

The Department of Environmental Affairs and Development Planning is allocated R37.129 million towards the development and roll-out of the following water security initiatives over the 2019 MTEF:

- The Breede River Environmental Resource Protection Plans in collaboration with key stakeholders;
- The Berg River Improvement Plan (BRIP); and
- The Sustainable Water Management Plan (SWMP).

Integrated Human Settlements

Madam Speaker, I am pleased to announce that the Department of Human Settlements is allocated R7.4 billion to continue with its three priority areas over the 2019 MTEF which include to direct more resources to the Upgrading of Informal Settlements Programme (UISP) and the provision of basic services; increase affordable/GAP housing, and prioritise the most deserving people in relation to the allocation of free Breaking New Ground (BNG) houses.

Key projects over the 2019 MTEF include the Better Living Model – Conradie Hospital Site which is a priority project of the Province and brings with it a focus on spatial integration.

The Better Living Model is a partnership between the private sector, Western Cape Government, and the City of Cape Town and has broken ground in 2019 with the development of the site underway.

The Belhar CBD is another priority project which is a government led catalytic mixed-use high density residential project and comprises various types of residential units and forms of tenure that targets the subsidy market (BNG), bonded subsidy market (FLISP), social housing (subsidised rental), open market rental units, student accommodation as well as a small number of freestanding open market units.

To support catalytic projects within the Province, the Department is allocated an **additional R56.1 million** over the 2019 MTEF to increase capacity for catalytic responses and an additional R43 million in 2019/20 to be utilised for bulk infrastructure on catalytic projects.

Regional Socio-economic Project/Violence Prevention through Urban Upgrading

The Department of Environmental Affairs and Development Planning (DEADP) is allocated a budget allocation of R104.8 million over the 2019 MTEF towards the implementation and institutionalisation of the Regional Socio-Economic Project /Violence Prevention through Urban Upgrading Programme

(RSEP/VPUU) programme to reinforce the Western Cape Government's role in providing municipal support to address socio-economic challenges.

The RSEP/VPUU Programme directly addresses the needs of communities in the Province and delivers visible service delivery projects, with a focus on poor communities.

The RSEP/VPUU Programme addresses the needs of communities and delivers visible service delivery projects, with a focus on poor communities. The RSEP Programme is implemented in seven municipalities - Bergrivier, Witzenberg, Cape Agulhas, Stellenbosch, Prince Albert, Mossel Bay and Bitou and RSEP to be rolled-out in Saldanha Bay, Drakenstein, Manenberg, Hanover Park and Khayelitsha.

CONCLUSION

Madam Speaker allow me to summarise the Western Cape Government Budget aggregates as follows:

- Total provincial payments and provisions in 2019/20 amounts to R68.338 billion.
- Total provincial receipts comprise of PES amounting to R51.291 billion, conditional grants amounting to R12.809 billion, financing amounting to R1.297 billion, and provincial own receipts amounting to R2.942 billion.

Madam Speaker, over the last five years this Government:

- Adopted a good financial governance framework
- Approved a sound fiscal strategy
- Agreed on budget principles to protect the fiscus
- Introduced COE ceilings to control the wage bill
- Reformed the MTEC process towards inclusion and evidence-based budgeting

- Used the budget for maximum citizen impact
- Rewarded innovation, technology and partnership
- Increased our domestic resource mobilisation (own revenue)
- Implemented strict financial control over the provincial public entities
- Shifted from governance for compliance to governance for results
- Took the budget to the people
- Used the IGR framework to align our budget to the constitutional mandate and the IDP of municipalities
- Support local government
- Respond to provincial disasters
- Drive the government's agenda of change

Much more needs to be done.

The journey of change will continue.

This budget will allow the next Premier to move from good to great.

This is a budget for:

- Jobs
- Safety
- Service delivery
- Youth
- Infrastructure and
- Good governance

This budget builds on the legacy of Premier Helen Zille and hands over to the next Premier a financially sound business.

Madam Speaker, I would like to thank Premier Zille and my Cabinet colleagues for their leadership and support during the finalisation of this Provincial Budget.

I also wish to extend my gratitude to Mr Zakariya Hoosain, the Head Official in the Provincial Treasury and the Budget team under the leadership of the Deputy Director General of Fiscal Services, Mr Harry Malilla.

My staff in the Ministry, Advocate Pretorius, Mr Daniel Johnson,

Ms Charmaine de Vos, Ms Linda Jacobs, Ms Lesley Anne Diergaardt, Mrs Zodwa Mdingi and Mrs Nicolene Hill thank you for their support and for keeping the office running so effectively.

Honourable Speaker, allow me to thank my family and wife, Faeza, for their support.

I value and appreciate your support.

Thank you to the Chairperson of the Budget Committee and Chair of the Standing Committee on Finance, Mr Dennis Joseph, and all the members of these committees. I value and appreciate your input.

Speaker, it now gives me great pleasure to table the 2019 Overview of Provincial Revenue and Expenditure, The Overview of Provincial and Municipal Infrastructure Investment, Estimates of Provincial Revenue and Expenditure, the Western Cape 2019 Appropriation Bill and associate Provincial Gazette of allocations to Municipalities, the Western Cape

Additional Adjusted Estimates of Provincial Expenditure, Western Cape Additional Adjustments Appropriations Bill (2018/19 Financial Year) and the associate Provincial Gazette of allocations to Municipalities and this Speech, for discussion and consideration by this House.

Minister Winde, on behalf of Premier Helen Zille I hand over to you a:

- A balanced budget
- A stable budget
- A sustainable budget; and a
- A budget for growth and jobs.

I thank you