

Western Cape Government

Provincial Treasury

**2025 OVERVIEW OF PROVINCIAL REVENUE AND
EXPENDITURE**

**2025 OVERVIEW OF PROVINCIAL AND MUNICIPAL
INFRASTRUCTURE INVESTMENT**

**2025 ESTIMATES OF PROVINCIAL REVENUE AND
EXPENDITURE**

**2025 PROVINCIAL GAZETTE OF ALLOCATIONS TO
MUNICIPALITIES**

"Stepping up for Growth and Jobs"

Minister of Finance

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27 March 2025

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Minister of Finance
Western Cape Government
Budget Speech 2025/26
Western Cape Provincial Parliament
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“Stepping up for Growth and Jobs”

Honourable Speaker and Deputy Speaker

Honourable Premier and Members of the Executive

Honourable Leader of the Opposition

Honourable Members

Consuls-General

Western Cape Children's Commissioner

Special Guests

People of the Western Cape

With a shared sense of purpose, I extend a sincere welcome to you all.

Today, I have the honour of tabling before this House the 2025 Western Cape Budget documents:

- the Western Cape Appropriation Bill, 2025,
- the Overview of Provincial Revenue and Expenditure (OPRE),
- the Overview of Provincial and Municipal Infrastructure Investment (OPMII),

- the Estimates of Provincial Revenue and Expenditure (EPRE),
- the Provincial Gazette of Allocations to Municipalities, and
- the Budget speech, for discussion and deliberation in the Provincial Parliament.

As I table this Budget, we stand at the threshold of a seemingly taxing economic landscape. A framework that is not keeping pace with an increased demand for services, set against a background of an increasingly turbulent global political and economic environment, over and above the weight of sustained domestic pressures and uncertainties.

But, we are undeterred. A world marked by growing scarcity, demands that we act with care and purpose. Responsiveness, Credibility and Sustainability are non-negotiable during these uncertain times and were of critical importance during our budget process. Every line item represents a commitment to unlocking allocative efficiency, ensuring productive efficiency, and long-term sustainability, designed to deliver tangible results for the people of the Western Cape. Every programme represents the vision of the 2025-2030 Provincial Strategic Plan, towards helping businesses grow and create jobs, and equipping you to get those jobs.

We will **Step Up** in this defining moment and deliver for all our residents.

Kaalvoet oor Tafelberg as ons moet, maar saam sal ons daar uitkom.

ECONOMIC CONTEXT

Global Economic Context

Today's global economic outlook requires a prudent approach. **The global growth forecast is set to increase to approximately 3.3% in 2025**, which represents a marginal improvement but can certainly not be interpreted as a surge in prosperity. South Africa's economy is deeply intertwined with international markets, while there may be modest improvement suggesting a gradual recovery, the nation continues to face substantial challenges.

Speaker, **global economic conditions remain unpredictable**. The United States has introduced new tariffs, increasing inflation risks and trade uncertainty that could also impact countries like South Africa.

In the European Union, growth remains sluggish due to weak consumer demand, energy price pressures, and declining industrial output – particularly in Germany. China is battling structural challenges, including a fragile property

market and low consumer confidence, which is compounded by a deteriorating demographic profile, despite several government interventions aimed at recovery.

Closer to home, Nigeria is showing moderate growth driven by its finance and telecom sectors, with reforms boosting confidence. However, infrastructure weaknesses and regulatory issues remain key hurdles.

Financial conditions are tightening, and diverging monetary policies are fueling volatility, adding another layer of complexity. As nations navigate these economic headwinds, decisive action is needed to prevent further disruptions and safeguard long-term stability for the people of the Western Cape.

National Economic Context

Our **national economic performance has been lacklustre**. The latest figures indicate that **2024 growth stood at a meagre 0.6 per cent** – a sharp decline from earlier projections. **2025 growth has also been revised downwards to 1.9 per cent**, according to National Treasury's forecast. The Provincial Treasury is, however, projecting lower growth prospects for the **national economy of 0.8 per cent in 2025 and 1.2 per cent in 2026**.

When national growth falters, tax revenues inevitably shrink. With a lower tax intake, the national government has fewer resources to distribute to provinces through the Provincial Equitable Share (PES), a vital funding mechanism that supports service delivery.

Adding to this situation is our deteriorating public debt profile, which has been fuelled by almost two decades of continuous deficit spending as per the national budget, **the public gross debt-to-GDP ratio reached 76.1 per cent in 2024/25**, with National Treasury projections indicating a peak of 76.2 per cent this year, breaching the UN Trade and Development's representative threshold of a public debt-to-GDP ratio of 60 per cent.

Debt-service costs consume 22 per cent of the revenue we raise nationally and eclipse allocations to education, health, and social protection. This trajectory directly compresses the PES mechanism for the provinces through the MTEF.

South Africa faces further pressures as one of the most unequal societies in the world, with **the withdrawal of USAID funds imposing an additional burden on our finances** to the detriment of the most vulnerable groups. These pressures are compounded by the **risks and economic implications of losing the African Growth and Opportunities Act (AGOA)** for South Africa, especially for

agriculture, automotive and textile industries which benefit from duty-free access to the United States market.

Consequently, the Western Cape's spending capacity has come under great pressure to fully meet our obligations.

The Western Cape Economic Context

Speaker, despite national headwinds, the **Western Cape continues to demonstrate economic strength**, resilience, and responsible governance. While we contend with challenges in policing, transport, and fiscal constraints, we benefit from lower levels of risk and actively step up to improve safety, efficiency, and service delivery.

Trade and Economic Sector Performance

Our economy has not only rebounded from the COVID-19 pandemic, it has strengthened. By the end of 2024, **employment had grown by 12.4 per cent** since pre-pandemic levels.

Growth was led by the **Finance (6.6 percentage points)**, **Community Services (2.1 percentage points)**, and **Construction (2.3 percentage points)** sectors. Notably, our **province accounted for 44.7 per cent of total national employment gains** over this period. Today, our narrow **unemployment rate stands at 19.6 per cent**, the lowest in the country.

In the **fourth quarter of 2024**, the **provincial economy expanded by 0.8 per cent**, driven by **Agriculture (17.5 per cent)**, **Finance and Trade (both 1.2 per cent)**, while Utilities and Manufacturing contracted. Impressively, in 2024 the Western Cape accounted for **52.5 per cent of South Africa's agricultural exports** and **62.8 per cent** of the sector's national **trade surplus**.

Tourism has staged a full recovery. **International arrivals** at Cape Town International Airport **rose by 8.9 per cent** in 2024 compared to 2019, of which **57.2 per cent** can be attributed to arrivals from the United States. The United Kingdom (**16.4 per cent**), United States (**15.0 per cent**), and Germany (**14.5 per cent**) remain our top source markets.

Looking ahead, the **Western Cape economy is projected to grow by 0.9 per cent in 2025** and **1.4 per cent in 2026**. This will be driven by a recovering Agriculture sector, easing interest rates, and a robust Finance sector, which contributed **34.2 per cent** to provincial GDP in 2024 and is forecasted to grow by **2.5 per cent** this year.

Transport, while challenged by infrastructure backlogs, is forecast to grow by **1.2 per cent in 2025** and **2.8 per cent in 2026**. The rapid growth of online sales drives increased demand for transport services, alongside advancements in the “Internet of Things”.

So whether you are a Checkers Sixty60, Woolies Dash or Takealot fan, **thank you** for helping us grow the Western Cape economy and create jobs!

