



Western Cape
Government
FOR YOU



Western Cape Budget Summary – 2025

Overview of Provincial Revenue
and Expenditure



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Scan the above QR code with your mobile device to read the 2025 Overview of Provincial Revenue and Expenditure publication



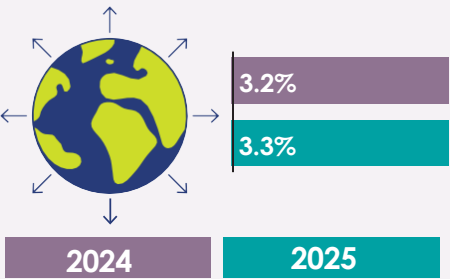
Chapter 1

Economic Context

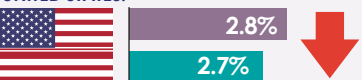
ECONOMIC CONTEXT

GDP GROWTH OUTLOOK (JANUARY 2025)

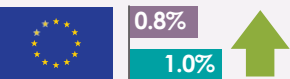
GLOBAL ECONOMY:



UNITED STATES:



EURO AREA:



CHINA:



GDP GROWTH PROSPECTS

SOUTH AFRICA



WESTERN CAPE



LABOUR STATISTICS (4Q 2024)

Narrow unemployment rate



Youth unemployment rate



CRIME: FIRST 3 QUARTERS (2019-2024)



REPO RATE AND INFLATION RATE



February 2025
South Africa's
Inflation rate

3.2%

Repo rate lowered
by 25 basis points to

7.5%
in January 2025

NUMBER OF FOREIGN TOURIST ARRIVALS VIA CAPE TOWN INTERNATIONAL AIRPORT IN SOUTH AFRICA, (2019 - 2024)



Overnight
Arrivals up
8.9%
more than 2019

Largely driven by
a **57.2 %** increase
in visitors from
the U.S.

WESTERN CAPE POPULATION GROWTH (2015-2034)

Total

Age group 5-19



19.6%

16.6%

Population
growth
(2015-2024)

16.9%

4.8%

Population
growth
(2025-2034)

WESTERN CAPE CUMULATIVE GROWTH IN GDP AND EMPLOYMENT, 2020 Q1 – 2024 Q4



Employment Resilience

12.4%
more people
employed

GDP
estimated
2.4%
larger



Burglary at
residential
premises:

Contracted by
36.8%



Driving under
the influence of
alcohol or drugs:

Contracted by
26.0%

Global Economic Outlook



■ Global economy: 3.2% in 2024; 3.3% in 2025

■ United States: 2.8% in 2024; 2.7% in 2025

- Resilient Growth – Strong consumer spending & stable job market
- Potential Risks – Trade tensions, proposed tariffs, & policy uncertainties

■ China: 4.8% in 2024; and 4.6% in 2025

- Economic Headwinds – Weak demand, property sector struggles, & trade tariff uncertainties
- Government Response – Stimulus measures, mortgage easing, & tax incentives

■ Euro Area: 0.8% in 2024; 1.0% in 2025

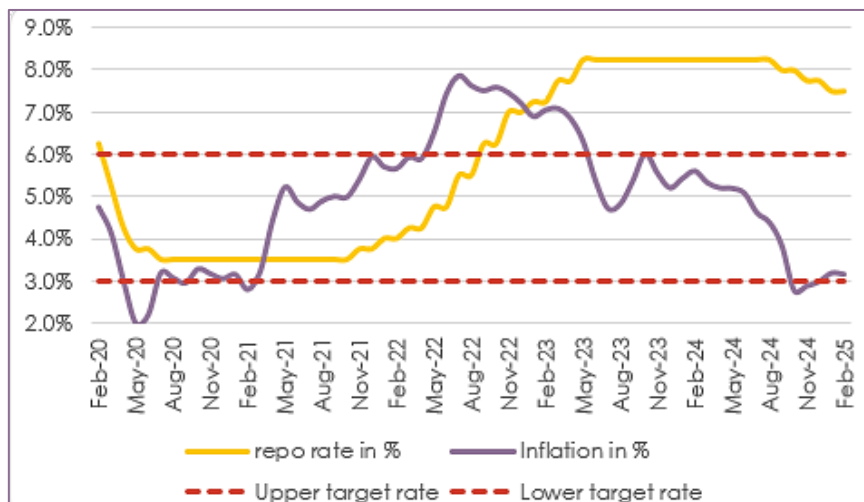
- Weak Growth – Low consumption, subdued investment, & sluggish industry
- Major Drag – Germany's manufacturing struggles
- External Pressures – High energy costs & trade tensions





Interest Rate and Repo Rate Trends

Repo rate and inflation trends in South Africa, Feb 2020 - Feb 2025



- In February 2025, South Africa's **inflation rate at 3.2%**, remained unchanged from the previous month, yet marginally above the lower bound target range of the South African Reserve Bank
- Due to a downward inflation trend since August 2022, the **repo rate** was lowered since September 2024 to **7.5%** in January 2025

Economic Outlook

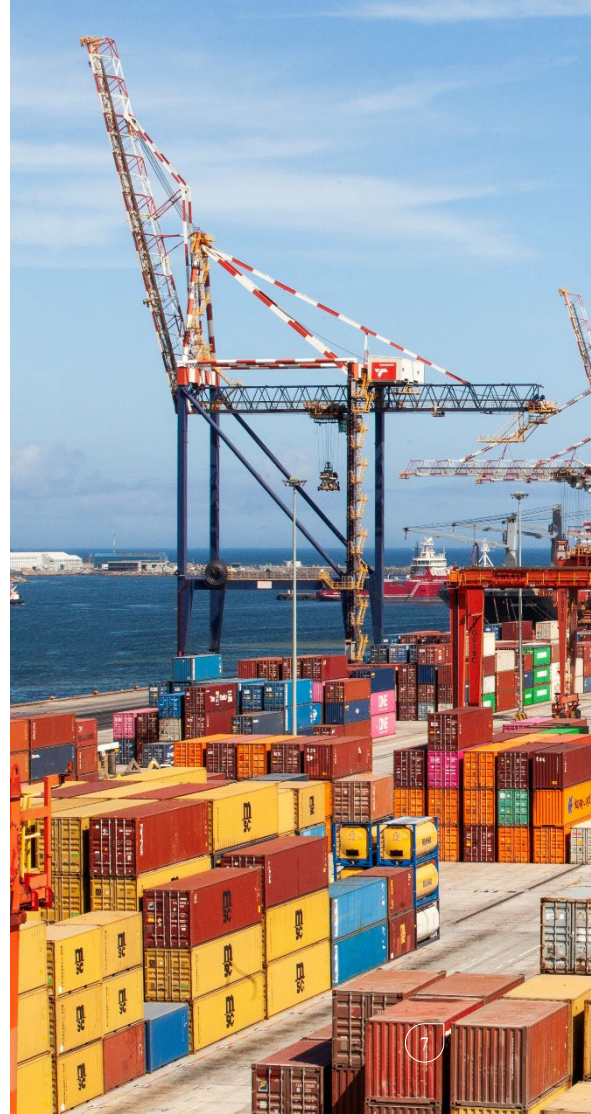


South Africa

- Provincial Treasury is projecting improved growth prospects for the national economy of **0.8% in 2025** and **1.2% in 2026**, with the Finance (0.6 percentage points) and Community Services (0.3 percentage points) sectors making the largest contributions to growth in 2025