The **Agriculture** sector in the Western Cape plays a key role in South Africa, producing winter rainfall crops, most of the country's wine, and supporting tourism. The 2024-25 winter crop season shows mixed results for wheat, barley, canola, and oats. While some areas faced excessive rainfall that may impact yields, others benefited from more favorable conditions. National wheat production is estimated at 1.94 million tonnes, with the **Western Cape contributing 1.1 million tonnes, an increase of 2 per cent, despite a national decline of 5 per cent**.

In the wine industry, South Africa's 2024 grape harvest dropped by 7 per cent, but quality remains high, especially for full-bodied reds and fresh whites. Linger risks such as rolling blackouts and port delays threaten global competitiveness. However, **table grape production is expected to recover by 5 per cent in 2025** due to better weather and water availability.

Overall, the Western Cape's agricultural sector is projected to grow by **1.4 per cent in 2025** and by **0.8 per cent in 2026** as climate conditions improve and sustainability efforts such as increased usage of shade-netting and precision farming enhance competitiveness.

Employment and Population Growth

Speaker, from 2019 to 2024, total employment grew by **11.7 per cent**, while the unemployment rate declined by **1.3 percentage points**. Youth unemployment, though still high at **26.9 per cent**, has improved by over **4 percentage points** – a sign that the Western Cape Government's targeted interventions are working.

Population growth continues to place pressure on infrastructure. From **2015 to 2024**, the Western Cape's population increased by **19.6 per cent**, while the school-going age population increased by **16.6 per cent**. StatsSA's population projections reveal that our population is expected to grow a further **16.9 per cent** by **2034**, with the expansion of our school-going age population significantly declining to **4.8 per cent**.

Speaker, this means that we have an aging population, which will increase demand for elderly care, chronic disease management, and specialised

healthcare. This raises the risk of requiring more geriatric services and trained professionals to ease pressure on public hospitals.

Gini-coefficient, Poverty and Human Development Index

Speaker, according to the Gini-coefficient, the **Western Cape has the lowest inequality among provinces**; and the Human Development Index (HDI), which measures overall well-being by combining life expectancy, education, and per capita income, illustrates that **the Western Cape (0.76) maintains a consistently strong HDI**, reflecting high standards in health, education, and living conditions.

While the number of people below the **food poverty line has declined by 0.2 percentage points to 40.3 per cent**; we still have a lot of work to do on this front; and as a government we must step up.

Safety

Speaker, crime shadows society with fear, fractures communities, and stifles economic growth. It diverts resources into security instead of progress, erodes trust, and disrupts daily life, making individuals and businesses more focused on survival than on innovation and prosperity. Make no mistake, safety is intricately linked to economic growth and job creation.

While, between 2019 and 2024, the annual cumulative growth of selected crime categories in the Western Cape over the first three quarters revealed significant declines in burglary at residential premises (-36.8 per cent); driving under the influence of alcohol or drugs (-26.0 per cent); and sexual offences (-10.1 per cent), we still see an increase in murder (12.2 per cent) and drug related crime (26.6 per cent).

This is why we must step up for Safety in order to grow our economy and create jobs.

Ons kan hierdie wae deur die drif trek! As provinces, we need to step up to help businesses grow to create jobs and equip our residents to get those jobs!

2025 MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

National Budget Process

Speaker, the National Budget was originally scheduled for 19 February, but was delayed due to a lack of consensus on spending priorities and revenue streams, creating significant uncertainty for provincial financial planning. Although the Budget has since been tabled, the decision not to proceed with

the proposed two-percentage-point increase in VAT forced the national government to seek alternative measures to balance the fiscus.

As it stands, no consensus has been reached. As the national fiscal framework is being developed and the various bills are processed by Parliament, we hope amendments will follow.

The Western Cape Government maintains that increasing VAT is not the solution, and we are disappointed that the national government has avoided the difficult, growth-enabling decisions. Our focus must remain on accelerating economic reforms, eliminating wasteful expenditure, and reprioritising spending – especially as provinces bear the burden of sustaining critical frontline services like health, education, and social support without overburdening residents.

Overall fiscal framework of the Western Cape

Speaker, it is against this global, national and provincial fiscal framework that today's provincial budget reflects a careful calibration of fiscal pressures, designed to grow our economy for job creation, and protect frontline services in a responsive, credible, and sustainable manner.

Total Provincial Receipts

Speaker, our total provincial receipts will rise by **4.7 per cent** from **R82.233 billion in the 2024/25** revised estimate to **R86.1 billion in 2025/26** and are projected to grow at an annual average rate of **3.5 per cent over the MTEF**, reaching **R92.219 billion** by **2027/28**. These funds are vital as they underpin our ability to deliver essential services, advance infrastructure projects, and support economic growth across the Western Cape.

The backbone of our 2025/26 receipts, constituting **75.53 per cent** or **R65.376 billion**, is the **PES, 18.9 per cent** or **R16.268 billion** from **Conditional Grants**, and **5.2 per cent** or **R4.457 billion** from **Provincial Own Receipts**.

Wage Agreement

Following the 2024 Medium-term Budget Policy Statement (MTBPS), an **additional R2.288 billion** has been allocated to the **PES** over the **2025 MTEF period**, primarily to address **Compensation of Employees (CoE)** pressures arising from the wage agreement, with **R1.5 billion** flowing to the province **over the 2025 MTEF**.

Provincial Own Receipts

Speaker, Provincial Own Receipts account for **5.2 per cent** of the Western Cape's total provincial revenue. Our own receipts are projected to grow at an expected **annual average growth rate (AAGR)** of **5.8 per cent**, increasing from a revised estimate of **R4.106 billion in 2024/25 to R4.866 billion in 2027/28**. Anticipated revenue from own receipts are forecasted at **R4.456 billion in 2025/26, R4.656 billion in 2026/27, and R4.866 billion in 2027/28**. These funds provide flexibility to address critical provincial priorities.

A notable share of own receipts stems from **gambling taxes** and **liquor license fees**, overseen by the Western Cape Gambling and Racing Board (WCGRB) and the Western Cape Liquor Authority (WCLA), respectively administered by the Provincial Treasury and the Department of Police Oversight and Community Safety (DPOCS). These revenues are transferred into the **Provincial Revenue Fund (PRF)**, and **on average these taxes generate R1.395 billion and R56.065 million per year, respectively, over the 2025 MTEF**.

Departmental Specific Own Receipts

Of the **R683.3 million in 2025/26 financial year** which will be collected through Departmental Specific Own Receipts, the Departments of Health and Wellness (**R452.2 million**) and Infrastructure (**R106.1 million**) contribute **81.7 per cent of total own receipts of the province**, mainly for hospital patient Fees and revenues related to leasing of government buildings respectively.

Provincial Tax Receipts

The largest contributor to own-revenue tax receipts is **Motor Vehicle Licence (MVL) fees**, collected by municipalities on behalf of the province. These fees are projected to grow from a revised estimate of **R2.216 billion in 2024/25 to R2.606 billion in 2027/28**, driven by an expanding vehicle population and tariff adjustments set by the Department of Mobility across various vehicle weight categories.

Gambling tax revenue is set to grow, mainly due to an **increase in online sports betting**, projected to **grow at an AAGR of 22.1 per cent from 2024/25 revised estimate to 2027/28**. **Casino taxes** are expected to grow at an **AAGR of 3.0 per cent over the same period**.

Liquor license fees, growing at an **AAGR of 4.5 per cent** is expected to increase from **R51.307 million in the 2024/25 revised estimate to R58.550 million by 2027/28**. This increase aims to enhance liquor industry oversight, and curbing alcohol-related harms.

Leveraging Provincial Reserves

Speaker, our **total provincial receipts amount to R86.101 billion in the 2025/26 financial year** and our **total provincial payments and provisions amount to R89.316 billion**.

Dit beteken die geld wat ons kry is minder as die geld wat ons spandeer. So hoe gaan ons seker maak ons boeke klop?

Speaker, in order to fund the **R3.215 billion deficit** we need for the **2025/26 financial year**, we will finance this budget deficit from our accumulated provincial reserves.

In order to maintain stability in service delivery while navigating fiscal pressures, the Western Cape Government will step up and will supplement our budget with **R3.215 billion in 2025/26, R1.584 billion in 2026/27** and **R796.832 million in 2027/28** from our provincial reserves.

Want al moet ons Kaalvoet oor Tafelberg, ons boeke gaan klop!

Through these combined revenue streams, national transfers and our own efforts, we are equipping the Western Cape to meet our challenges and build a prosperous future for all residents.

We will ensure that every cent we collect and receive is spent in a responsive, credible and sustainable manner on behalf of the people of the Western Cape. Because it is not the government's money, it is the people's money.

BUDGET POLICY PRIORITIES AND SPENDING PLANS

Speaker, the **Western Cape Government** is 'Stepping up for Growth and Jobs' and hereby **tables a R269.524 billion budget** over the MTEF! Our vision is to help businesses grow and create jobs, and equipping you to get those jobs!

Speaker, Over the **2025 MTEF**, we will allocate

- **R43.789 billion** for **Growth for Jobs**;
- **R3.955 billion** for **Safety**;
- **R194.928 billion** for **Educated, Healthy and Caring Society**; and
- **R23.439 billion** for **Innovation, Culture and Governance**.

GROWTH FOR JOBS

Speaker, regional economies are stepping up their game and giving national economies a run for their money. The Western Cape is no different as we can proudly boast the lowest provincial unemployment rate in the country at **19.6 per cent**. But this is still too high.

Kaalvoet oor Tafelberg as ons moet! Ons gaan daardie berg klim! As Member Kaizer-Philander would say, **'Buurvrou, ek kan nie lank praat nie, ons het 'n projek!'**

Ons het 'n projek, Speaker!

A R1 trillion economy by 2035, growing at 4 - 6 per cent per year, delivering 600 000 jobs! This is the vision of our Growth for Jobs (G4J) Strategy.

It is bold, it is unapologetic, and it represents the spirit of the people of the Western Cape. Want ons is mense wat 'n plan maak!

Speaker, 'n visie kort 'n plan, elke departement is deel van die plan, en die plan is as volg!

Through **155 G4J projects**, we will:

1. Drive growth opportunities through Investment;
2. Stimulate market growth through exports and domestic markets;
3. Become energy resilient and transition to net-zero carbon;
4. We will become water secure and resilient;
5. We will support technology and innovation;
6. Prepare and respond to Disasters;
7. We will prioritise strategic Infrastructure investment and create a connected economy; and
8. We will improve access to economic opportunities and enhance residents' employability.

Here's how we are making it happen -

Investment Growth

Speaker, to support investment growth, we will allocate R45.382 million over the 2025 MTEF towards Red Tape Reduction initiatives to the Department of Economic Development and Tourism (DEDAT).

We will collaborate with Transnet to streamline the Port of Cape Town's operations, develop a digital cargo planning platform, resolve logistics bottlenecks, and encourage private sector involvement in the container logistics chain. Reducing congestion could drive R5.6 billion in economic growth and create 20 000 jobs over the 2025 MTEF.

The Freeport Saldanha IDZ (IDZ) will advance green hydrogen, maritime fabrication and repairs; with **R24 million** allocated in **2025/26** for stability and growth.

The Atlantis SEZ, which will advance green tech manufacturing, is allocated **R124.558 million** over the **2025 MTEF**.

We will streamline EIA processes to ensure compliance and mitigate environmental risks associated with infrastructure projects, by allocating **R9.516 million** to DEA&DP to strengthen their EIA systems over the MTEF.

To support our Investment Strategies the Western Cape will:

- Leverage the **G20 & B20** summit to drive growth and job creation;
- Host the Regional Leaders Summit; and
- Launch our inaugural provincial Investment Summit in November 2025, aiming to unlock R1 billion worth of investment into the Western Cape.

These investment summits will aid in attracting foreign investment, boosting the tourism sector, enhancing the Western Cape and South Africa's international reputation, and influencing global policy discussions. To support the work of the Department of the Premier (DotP) and the Department of Economic Development and Tourism (DEDAT), we will allocate **R26 million** for these summits in order to unlock further future investment.

Stimulating Market Growth

Speaker, in order to stimulate market growth, we need to increase goods and services exports to reach **R320 billion by 2030**, and our tourism needs to reach **3 million international arrivals**.

In 2024/25, The Department of Agriculture (DoA) supported 6 promotional activities for market access, including agricultural exports. An allocation of **R14.75 million** over the 2025 MTEF will assist in adding an **additional 33 promotional activities for market access and exports**.

Speaker, Wesgro has signed **export declarations reaching at R2.64 billion in 2024/25**, with Wesgro aiming to sustain exports around **R2 billion per annum** over the MTEF period. Their investment promotion efforts – through delegations, networking, and investor meetings – continue to generate new leads. We will allocate Wesgro **R403.277 million over the MTEF** to continue this vital work.

DEDAT will continue its **Export Accelerator Programme** to support SMMEs with the skills and know-how to access international markets; and Wesgro will continue its **Air Access initiative and Cruise Cape Town programme** to help us secure more airlines, more routes, more ships, more tourists, more economic growth, and more jobs to the Western Cape!

Energy Resilience

Speaker, energy resilience is essential – whether you're a manufacturer, a hairdresser, a restaurant owner, or a farmer. The Western Cape is stepping up to increase energy capacity by **1 400 MW by 2030**, **attract R16.4 billion in investment**, and **cut CO₂ emissions per GDP by 10%**.

To achieve this, we will **allocate R382.874 million over the MTEF**, across **17 Energy programmes** to ensure our government is able to reach this target!

Water Security

We're committing to a **15-Year Integrated Water Resilience Plan**, tackling scarcity with augmentation, demand management, and source diversification.

Speaker, in a province battered by droughts and climate volatility, water resilience is a priority. With **75%** of the global workforce dependent on water, shortages threaten our economic future. The Western Cape Government is stepping up to **secure an additional 220 million cubic meters of water** annually through bold, innovative action by 2030.

DoA will in the medium term clear **30 000 hectares** of alien vegetation in **2025/26**, boosting water availability and jobs, with **R132.158 million** allocated over the MTEF. The Lower Olifants River canal, vital for 840 farms and 12 000 hectares, will be allocated **R23.931 million** over the MTEF for

maintenance, while **R41.272 million** will be allocated to **Fruitlook**, a satellite tool optimising irrigation for sustainability.

DoA will continue implementing 'Fruitlook', a satellite-based remote sensing tool, that enhances water-use efficiency by providing real-time data on crop water consumption, growth and nitrogen levels. We will allocate **R41.272 million** towards this initiative over the 2025 MTEF to ensure we improve resource management and promote sustainability.