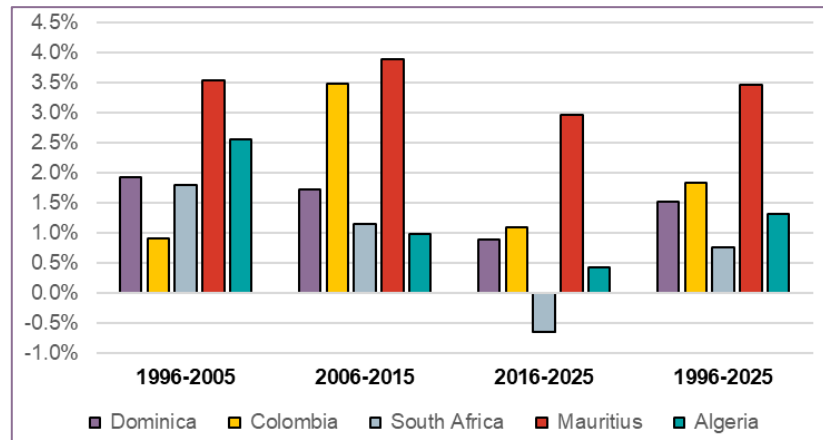
Western Cape

- Following a 0.5% expansion in 2024, the Provincial economy is projected to grow by **0.9% in 2025**, mirroring the average growth rate of the past decade, and surge to **1.4% in 2026**
- The slightly more optimistic outlook for 2025 is largely driven by the prospect of easing interest rates; a recovery in the Agriculture sector; and a robust Finance sector



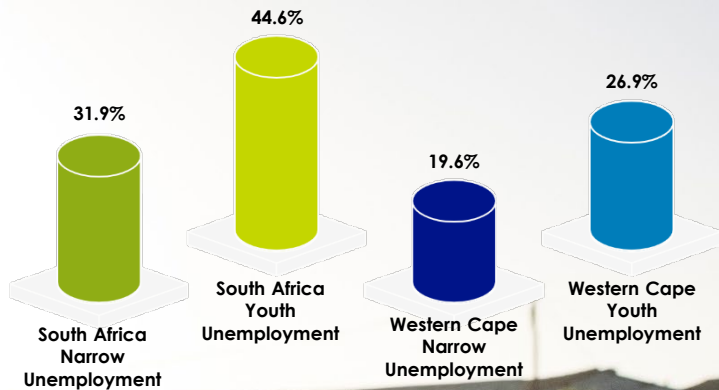
Gross Domestic Product per capita (international comparison)

Average GDP per capita growth in International dollars for selected countries, 1996-2025



- South Africa's average economic expansion per decade has consistently declined over the past three decades
- SA projected to have a negative average GDP per capita growth (**-0.7%**) in the last decade

Labour Dynamics





Recovery from COVID-19 recession

Western Cape cumulative growth in GDP and employment, 2020 Q1 – 2024 Q4



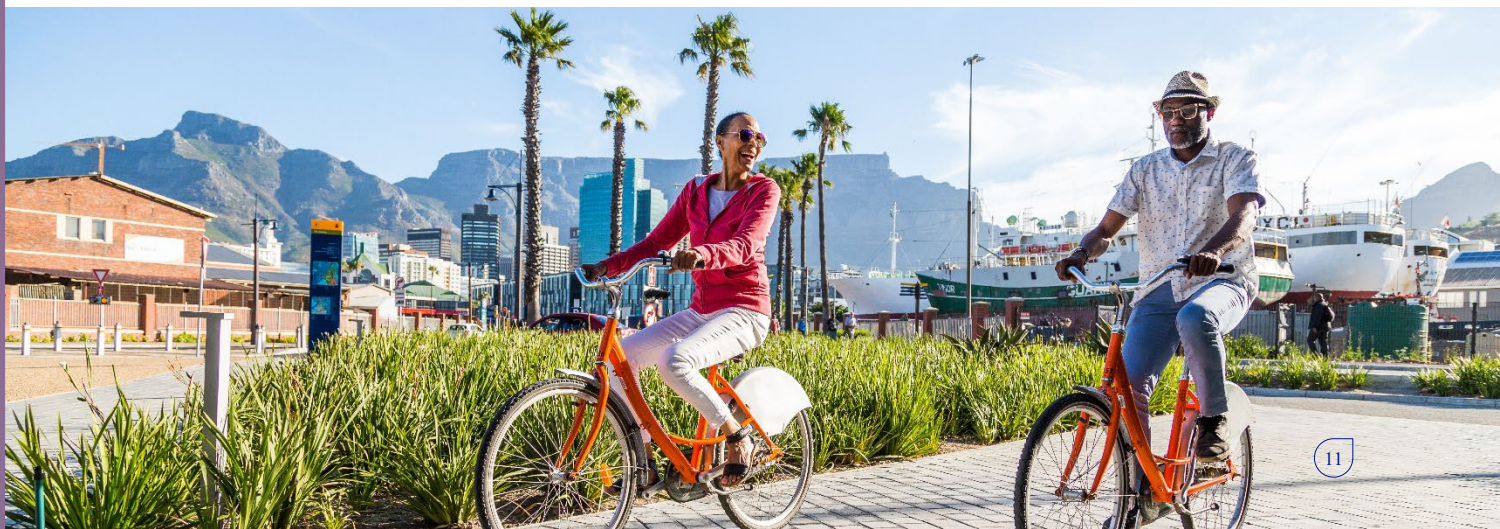
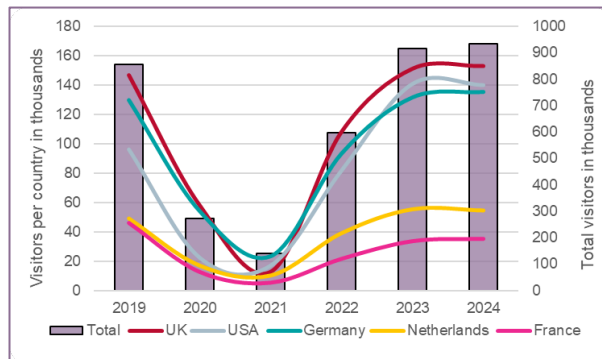
- **Employment** in the Western Cape has shown remarkable resilience and **recovered fully** from the COVID-19 lockdown that commenced in the second quarter of 2020
- By the end of the 4th quarter of 2024, the Province had **12.4%** more people employed than the quarter preceding the pandemic
- In the 4th quarter of 2024, the Western Cape GDP was estimated to be **2.4% larger** than the 1st quarter of 2020 (pre-pandemic)

Tourism

In 2024, foreign overnight arrivals at Cape Town International Airport surpassed 2019 figures by **8.9%**, largely driven by a **57.2%** increase in visitors from the United States

In 2024, the United Kingdom contributed the largest share of tourists at **16.4%**, followed by the United States at **15.0%**, and Germany at **14.5%**

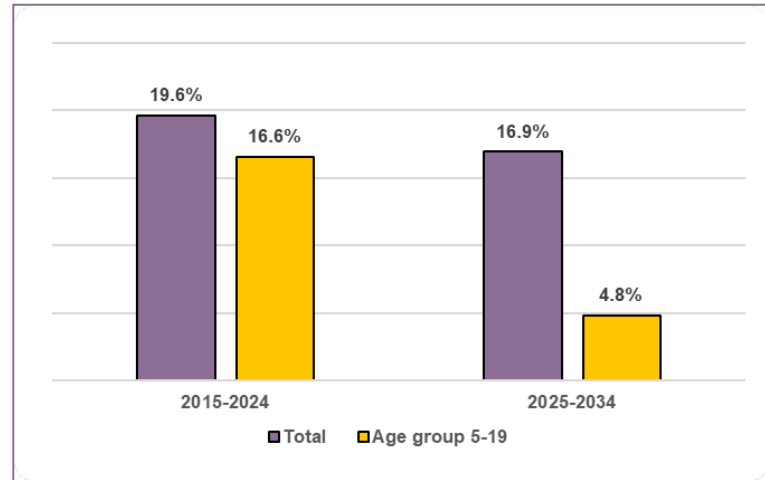
Number of foreign tourist arrivals via Cape Town International Airport in South Africa, (2019 - 2024)





Population Growth

Western Cape Population growth (2015 - 2024)

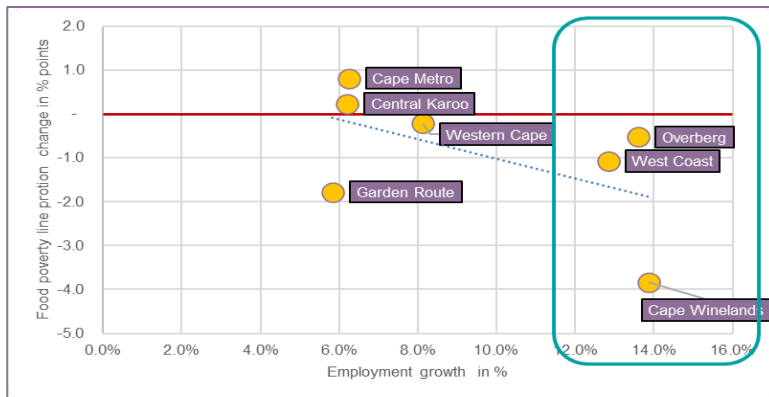


- Population growth (2015 - 2024): Total population increased by **19.6%**; Age group 5-19 increased by **16.6%**
- Population growth (2025 - 2034): Total population is estimated to increase by **16.9%**; Age group 5 - 19 is estimated to increase by **4.8%**
- Slower growth in the school-age population, yet increase in the aging population

Poverty



Correlation between the change in food poverty line portion and employment growth per district in the Western Cape 2014 – 2023



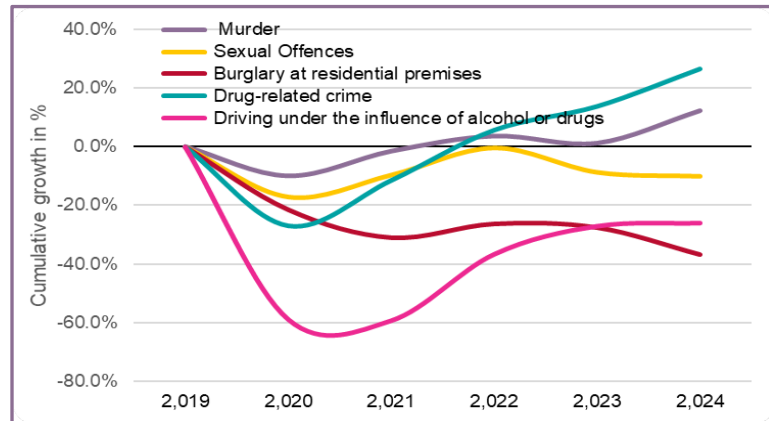
With the Garden Route as the exception, there is a **strong positive** correlation between the improvement in the portion of the population living below the poverty line and employment growth between 2014 and 2023





Crime

Cumulative growth of selected crime categories for the first three quarters in the Western Cape, 2019 - 2024



First 3 quarters (2019 - 2024)

- Murder: Growth of **12.2%**
- Drug related crime: Growth of **6.6%**
- Burglary at residential premises: Declined by **36.8%**
- Driving under the influence of alcohol or drugs: Declined by **26%**
- Sexual offences: Declined by **10.1%**

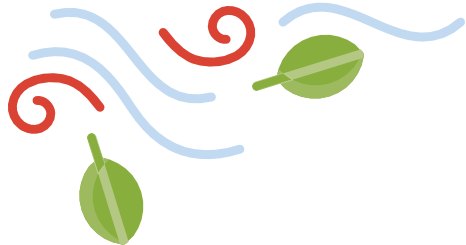


Chapter 2

Fiscal Context & Strategy

FISCAL CONTEXT AND STRATEGY

External Economic Headwinds



National Fiscal Context



Subdued global growth and reduced development



High national debt-to-gdp ratio, limited fiscal space, and public wage bill pressures