The Department of Environmental Affairs and Development Planning (DEA&DP) is allocated **R118.430 million** over the MTEF to, among other deliverables, **monitor 38 water sites annually**, ensuring quality and resilience.

DLG will spend **R43.49 million** to support municipalities with our **Municipal Water Resilience Grant**.

Disaster Preparedness and Response

Speaker, we need to be able to respond to Disasters to safeguard our residents, our infrastructure and our economy.

We will thus allocate **R205.833 million over the 2025 MTEF** to the DLG to

- Strengthen disaster risk reduction strategies to proactively manage climate-related threats;
- Enhancing early warning systems and response capabilities to minimise human and economic impacts;
- Invest in climate-resilient infrastructure to reduce vulnerability to extreme weather events; and
- Support municipalities and communities in developing localised disaster resilience plans.

This allocation includes:

- **R15.911 million earmarked for Fire and Rescue Capacity Grants;**
- **R10.211 million for Disaster Risk Mitigation** to support AI-driven anticipatory disaster management;
- **R21.959 million for Disaster and Rapid Response** to ensure rapid mobilisation of resources during major disasters;
- **R37.657 million for Firefighting Response Capacity** to enhance fire response services; and

- **R10.158 million** for **Aerial Firefighting Support**, supplementing provincial firefighting resources.

This investment will strengthen our ability to mitigate the impact of natural disasters, protect lives, and safeguard infrastructure.

Technology and Innovation

Technology and innovation are essential drivers of economic growth and job creation, as it enhances productivity, foster new industries and improve global competitiveness.

Our efforts will thus focus on nurturing tech start-ups, strengthening university-business collaborations, and improving the regulatory environment for innovation - particularly in areas such as climate tech, agritech, fintech, and creative industries.

We will raise digital skills among school learners, graduates and SMMEs, and encourage adoption of digital tools by residents, government, and businesses.

Speaker, in a world racing toward digital transformation, we're stepping up to make the Western Cape Africa's tech and innovation hub. DEDAT will drive this transformation and have been allocated **R72.012 million** over the **MTEF** for the **Broadband for the Economy** sub-programme, enabling **six** regulatory improvements and supporting **19 tech ecosystems**.

Infrastructure and a Connected Economy

Speaker, economic growth demands infrastructure that delivers. Over the 2025 MTEF, we will step up to spend **R30.879 billion** on **924** Infrastructure investments, with the biggest investments in roads and education. Of these 924 projects, 556 are in planning and 239 are in implementation stages.

We will spend:

- **R11.098 billion** on Road Infrastructure;
- **R5.705 billion** on Human Settlements Infrastructure;
- **R2.493 billion** on Public Works;
- **R7.036 billion** on Education Infrastructure - of which **R3.624 billion** will be for Maintenance and Repairs, and Upgrades and Additions to existing schools;

- **R3.096 billion** will be invested in New or Replaced Education Infrastructure;
- **R4.415 billion** on Health and Wellness Infrastructure - of which **R2.811 billion** will be for Maintenance and Repairs, and Upgrades and Additions, and Rehabilitation, Renovations and Refurbishments;
- **R589.445 million** will be invested in New or Replaced Health Infrastructure, and **R1.014 billion** will be spent on Non-Infrastructure items such as Health Technology; and
- **R131.580 million** on Environmental Affairs and Development Planning (Cape Nature) Infrastructure - of which we will spend **R120.661 million** on Maintenance and Repairs, and Upgrades and Additions at CapeNature reserves; and **R10.919 million** will be spent on Non-infrastructure items.

The Department of Health is implementing three catalytic and important infrastructure projects namely Tygerberg Central Hospital, which will unlock service delivery for the Helderberg, Khayelitsha and Karl Bremer ecosystems; Belhar (Tygerberg) Regional Hospital, which will strengthen the more extensive Metro East ecosystem; and Klipfontein Regional Hospital, which will strengthen the more extensive Metro West ecosystem. Other mayor projects identified are the new Helderberg Regional Hospital and the Swartland District Hospital replacement.

Further DEDAT will invest **R125.558 million** towards the ASEZ and **R24 million** towards the IDZ over the 2025 MTEF.

DotP will invest **R1.575 billion** over the 2025 MTEF towards the Broadband Ecosystem, and ICT Infrastructure Additions and Refresh receives an allocation of **R72 million**; as well as **R1.574 Billion** to maintain and enhance our **Broadband ecosystem** in the province, including high speed broadband connectivity to **more than 2000 Western Cape Government sites** of which **1600 sites (at schools, hospitals, clinics and administration offices)** offer public Wifi hotspot services enabling residents to **access 6 GB of free data per device per month**.

The DoA will invest **R132.158 million** in ecological infrastructure over the 2025 MTEF, **R65.562 million** is allocated towards **River Protection Works**, and **R72 million** towards the **Lower Olifants River Water User Association Preventative Maintenance (Matzikama)**.

DOI further will **actively pursue funding options to upgrade up to 50 per cent of the managed gravel road network to surfaced standards**, having the potential to significantly boost the agricultural economy, agri-processing, and agri-

tourism sectors; contributing to our apex priority of growing the economy and creating jobs.

Speaker, furthermore, the Western Cape government is stepping up and through DOI, we are aiming to have a R200 billion pipeline of bankable projects by 2030, some of which will start being implemented over the MTEF to fuel growth and jobs.

Speaker, I table the details of each project to this House today as part of our **Overview of Provincial and Municipal Infrastructure Investment** book, and which will be unpacked by each Department throughout the parliamentary budget process.

To support a Connected Economy, the WCMD will be allocated **R8 million** to invest over the MTEF in a **Freight Rail Revitalisation Framework** to ease bottlenecks and boost port efficiency, and **R4 million in 2025/26** for the **Intertown Rural Transport Solution, providing transport solutions between rural towns.**

Further, WCMD is allocated **R4.035 billion** from the National Public Transport Operations Grant over the 2025 MTEF to **facilitate daily transport for approximately 20 000 passengers** in the greater Cape Town area, **and subsidising 29 598 277 kms of travel in 2024/25.**

Finally, in collaboration with George Municipality and the National Department of Transport (NDoT), the WCMD will continue **implementing the George Integrated Public Transport network (GIPTN), allocating R268.862 million** over the MTEF, serving **14 000 passengers daily.** The WCMD will be stepping up with phases 5 and 6 over the MTEF and **expand connectivity to the Wilderness and George airport,** and placing focus on **transportation for Persons with Disabilities through enhancing Go George and Dial-a-Ride services with wheelchair-friendly access and priority seating.**

Employability and Economic Opportunities

Speaker, in order to support the Growth for Jobs strategy, we want to enable **1 million residents** to access at least one of five economic pathways and **boost our entrepreneurship rate to 15%.**

DEDAT will receive an allocation of **R194.708 million** over the 2025 MTEF for programmes such as **Business Process Outsourcing (BPO) and ICT, the Work and Skills Programme and the Artisan Development Programme** to enhance youth employability through on-the-job training and skills development. This will aim to facilitate a **further 10 100 employment opportunities over the MTEF.**

In 2024/25, DEDAT trained an estimated 100 tourist guides and will **train an additional 300 tourist guides over the 2025 MTEF.**

DOI will allocate **R246.257 million** over the MTEF to the Community-Based Programme to enhance community and contractor empowerment, including **R51.613 million** for the **Masakh'iSizwe Programme**, **R14.914 million** for **artisan development and construction training**, and **R168.620 million** for **structured skills and business enhancement interventions** to assist emerging enterprises to effectively and independently participate in the open market beyond state intervention.