Weaker revenue collection, infrastructure allocations under strain



Responsiveness

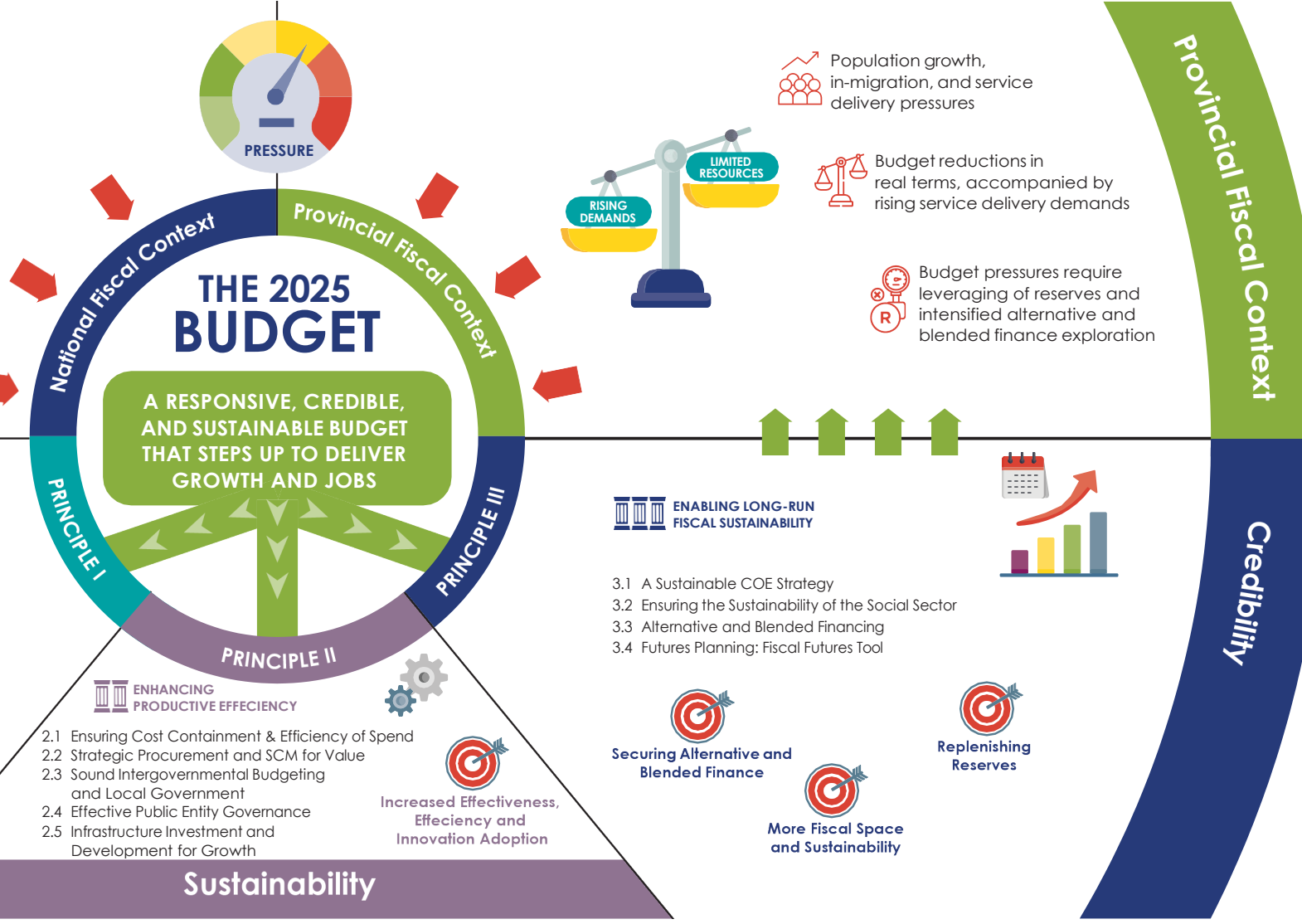


UNLOCKING ALLOCATIVE EFFICIENCY

- 1.1 Budget Alignment to the 2025-2030 PSP & Transversal Risks and Opportunities
- 1.2 Protecting Basic Service Outcomes
- 1.3 Collaborative Risk Approach
- 1.4 Proactive Planning and Financing to Mitigate Impact of Climate Change



Responsive, High Impact, and Targeted Allocations



National Fiscal Context

- The 2025 Budget is formulated against a broader international and national economic and fiscal context that shapes allocations within and across spheres of government
- **Debt is expected to stabilise at 76.1% of GDP in 2025/26**, with debt-service costs at 21.7% of revenue
- The Medium Term **revenue outlook** is revised upward by **R137.8 billion** relative to the 2024 MTBPS
- An additional R46.678 billion for infrastructure investment may boost growth, managed by a new centralised structure under National Treasury to improve PPP coordination and project financing
- The government's strategy for faster, inclusive growth is built on four pillars: macroeconomic stability, structural reforms, improving state capability, and accelerating infrastructure investment



Operation Vulindlela Phase II aims to boost growth, while addressing the need for structural reforms, stronger GDP growth, increased revenue, and debt reduction. Through Operation Vulindlela, key reforms are being fast-tracked in electricity supply, freight logistics, digital communications, water supply, and visa processing



Limited Fiscal
Space & Wage
Pressures

Global
Trade

High Debt &
Borrowing
Constraints

SOE
Weakness

Provincial Fiscal Context

Provincial allocations are growing in line with inflation but remain stagnant in real terms

- Growth in provincial allocations: **5.1% (2025/26), 4.0% (2026/27), 4.4% (2027/28)**
- **Provincial Equitable Share (PES):** Primary revenue source, updated formula includes risk-adjusted health component
 - PES 2025 MTEF: **R205.228 billion**



PES increases insufficient to offset inflation and service demands

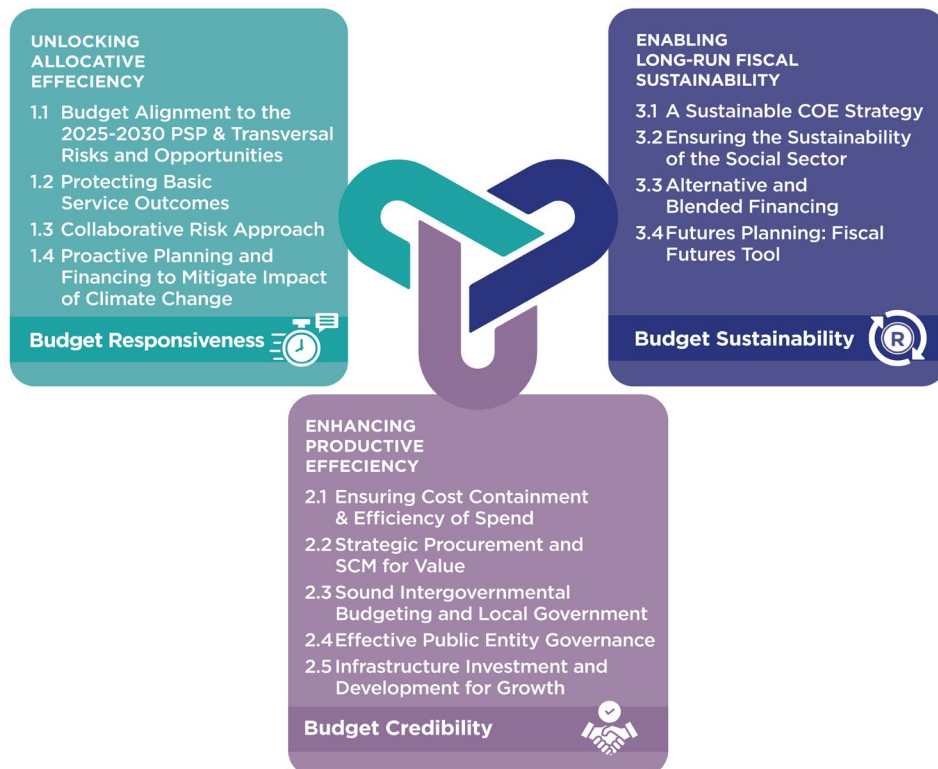
Rising pressures from population growth, fluctuating PES, stagnant national funding, and donor uncertainties

Need for reserve funds & financing mechanisms such as alternative and blended financing to ensure fiscal stability

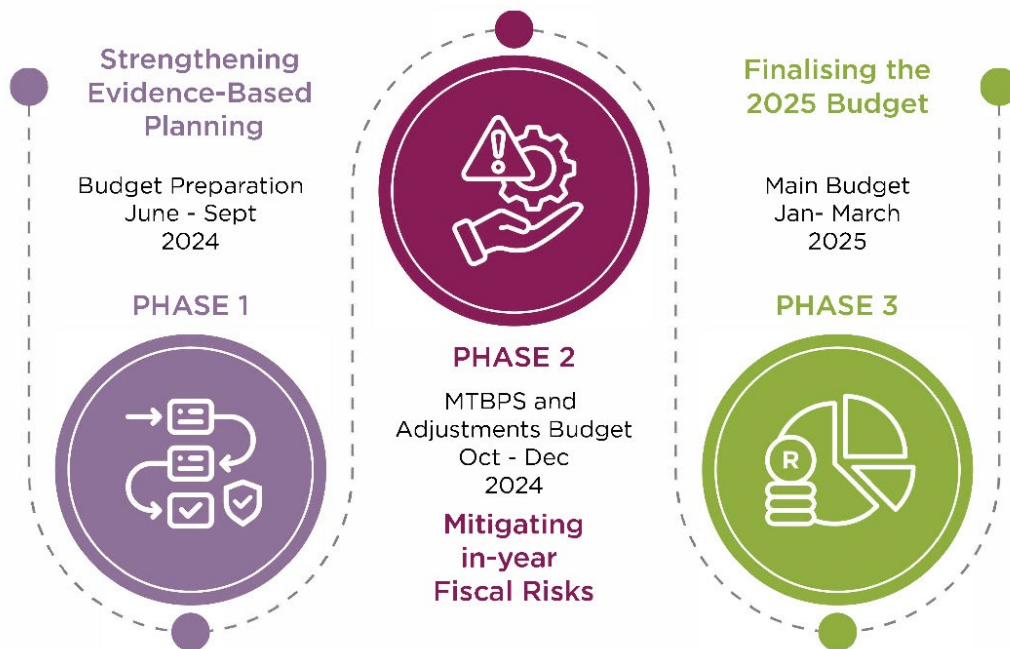
Strategic Focus: Budget must ensure allocative and productive efficiency while promoting long-term fiscal sustainability

Budget Policy Principles & Objectives

Unlocking allocative efficiency | Enhancing productive efficiency | Ensuring long-term budget sustainability



2025 Budget Process



The 2025 Budget was achieved through a three-phase budget process which worked to achieve the three objectives related to each core principle.

Objective: Budget Responsiveness

Unlocking allocative efficiency to ensure budget alignment with the 2025 -2030 PSP and responsiveness to the transversal risks and opportunities facing the WCG.

Budget Alignment & Transversal Risks and Opportunities

The 2025 Budget aligns with the PSP's apex priority by supporting fiscal stability, strategic planning, and cross-sector collaboration to enhance public trust.

Protecting Basic Services Outcomes

Redirected funds prioritise essential services, with increased allocations to Health, Education, and Social Development to strengthen human capital and social wellbeing.

Collaborative Risk-led Approach

A risk-led budget unlocks funding for inclusive economic growth and employment while mitigating service delivery threats amid fiscal constraints.

Proactive Planning & Financing to Mitigate Climate Change

In response to recent climate disasters, the province is investing R1.696 billion across the 2025 MTEF to enhance disaster resilience and manage unforeseen expenditures.

Objective: Budget Credibility

Enhancing productive efficiency by ensuring budgets are matched with realistic departmental plans, past financial and non-financial performance, and the capability of departments to spend their budgets effectively in line with policy priorities

Ensuring Cost Containment and Efficiency of Spend

The WCG prioritises cost containment by reducing discretionary spending and improving efficiency through expenditure reviews, program evaluations, and technology-driven optimisations.

Strategic Procurement & SCM for Value

The 2025/26 SCM strategy enhances procurement efficiency with digital tools, stronger supplier management, and governance improvements to ensure value for money.

Sound Intergovernmental Budgeting & LG

To support municipal service delivery, the WCG provides funding through conditional grants & direct allocations; final details to be published in the Provincial Gazette following the Appropriations Act.

Effective Public Entity Governance

Strong governance frameworks ensure public entities remain accountable through legislation compliance, structured oversight, and monitoring of possible irregular expenditure.

Infrastructure Investment & Development for Growth

The WCG drives infrastructure investment through its WC Infrastructure Framework that enables long-term planning, expert-led project assessments, and public-private partnerships to maximise impact.

Objective: Budget Sustainability

Ensuring long-term budget sustainability by managing risks, preserving reserves, and exploring alternative funding sources. This principle aims to maintain service delivery without compromising future fiscal stability, especially in an uncertain economic environment.

A Sustainable Compensation of Employees (CoE) Strategy

The WCG is implementing a sustainable CoE strategy by managing wage growth through controlled increases, ensuring staffing efficiency in key sectors, and exploring cost-saving innovations such as AI and technology to maintain service delivery within fiscal constraints. CoE strategy must balance capacity, capability, and staff wellness to ensure continued effective service delivery.

Sustainability of the Social Sector: Impact of U.S. 90-Day Freeze Executive Order

The U.S. 90-day suspension order poses a significant risk to healthcare and social services, potentially affecting critical health workers and vital child welfare programs, prompting WCG to pursue alternative funding sources, strategic budget shifts, and interdepartmental collaboration to mitigate the impact.

Alternative and Blended Financing

Facing national fiscal constraints, the WCG is expanding its financing toolkit through alternative financing mechanisms for infrastructure, PPPs, and partnerships with global financial institutions, while also enhancing revenue streams and leveraging facilities like the Budget Facility for Infrastructure to fund major projects.



Alternative and Blended Financing

Preferred Blended Finance instruments for Key Sectors



Economic Sector

Suggested Instruments:

- Partial Credit Guarantees (PCG) for projects with strong fundamentals but facing high perceived risks.
- Syndicated Loans for large-scale projects requiring significant capital investment.
- Senior Debt / Bond Issuance for projects with low to moderate risk profiles and reliable revenue streams.
- Hybrid Capital for projects requiring significant capital investment and risk-sharing.