Further, DOI, through Human Settlements Development, will spend **R77.637 million** over the 2025 MTEF for **Expanded Public Works Programme (EPWP) linked skills development.**

For this purpose, among other strategic allocations, the Department of Agriculture (DoA) has been allocated **R169.284 million** over the MTEF to invest in **training 240 graduates** via the Elsenburg Agricultural Training Institute, building on **80 graduates** in **2024/25**. They will further be allocated **R9.793 million** to **ease service pressures** and **R7.937 million** for **vineyard and irrigation upgrades** at Elsenberg, ensuring our agricultural sector thrives as a jobs engine.

The Western Cape Education Department (WCED) will align its curriculum with future skills requirements, expand career guidance and support entrepreneurship education, and allocates **R18.806 million** over the MTEF to **support career guidance and learner development initiatives.**

To **Keanan Du Plessis from Dysselsdorp**, who asked about funding for sports development,

The Department of Cultural Affairs and Sport (DCAS) will step up and support and promote the Arts and Culture sector with an estimated **70 interventions for events and activities supported in 2024/25 financial year, increasing to 80 in 2025/26 and 2026/27, and 85 in 2027/28.** DCAS will fund **R1.256 billion over the MTEF for Western Cape Library Service points**; while **529 schools, hubs and clubs are provided with equipment and attire to enable participation in sport or recreation** and will sustain this over the 2025 MTEF.

An estimated 80 sport events are supported during the 2024/25 financial year and DCAS plans to **support 100 events** in each financial year over the 2025 MTEF.

SAFETY

Speaker, ensuring the safety of the people of the Western Cape and the businesses that operate in our province. It is not just a policy commitment; it is a moral imperative. Our murder rate is still too high and we must therefore work together as a society to address this.

We will, therefore, allocate **R3.955 billion to Safety programmes over the MTEF**. These funds are directed towards reinforcing law enforcement, crime prevention, and community-based safety initiatives.

Law Enforcement, Crime Prevention, Community-Based Safety initiatives

To **Randell Botha from Ravensmead**, who asked about our crime prevention and Gender-Based Violence (GBV) programmes, *to support the Safety cluster*:

We will strengthen law enforcement by allocating **R1.311 billion** for the **Law Enforcement Advancement Plan (LEAP)**, **K9 units**, **Law Enforcement Reaction Units**, and other key safety partnerships.

The Department of Social Development will:

- Receive R235.238 million over the MTEF for the **Victim Empowerment Programme** to support **Gender-Based Violence (GBV)** victims of violence, especially women and children;
- They will be allocated **R822.186 million over the MTEF** for **Child Protection Services**; and
- They will receive **R353 million over the MTEF** for their **Family Strengthening Programme** to **build resilience and reduce vulnerability to violence**, including evidence-based parenting initiatives, marriage counselling, family support, and shelter services for unhoused families.

To **combat gangsterism**, the DPOCS will spend **R96.650 million** over the 2025 MTEF to support the **Provincial Joints Anti-Gang Priority Committee**, which coordinates the Western Cape's response to the **National Anti-Gangsterism Strategy**. The Department will **assess 84 Community Policing Forums (CPFs)**, **36 Community Safety Forums (CSFs)** and **approve 600 Neighbourhood Watches (NHWs)** over the 2025 MTEF; and they will receive **additional funding of R2 million for the Provincial Safety Coordination and Intelligence Centre**, bringing the total allocation to **R6.274 million** over the MTEF.

We will spend more than **R91.008 million** over the MTEF for the **WCED Safe Schools Programme**. The WCMD will spend:

- **R1.568 billion over the 2025 MTEF** to enhance traffic law enforcement and road safety; of which **R148.368 million** is dedicated to **Road Safety Management**, with a major portion supporting the **Safely Home Campaign**; and
- They are allocated **R352.844 million** for the **Integrated Transport System**, which includes the **Integrated Transport Hub (ITH)**, for improving systems for traffic and road safety management, public transport regulation, and freight management.

Finally, **R188.290 million** is allocated to the Western Cape Liquor Authority to **maintain its capacity to enforce the Western Cape Liquor Act** at liquor outlets across the province.

EDUCATED, HEALTH AND CARING SOCIETY

Speaker, a strong economy abundant in jobs and safe communities are all dependent on the wellbeing of our people. For this reason, we need to foster an **Educated, Healthy and Caring Society**.

Even in the face of significant budgetary pressures, we will not compromise on delivering the essential services that safeguard human dignity.

We will thus spend R194.928 billion on programmes supporting our Educated, Health and Caring Society policy priority.

We will, specifically, spend **R215.8 billion (80% of the total budget)** over the 2025 MTEF on Social Services, comprising

- R101 Billion for Education,
- R100 Billion for Health,
- R8.4 Billion for Social Protection, and
- R6.4 Billion for Housing and Community Amenities.

Education

Speaker, a child's future begins long before they enter a classroom.

Investing in early childhood development, in the long-term, will improve literacy and numeracy and ensure that every young person in our province has a clear pathway from education into the workforce.

To **Marita Petersen from the Cape Flats**, who enquired about ECD funding, we will spend **R1.395 billion** in **2025/26**, **R1.461 billion** in **2026/27** and **R1.532 billion** in **2027/28**, towards **Early Childhood Development (ECD)**.

Speaker, during the public participation period on the provincial budget, the feedback we received made one thing clear: the people of the Western Cape share our deep commitment to prioritising quality, accessible education for every child in our province.

Like **Samantha Saib from Kuils River** and **Adri Wernich from Kleinmond** who both highlighted the importance of prioritising education during this budget process.

Over the past 10 years, the learners of this province have felt the benefits of the Western Cape Government's investment in education. This is evident in the improved primary and high school retention rates since 2019. This not only highlights the province's strides in keeping more learners in school, but it also indicates that more of our children are finishing their matric. We have further seen an improvement in systemic test results for Grades 3, 6 and 9, over the last three years.

This highlights that projects such as the **Back-on-Track programme** are reaping rewards. However, despite these inroads, there are serious challenges facing the WCED. Our schools are witnessing an unprecedented increase in learner enrolment, which has resulted in overcrowded classrooms and a decline in the learner-teacher ratio. This rapid increase in numbers requires us to step up to provide infrastructure enhancements in the education space and an increased need to fund the employment of teachers.

To accommodate learner growth, an additional **R549.288 million over the medium term** will be allocated to the WCED. With R173.202 million allocated in 2025/26, R182.914 million allocated in 2026/27 and R193.172 million in 2027/28.

Additionally, this will be augmented with **R113.535 million** for the **implementation of the Presidential Youth Employment Initiative (PYEI)** for the **2025/26 financial year**.

The **Western Cape Rapid Schools Build Programme** will receive an allocation of **R2.298 billion** over the MTEF as part of the **BFI** with **R1.048 billion for 2025/26** and **R1.250 billion for 2026/27**. This will assist the WCED to address the urgent need for additional classrooms and learning facilities in the province.

Over the MTEF, our largest conditional grant **additions** over the MTEF will be allocations to the **Education Infrastructure Grant (R2.39 billion)** to accelerate construction, maintenance, upgrading and rehabilitation of new and existing education infrastructure.

A total of **R101.897 billion** is allocated to the Department of Education envelope, over the 2025 MTEF.

Health

The Western Cape Government will also be stepping up to **strengthen our healthcare system**. Access to **quality, efficient and responsive healthcare** is non-negotiable.

Sadly, the health system has been dealt a major blow this year when the USAID and PEPFAR suspended all funding activities. This decision has significantly impacted essential healthcare services in the Western Cape, particularly access to HIV and TB care as well as medicine distribution.

The financial implication of this decision is a **R405.2 million funding shortfall** for health services in the Western Cape **for the 2025/26 financial year**. The WCDHW will, however, not leave vulnerable patients in the lurch.

Measures to protect the people of the Western Cape include assessing the feasibility of absorbing critical services, and seeking alternative funding sources to mitigate the financial and service delivery risks of the halting of this programme. This will also bolster our capacity to protect the Department against further external disruptions that may come.

Despite the financial challenges, the WCDHW can be proud of its progress. Data from the 2024 MERO highlights a general decline in neonatal mortality across the Western Cape, suggesting improvements in healthcare access and quality of care in maternal and neonatal care. The Department can be proud of the full recovery of HIV testing to pre-pandemic levels.

To build on these achievements and to address the challenges in the system, **R19.141 billion** has been allocated for **compensation of employees** in the **2025/26 financial year**. The Department of Health will **create additional positions** to restore their staffing levels.

Finally **R295 million is provisionally ring fenced** for the **2027/28** financial year for Tygerberg Hospital redevelopment health technology. Additionally, the **Health Facility Revitalisation Grant** will increase by **R76.839 million in 2025/26**.

A total **R100 billion** is allocated to the total Department of Health and Wellness envelope, over the 2025 MTEF.

These allocations reaffirm the Province's commitment to strengthening healthcare infrastructure and ensuring quality healthcare services for the people of the Western Cape.

Social Services

Speaker, it would be remiss of me to not acknowledge the inroads that have been made in the province related to the quality of life of our residents. Over the past two decades, the Western Cape has made steady progress in reducing income inequality, with the **Gini coefficient improving from 0.66 in 2002 to 0.59 in 2022, outperforming the national Gini coefficient of 0.68**. At the same time, our human development remains consistently strong, with a provincial **HDI of 0.76, well above the national average of 0.66**. These gains reflect a province moving towards greater inclusivity and opportunity for all of its residents.

The Western Cape has seen a rapid increase in population growth, placing our social services under severe strain. The Western Cape Department of Social Development (DSD) will be stepping up to address these challenges head-on in order to safeguard the welfare of our communities.

In an ongoing effort to enhance the efficiency and effectiveness of our social welfare services, **R4 million has been earmarked** in the **2025/26 financial year** for the further development and enhancement of the **Social Worker Integrated Management System (SWIMS)** application, and its rollout to the NGO sector. This allocation will not only facilitate a more streamlined digitisation of client files, significantly reduce the administrative burdens, and free up our social worker's time to focus on the most vulnerable people of our province.

To **Elize Williams from Silversands** who asked what are we doing for persons with disabilities. In addition to the services the Department of Mobility will be expanding on in transport, for **Social Welfare Services**, we will **increase subsidies for Services to Older Persons, Services to Persons with Disabilities and Social Relief for humanitarian and disaster response**, through DSD with a total of **R121.987 million or a 10.94 per cent increase** from the 2024/25 financial year.

Further, in the light of Disasters, over the MTEF, **R15 million** has been allocated to DSD for transfers to NPOs to **provide humanitarian relief**. This marks a shift

from a reactive approach to a more proactive strategy in responding to disasters.

Child and Youth Care Centres (CYCCs) are crucial in providing alternative care, intervention service, and accommodation for children in need of protection and those in conflict with the law. Looking ahead, the DSD will continue **enhancing post-statutory interventions and support for vulnerable children**, with a budget allocation of **R411.861 million over the MTEF**.

Youth Empowerment

Speaker, youth unemployment remains unacceptably high.

The DCAS is stepping up and playing its role in order to empower communities. The Mass Participation, Opportunity and Access, and Development & Growth (MOD) after school programme is an initiative implemented by DCAS aimed at addressing socio-economic challenges faced by children and youth, like poverty, inequality, crime and limited access to constructive extracurricular activities.

R35.080 million is allocated to the MOD programme for the **2025/26 financial year, supporting 315 MOD centres** in disadvantaged areas in **2025/25**, facilitating continuous youth participation and community integration. It has played a significant role in promoting talent development and providing safe spaces for youth.

Over the 2025 MTEF, **R156.589 million** is allocated to DCAS to **facilitate the development, preservation and promotion of arts and culture development** in the Western Cape; and **R380.492 million** is allocated for **Sport and School Sport**, to make provision for **sport facilities, competitions, and talent development**.

In addition, **R161.2 million** is allocated to **support enrichment programmes for school learners and out-of-school youth, creating pathways to employment or further studies** for NEET youth.

Further, R3 million is allocated for the **2025/26 financial year for the 'YearBeyond 1,000 Stories'** initiative, which aims to enhance literacy and community engagement through promoting youth placements as reading champions in libraries across the Western Cape. YearBeyond will **sustain 3 000 opportunities** for Not in Employment, Education and Training (NEET) youth under 25 over the 2025 MTEF.

DCAS will expand its footprint through virtual tours and online exhibitions; continue to digitise the Archives to improve preservation and access to archival records. They will maintain and support library service points across the province, providing free internet access at **more than 232 rural libraries** and **provisioning 37 mini libraries for the blind and visually impaired**. DCAS will spend nearly **R28 million** on **Broadband Library Connection and Library Services** programme to top up broadband.

Nutrition

Speaker, the 2024 Provincial Economic Review and Outlook (PERO) highlighted an increase in food poverty across the province. To address this, the WCG will fund nutrition programmes across departments.

Through its 5-year strategy, the **'Feed the Province Initiative'**, the Provincial DSD aims to improve food security by providing agricultural skills at CYCCs and NPOs. This initiative is part of a broader strategy that allocates **R142.349 million over the 2025 MTEF** for ongoing nutritional support in DSD.

In 2024/25, through DSD, **over 1 000 Persons with Disabilities** were able to access community-based care and support services such as nutritional meals, personal care as well as 24-hour care. These initiatives receive **R476.274 million** over the 2025 MTEF.

The **National School Nutrition Programme (NSNP) Grant** benefits **1 055 schools, including special schools**; and the **MOD Centre Feeding Scheme, which benefits 271 public ordinary schools** aims to address nutritional needs of learners, and allocated a total of **R689.327 million in 2025/26, R712.546 million in 2026/27, and R744.291 million in 2027/28**.

Even with limited resources, every rand we spend has a clear purpose – to improve the lives of the people of this province and to ensure they have access to dignified opportunities for prosperity. Our decisions are rooted in a realistic assessment of community needs to ensure that each investment, preventative measure and intervention yield tangible benefits.

By prioritising these essential areas, we are not only maintaining human dignity but also laying the groundwork for a healthier, more equitable future for all in the Western Cape.

INNOVATION, CULTURE AND GOVERNANCE

Following the tabling of the National Budget earlier this month, the Western Cape faces a clear imperative: we must deliver more with less. This demands a shift from outdated approaches to modern, efficient systems that maximise every rand invested. **Innovation, Culture and Governance** is about building that framework — harnessing innovation, strengthening governance, and fostering a forward-thinking culture to secure sustainable progress.

To give life to our vision of an innovative government, **R23.439 billion** is allocated for Innovation, Culture, and Governance, to enable this government to step up to do more with the ever-decreasing fiscal envelope.