Digital Sector

Suggested Instruments:

- Investment Grants for rural broadband expansion and digital inclusion programs.
- PCGs for broadband infrastructure projects and digital platform development.
- Equity Participation through entities for technology startups and digital platform development.
- Portfolio Securitization for large-scale broadband infrastructure projects.



Energy Sector

Suggested Instruments:

- PCGs for renewable energy projects, particularly those with long-term Power Purchasing Agreements (PPAs).
- Syndicated Loans for large-scale renewable energy projects and energy efficiency upgrades.
- Equity Participation through entities for renewable energy startups and energy innovation projects.
- Hybrid Capital for large-scale renewable energy projects and energy efficiency upgrades.



Social Sector

Suggested Instruments:

- Investment Grants to catalyse Social Impact Bonds (SIBs) and outcomes funds for projects with high socio-economic returns but limited commercial viability.
- PCGs for PPPs in healthcare and education sectors.
- Aggregator and convenor of funds for NGOs, NPOs, social enterprises, and community-based organizations.
- Subordinated Debt for projects with strong revenue potential.



Ecological Sector

Suggested Instruments:

- Investment Grants for restoration projects and climate adaptation initiatives.
- PCGs for water infrastructure projects and climate resilience initiatives.
- Equity Participation through entities for innovative environmental startups and conservation projects.
- Hybrid Capital for large-scale water infrastructure and renewable energy projects.

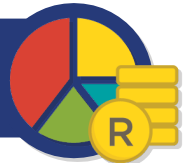


Chapter 3

Budget Aggregates

BUDGET AGGREGATES

Provincial Receipts and Payments, 2025/26



Total Provincial
Receipts amount to

R86.101 billion



Total Provincial Payments
and Provisions amount to

R89.316 billion

Total Receipts breakdown



- **76.4%** Provincial Equitable Share (R65.376 billion)
- **19.0%** Conditional Grants (R16.268 billion)
- **4.6%** Provincial Own Receipts

The deficit between
expenditure and revenue will
be financed from
accumulated reserves
amounting to

R3.215 billion in 2025/26.

Total Provincial Payments and Provisions breakdown



- **75.6%** Current Payments (R67.512 billion)
- **15.0%** Transfers and subsidies (R13.410 billion)
- **7.9%** Payments for capital assets (R7.057 billion)
- **0.0%** Payments for financial assets (R6.989 million)
- **1.5%** Provincial Provisions (R1.330 billion)

Infrastructure Investment, 2025/26



- **57.9%** Existing infrastructure assets (R6.956 billion)
- **16.8%** New Infrastructure assets (R2.018 billion)
- **17.3%** Infrastructure transfers (R2.078 billion)
- **2.5%** Non Infrastructure (R297.168 million)
- **5.5%** Virtual, Catalytic and Agricultural Investment Infrastructure (R661.680 million)

Total Infrastructure Budget over the 2025 MTEF: R32.898 billion

Key mechanisms for achieving Fiscal Sustainability



Sustainable Compensation Strategy:

Ensuring personnel costs remain responsible and efficient while optimising service delivery.



Social Sector Stability:

Protect essential services in health, education, and social development to enhance economic empowerment and job creation.



Revenue Diversification:

Expanding funding sources through blended and alternative financing mechanisms, leveraging public-private partnerships, and adopting innovative funding models.



Rebuilding Reserves:

Rebuilding reserves over the medium term, creating flexibility to absorb economic shocks while sustaining strategic investment in infrastructure and economic development

Provincial Receipts, Provincial Payments and Provisions, Financing and Reserves



Revenue Growth & Fiscal Pressure

- Total revenue: Projected to reach **R92.219 billion** by 2027/28 (3.9% annual growth)
- National transfers: Growing at **3.8%** per year, below the 4.5% inflation rate increasing fiscal strain
- Provincial Own Receipts: Stronger growth at **5.8%** annually
- Outcome: Slower revenue growth requires **reprioritisation** and **efficient service delivery**



Spending Priorities & Budget Allocations

- Total spending: **R91.973 billion** by 2027/28 (2.4% annual growth)
- Budget breakdown:
 - 76.7% → Operational costs (Current Payments)
 - 15.2% → Transfers & subsidies
 - 8.0% → Capital projects & infrastructure
- Reserves: Increased provisions for unforeseen expenses