Alternative and Blended Financing, Revenue generation and enhancement

Speaker, the constrained fiscal envelope requires us to step up towards the **new revenue sources, enhancing our current revenue sources, and exploring alternative and blended financing models, particularly for infrastructure projects**. The Western Cape unique asset base, and proven standard for good governance and transparency, makes for an attractive investment portfolio to private sector financiers, commercial and development finance institutions.

To **Lonwabo Ntaba from Knysna**, who whether the Western Cape government could accept donations for relief for provincial programmes, **we have,**

- Through **DSD**, we have **signed a Memorandum of Agreement with the Health Foundation South Africa**, a non-profit company, to **establish the Cape Care Fund** which will strengthen support for and link donors to well-functioning, registered non-profit organisations with a proven track record for delivering effective social services; as well as
- **Partnered with the United Nations Development Fund** to strengthen social services in the Western Cape in order to develop and implement innovative programmes, build capacity, enhance communications strategies, and **mobilise resources through partnerships** with the private sector for social impact initiatives.
- The **WCED**, in **collaboration with Wesgro**, launched **Edu Invest**, a groundbreaking public-private partnership initiative, targeting investment in education with a focus on affordable independent school development and education resources and services.
- Through **DLG and the Sustainable Infrastructure Development and Finance Facility programme**, we have **secured R73 million** from the **Swiss**

State Secretariat for Economic Affairs (SECO, Switzerland) and R33 million from the Infrastructure Finance Unit (IFU) (Denmark) which will contribute towards **R154 million** needed to take **17 water and wastewater projects, valued at more than R3 billion, from feasibility to bankability**. In order to ensure the successful rollout of the SIDAFF programme, we will **allocate DLG R13.3 million** to fund the **dedicated project management support** of the programme.

In order to **Explore the Alternative and Blended Financing (ABF) models**, the Western Cape Government:

- Through DOI, we will develop a R200 billion pipeline of bankable infrastructure projects by 2030;
- Through PT, will establish an Alternative and Blended Finance policy framework;
- We will establish a panel of experts to evaluate Infrastructure project proposals;
- We will collaborate with the National Treasury and the World Bank to establish a Blended Finance Risk Sharing Platform - a Credit Guarantee Vehicle (CGV) - which aims to mobilise private capital by de-risking critical projects in the energy, transport and water sectors, before expanding to areas within the social sector.

To **Enhance our Revenue Sources**, we will:

- Work with National Treasury to make use of the **Budget Facility for Infrastructure** & technical assistance from **Infrastructure South Africa** for provincial departments and municipalities.

Speaker, **Anja de Nobrega from Vredenburg** asked for "Less red tape for innovative PPPs."

We would like to let her know that we will leverage the **amended Public-Private Partnership (PPP) regulations from National Treasury, effective 1 June 2025**, to accelerate infrastructure delivery, attract private investment and ensure financial sustainability of infrastructure projects and we will work hard to ensure less red tape for innovative PPPs.

- Through DEDAT, we will **undertake research on the impact of tourism** on our province, and possible related revenue sources;

- With the rapid increase of online sports betting, we will capacitate the Western Cape Gambling and Racing Board with R25.4 million over the MTEF to enable it to collect more than R3 billion in taxes over the MTEF for the province;
- Lobby DTIC and the national Parliament to expedite the **Remote Gambling Bill** to **regulate illegal online gambling, protect our residents against the harms of the industry, and for the corresponding taxation to flow to provinces;** and
- Support departments and municipalities with **researching additional and enhancing revenue streams.**

Technology and Automation

Speaker, in a world of rapid technological growth, automation and artificial intelligence, we need to step up and find innovative ways to solve our problems. The Western Cape government will therefore leverage technology for innovation.

The Department of the Premier will:

- Develop a **AI Governance Framework and AI Strategy**, strengthening partnerships with the Council for Scientific and Industrial Research and the Cape Higher Education Consortium, and
- Explore **high-impact AI use cases to enhance service delivery and governance.**

The Provincial Treasury will **deploy our Fiscal Futures Model**, a tool for planning future expenditures based on revenue expectations and different economic scenarios over a 10 year period.

To DOI, we will allocate:

- **R75.916 million** over the MTEF for the their **Emerge platform**, a digital solution aimed at **integrating key asset information into a single asset register;**
- **R87.668 million** over MTEF for **Building Information Modelling** and **deployment of drones for road and facility condition assessments,** and
- They will **mainstream AI and its associated computational power for advanced data analysis, predictive scenario planning,** and the transformative management of a dynamic **digital twin asset register.**

Culture

Speaker, people are our biggest strength, and we have reaped the rewards of this strength by being recognised as a **Top Employer**.

To put this into context, the Western Cape government's COE will account for **57%** of the total provincial budget, growing our revised estimate from **R45.4 billion in 2024/25** to **R52.9 billion by 2027/28**, increasing our government staff component **by 2580 positions in 2025/26 and amounting to R48.438 billion for 2025/26**.

80% of the increase in the staff component will stem from the **Departments of Health and Wellness, Western Cape Education Department and the Western Cape Department of Mobility**.

To support our officials, we will step up to offer **38 588 training opportunities, offer 2 223 bursaries, appoint 1 891 interns**, and offer **181** learnerships across the Western Cape government for the 2025/26 financial year.

And we will empower and support our hard-working officials, through DotP, we **Reconfigure of the Provincial Training Institute** into an innovation hub and learning centre of excellence; and we will strengthen our staff capacity with **AI Skills development**, including development for **AI implementation, policy and ethical governance**.

Governance

Clean Audits

Speaker, in the Western Cape we take pride in our good governance brand - because you need clean audits, a positive balance sheet, and quality and transparent financial statements if you want financial institutions to take you seriously for alternative and blended financing. The Western Cape Government boasts with **100% unqualified audits!**

Speaker, a clean audit means that you are spending your money on what you said you are spending your money on. We are not perfect, but we are proud of our progress and honest about our areas for improvement.

Expenditure Reviews

Over the years, we have **completed 14 expenditure reviews** across Departments; and in addition to assessing the progress of implementation of these expenditure reviews, we will be completing an **additional 2 expenditure**

reviews in the 2025/26 financial year - evaluating the **efficiency in utilisation of government vehicles**; and the **optimal utilisation of government buildings**.

These expenditure reviews will assist us in finding ways to stretch to money we have a little bit farther, and to be more innovative in our approach.

Procurement

In an effort to do more with less, for more people, we will spend **R57.981 billion over the MTEF** on procurement for Goods and Services across government, comprising of the Department of Health and Wellness (**50.9 per cent**), WCED (**18.6 per cent**), DOI (**13.3 per cent**), DotP (**6.4 per cent**) and WCMD (**4.9 per cent**).

Our top 5 procurement items will make up 58.35% of our procurement spend, comprising of:

- **R3.884 Billion** on Property Payments (primarily for security services, municipal services and property maintenance);
- **R2.257 Billion** on Medical Supplies;
- R1.925 billion for Medicine;
- **R1.601 billion** for Contractors (mainly for contracting medical services, and road and general building infrastructure maintenance); and
- **R1.463 billion** on Computer Services.

The Western Cape Government will continue to utilise strategic sourcing in order to increase our spending power and by focussing on value-for-money, help stretch the people's money as far as possible for our services.

Speaker, in the 2023/24 financial year, **59%** of all Western Cape government procurement flowed to black-owned businesses - we did this **without set-asides or mandatory sub-contracting**. This is against a National Treasury target of 30 per cent for provinces.

In simple terms, **we do not dictate who gets a contract and we do not dictate who gets to participate in our provincial economy**. We focus on having a diverse pool of suppliers, multiple opportunities for training and information sessions, with an emphasis on value-for-money. We have thus shown through data and evidence, **there is no reason to exclude anyone from participating in our economy on arbitrary terms. We have proven that both transformation AND economic growth can co-exist. It is not a zero-sum game.**

Because the Western Cape budget is not government's money - **it is the people's money**, and we must spend the people's money in the most responsible manner on the people of the Western Cape.

Speaker, the national Public Procurement Act seeks to centralise procurement with the National Treasury and the Office of the Procurement Officer (OCPO) and strips province's from drafting our own procurement policies.

The Western Cape Government will not accept this.

Strong Municipalities

Speaker, if we want growth and jobs, we will need strong, well-functioning municipalities with healthy finances. We will thus spend a total of **R9.731 billion** over the MTEF to capacitate, support and strengthen our municipalities.

We will **Review and Enhance the Local Government Support Strategy, establish a Help Desk** to provide legal guidance on governance matters, development and distribution of circulars offering administrative support, and targeted assistance.

We will **develop a Western Cape Municipal Framework for Senior Management Appointments** to standardise and streamline recruitment processes; and we have already **published our first ever Western Cape Local Government Budget Performance Review**, in which we will update post-municipal audit outcomes.

We will allocate **R12.6 million** for capacity building and support to municipalities in the execution of their roles and responsibilities; **R19.3 million** to strengthen municipal support interventions.

We will allocate:

- An additional **R3.9 million** for **Thusong Programmes**, including Service Centres and Satellite;
- **R4.6 million** for the **Thusong Services Centres Grant** for operational support;
- **R9.180 million** for the **Community Development Worker Operational Support Grant**; and
- **R12.2 million** for the **Municipal Service Delivery and Capacity Building Grant**.

We will allocate, through the Provincial Treasury, **R63.063 million over the MTEF** for the **Western Cape Financial Management Capability Grant** – supporting municipalities with water, energy, and financial planning programmes.

The **RSEP Programme** implemented by the DEA&DP promotes spatial transformation, economic development, and urban renewal through targeted interventions in underdeveloped communities. The programme integrates a whole-of-society approach to development planning, supporting local municipalities in improving infrastructure and community services.

An allocation of **R49.755 million** toward the Regional Planning and Management and Special Programme will enable the implementation of RSEP for an **average of 13 municipalities over the 2025 MTEF**.

By stepping up, we must ensure that our municipalities are bright shining lights on the hill. The Western Cape Government must enable them in this regard to capacitate them to drive economic growth and job creation in the Western Cape.

In terms of populations, **65.8%** of Western Cape residents reside in the City of Cape Town, **13.4%** in the Cape Winelands District, **8.9%** in the Garden Route District, **6.5%** in the Western Coast District, **4.3%** in the Overberg District and **1%** in the Central Karoo District.

When thus analysing our budgetary in terms of Spatial Distribution of our provincial expenditure for **2025/26**, with an **average of R11 634 per capita spending across the province**, we will find the Western Cape spending

- R10 086 per capita in the West Coast District;
- R10 670 per capita in the Garden Route District;
- R10 706 per capita in the Overberg District;
- R10 946 per capita in the Cape Winelands District;
- R11 866 per capita in the City of Cape Town; and
- R15 609 per capita in the Central Karoo District, the **highest per capita provincial expenditure in the province**.

To **Clarissa Smith, from Matjiesfontein**, who asked us to “focus on education system in the rural area.” I can confirm that Education, Health and Infrastructure spending will dominate the sectoral spending in each region, including the **35.5% of the provincial spending in Laingsburg Municipality** being Education spending.

CONCLUSION

Speaker,

As we navigate these testing times, let us step up to realise our apex objective for the Western Cape: **Helping businesses grow and create jobs - Equipping you to get those jobs.** We will do this through our policy priorities of driving **Growth for Jobs**, enhancing **Safety**, fostering an **Educated, Healthy and Caring Society**, and promoting **Innovation, Culture and effective Governance.**

We face undeniable hardships. The economy faces global headwinds and national economic stagnation remains.

But, this budget is not just numbers - it is the exact opposite. It is a resolute response for a vision. It stands as an enabler of growth, clearing the path for the market to unleash its potential and push us forward.

"Al gaan [ons] ook in 'n dal van doodskaduwee, [ons] sal geen onheil vrees nie; want

U is met [ons]: U stok en U staf dié vertroos [ons].

U berei die tafel voor [ons] aangesig teenoor [ons] teëstanders; U maak [ons howe] vet met olie; [ons] beker[s] loop oor.

Net goedheid en guns sal [ons] volg al die dae van [ons] lewe; en [ons] sal in die huis van die HERE bly in lengte van dae."

- Psalm van Dawid, Psalm 23: 4-6

I extend my deepest gratitude for your unwavering dedication and hard work. Your tireless efforts have made this moment possible. A special acknowledgment goes to our Head of Treasury, **Julinda Gantana**, along with our senior management team **Analiese Pick, Taryn van de Rheede, Paul Pienaar, Michelle Nicholas, Ziyaad Majiet, Malcolm Booysen, Steven Kenyon, Isaac Tsie and Elizabeth Wenn**, together with your respective teams for your invaluable contributions. Your steadfast commitment to safeguarding our province's budget process and prioritising the best interests of our residents does not go unnoticed.

Speaker, the current fiscal environment has not made balancing economic growth with protecting frontline services easy; and despite our government stepping up and stretching our Rands a little bit further as we do more, with less, for more people.

To my team in the Finance Ministry - to **Grant Caswell, Marshallé Frederiks, and Lenku-Vince Oosthuizen**; I am grateful for your technical expertise, professionalism, innovative ideas and insightful contributions; and to **Sandra Francisco, Gaynor Lucas, Igshaan Davids, and Edwina Herman**, thank you for your dedication to ensuring seamless administration, operations, and logistical efficiency. Your collective efforts are the backbone of our work.

Thank you the **Premier, our Cabinet, Heads of Departments, and our Team Finance colleagues** across government for your unwavering commitment to trust and transparency, fairness, value-for-money and innovation.

To my **friends**, thank you for your support and motivation; and to my **parents and sister**, thank you for laying a strong foundation for my success.

Finally, to the **people of the Western Cape**, your trust and support inspire us to serve with honesty and excellence. We remain committed to building a stronger, more prosperous province where every resident can live lives they value.

We will Step Up!

Kaalvoet oor Tafelberg as ons moet.

Buurvrou, ek kan nie lank praat nie, ons het 'n projek!

TABLING

Speaker, vir bespreking en beraadslaging vandag voor die Wes-Kaapse Provinsiale Parlement, lê ek ter tafel:

- **die Wes-Kaapse Begrotingswetsontwerp [W2 - 2025] (Minister van Finansies)**
- **die 2025 Oorsig van Provinsiale Inkomste en Uitgawes;**
- **die 2025 Oorsig van Provinsiale en Munisipale Infrastruktuur beleggings;**
- **die 2025 Beramings van Provinsiale Inkomste en Uitgawes;**
- **Die 2025 Provinsiale Staatskoerant: Munisipale Toekennings, en my**
- **2025 Begrotingsrede.**

Let's get to work.

I thank you.