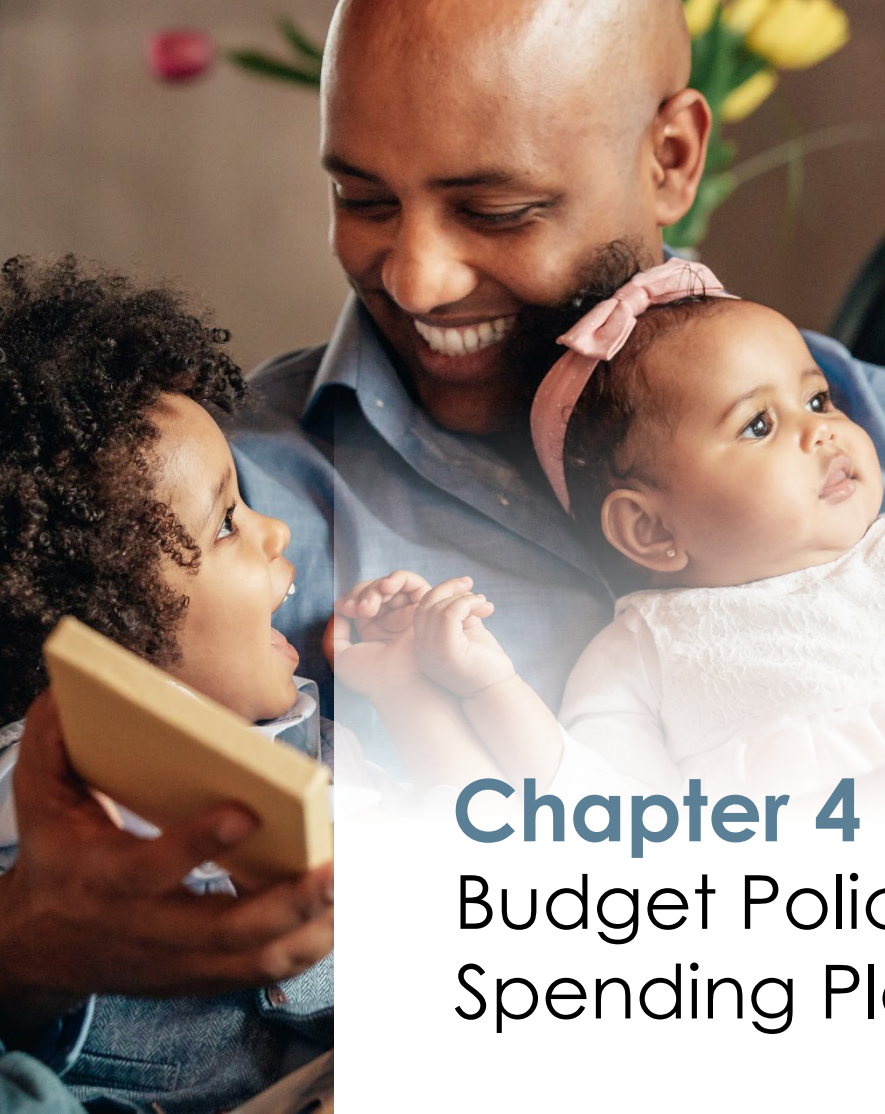
Strategically Leveraging Reserves

- Budget deficit financed from accumulated reserves to meet the shortfall between revenue and expenditure:
 - 2025/26: **R3.215 billion**
 - 2026/27: **R1.584 billion**
 - 2027/28: **R796.832 million**
- Outcome: Enabling the Province to maintain stability in service delivery while navigating fiscal pressures



Key Takeaway:

Prudent financial management is essential as revenue growth **lags behind inflation**, requiring **budget reprioritisation, efficient spending, & reserve reliance** to ensure sustainable service delivery



Chapter 4

Budget Policy Priorities and Spending Plans

Budget Policy Priorities and Spending Plans



Global Risks

- Cybersecurity threats
- Economic pressures
- Environmental challenges
- Technological risks

National Risks

- Energy crisis
- Cybersecurity threats
- Economic pressures
- Climate vulnerability / Environmental challenges
- Infrastructure Decay

Provincial Risks

- Economic & socio-economic pressures
- Safety concerns
- Increased demand for social services (Education & Health)
- Climate changes & extreme weather conditions



Provincial
Response
2025 – 2030

Provincial Strategic Plan

Vision:

‘A government that people trust’

Apex Priority:

‘HELPING BUSINESSES GROW AND
CREATE JOBS
EQUIPPING YOU TO GET THOSE JOBS’

R 269.524 billion will be spent over the 2025 MTEF on...



GROWTH FOR JOBS

- Driving Investment
- Stimulating Market Growth through Exports
- Water Security and Resilience & Energy Projects
- Infrastructure Investment and Connected Economy
- Employability (Skills & Entrepreneurship)
- Tourism safety and skills development
- Elsenburg Agricultural Training Institute
- Environmental Impact Assessment (EIA) efficiencies
- Freight rail revitalisation & Integrated Public Transport System
- Sports, Arts and Culture events
- Disaster Resilience



SAFETY

- Improve LEAP effectiveness
- Violence Prevention Unit & Area-Based Teams
- Provincial Traffic Law Enforcement
- Integrated Transport Hub
- Gender Based Violence
- Chrysalis Academy
- Strengthen Community-based Safety
- Safe Schools Programme
- Child protection
- Victim Empowerment Programme (VEP)



EDUCATED, HEALTHY AND CARING SOCIETY

- Early Learning & Back on Track Programmes
- Promoting teacher development
- Youth Development
- MOD Programme & Library services
- After School Programmes
- Provision of Equitable Access to Quality Healthcare
- Elderly Persons care services
- Care for Persons with Disabilities
- Family Strengthening and Support
- Humanitarian Disaster Relief
- Nutritional Support



INNOVATION, CULTURE AND GOVERNANCE

- Technology and Innovation
- Integrated Service Delivery
- Exploring Alternative Revenue Sources & Blended Finance
- Futures Thinking and Model Evidence-Informed Decision-Making
- Broadband ecosystem & e-Centres
- Interconnected Data Ecosystem
- E-Procurement Solution
- Supporting and Interlinked Financial Systems (SIFS)
- Reconfiguration of the Provincial Training Institute

Summary of Provincial payments and estimates by policy priority area

R 269.524 Billion is allocated over the 2025 Medium Term Expenditure Framework (MTEF)

EDUCATION



R101 billion

HEALTH



R100 billion

HOUSING & COMMUNITY AMENITIES



R6.4 billion

SOCIAL PROTECTION



R8.4 billion

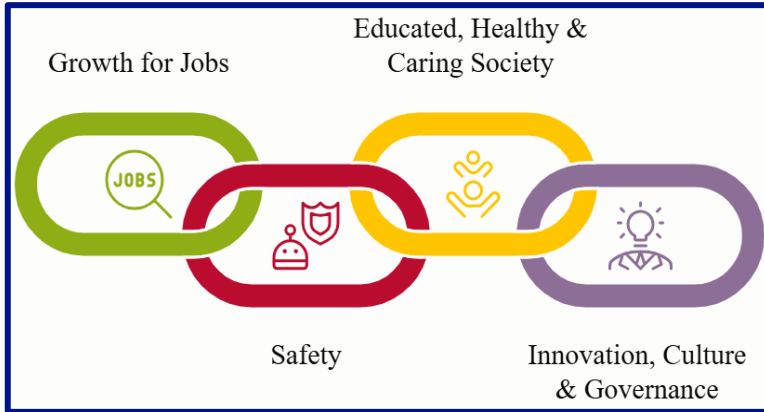
 **The WCG is stepping up!**

Through bold strategies and smart investments, we are creating jobs, strengthening communities, and delivering a better future for all



Spending Plans by 2025 – 2030 PSP Portfolio Areas

Helping businesses grow and create
jobs equipping you to get those jobs



The **2025 MTEF Budget** is allocated to policy portfolio areas as follows:

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



Growth for Jobs: Expanding Economic Opportunities



It seeks to improve access to employability and economic opportunities, attract investment through diverse opportunities, and expand access to both domestic and international markets.



Target: R1 trillion economy by 2035, growing at 4 – 6% per year

2030 Infrastructure Target: Public sector infrastructure investment will reach **R34.3 billion** per annum in real terms. A fully developed **R200 billion** infrastructure pipeline, with a regularly updated portfolio of **bankable WC projects** and **one mega-project fully implemented**



Growth for Jobs - Energy



**2025
Achieve**
500 – 750MW

**2027
Reach**
1800MW

**2035
Attain**
5700MW

**WCG Renewable
Energy Targets**

- **Western Cape Integrated Resource Plan (WC IRP):** 2050 Low Emissions Pathway for the Western Cape, greenhouse gas emissions inventory, power sector reform process, advising and guiding municipalities through the Electricity Distribution Industry reform process.
- **91,200 Emergency lighting & charging packs for vulnerable communities**
- **Demand-side management programme**
- **New Energy generation projects:** including the development of the loadshedding free town pilot (up to Stage4) in Hessequa Municipality
- **On grid, transmission and distribution infrastructure;** identifying network strengthening and expansion requirements
- **Increasing investment in the energy sector through:** WC JETIP, design of financial and funding systems, promoting local energy through the Atlantis Special Economic Zone, carbon border adjustment mechanisms (CBAM), development of skills, and new energy vehicles
- **Improved energy affordability including improving access to clean and affordable energy**
- **Net-zero emissions province:** Green House Gas emissions reduction

R 309.345 million is allocated over the 2025 MTEF towards energy resilience projects in the Province

Safety

Integrated Violence Prevention



The WCG's Violence Prevention Unit (VPU) aims to reduce violence by addressing its root causes through coordinated, evidence-based strategies. The VPU will work with Area-Based Teams (ABT), including SAPS, DSD, CPFs, NHWs, and other stakeholders, to implement targeted interventions in crime hotspots.

Safe and Secure Communities and Infrastructure



The WCG will modernise its Provincial Traffic Service with integrated systems to support targeted enforcement activities. Child and Youth Care Centres (CYCC) provide residential care to children who are unable to live with their families, focusing on offering a safe environment, developmental programs, social work services and basic needs

Effective and Responsive Law Enforcement



To ensure continued progress is made towards making the Province safer, the WCG will 'step up' and have allocated R1.096 billion over the 2025 MTEF, to support the continuation of the Law Enforcement Advancement Plan (LEAP). Over 1,200 LEAP officers will continue working with the City of Cape Town (CoCT) to enhance public safety and strengthen law enforcement efforts with boots on the ground.



Educated, Healthy & Caring Society

Ensuring children, youth, adults and older people live in caring, inclusive communities

The WCG's **"Educated, Healthy, and Caring Society" portfolio**, a major budgetary and service delivery component, adopts a life-course approach to foster a dignified life for residents through education, health, social development, and agriculture.

Despite budget constraints and rising beneficiary ratios, the portfolio has contributed to an improved Human Development Index in the Province.

KEY FOCUS AREAS

- Improved Child Wellbeing
- Increase Youth Resilience, Civic, Educational, & Economic Participation
 - Increase the Wellbeing and Agency of Adults and Older Persons
 - Improved Spatial Transformation and Social Infrastructure
 - Effective Approach to One Health and Disaster Management

Educated, Healthy & Caring Society



WCED Expands Early Learning Opportunities

- 765 fully registered centres by 2025/26 and a further 780 and 795 in 2026/27 and 2027/28, respectively
- Over the 2025 MTEF, R1.395 billion is allocated in 2025/26, R1.461 billion in 2026/27 and R1.532 billion in 2027/28



Strengthening Education

- Back-on-Track programme → **R200 million** annually to recover learning losses
- Rapid School Build: primary objective is to fast-track the construction process while ensuring that each school is equipped with modern, state-of-the-art facilities



Impact: A healthier, well-nourished, and educated start for every child in the Western Cape!



Strengthening Primary Healthcare

- Improve preventative and early intervention measures; and enhancing maternal and child health programmes, with a focus on reducing malnutrition, stunting, and preventable childhood illnesses



Youth Programmes

- After School and MOD Programme enhances the quality and reach of after school activities, academic support, sports, arts, and cultural programmes
- YearBeyond programme, creating over 3000 opportunities for NEET youth

The WCG aims to be a **people-centric institution** that **innovatively, efficiently,** and **collaboratively** mobilises resources for service delivery.

INNOVATION CULTURE GOVERNANCE

Innovation

Over the medium term, the Innovation for Impact Strategic Framework will continue to institutionalise innovation within the WCG, embedding creative solutions into government operations for improved service delivery and sustainable development.

Ease of Doing Government

The WCG is committed to good governance by ensuring efficient, accessible systems that streamline bureaucracy and enhance service delivery.

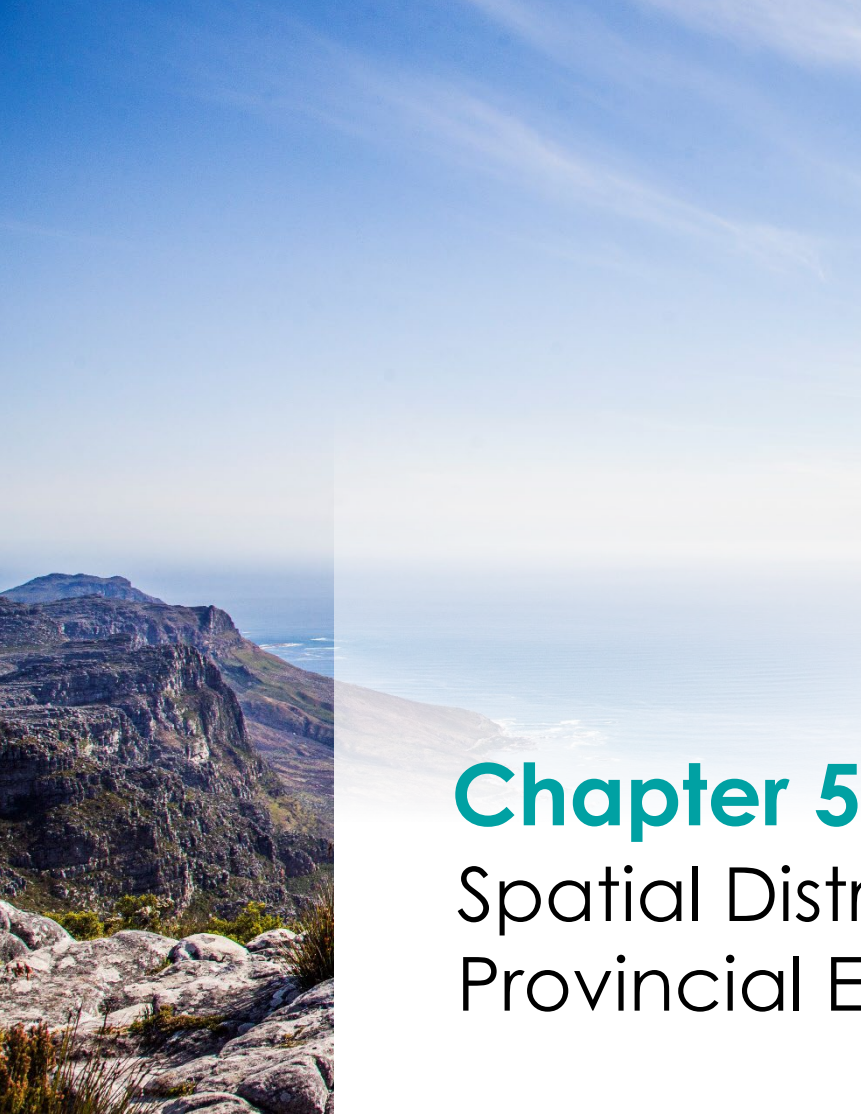
This “ease of doing government” approach boosts public trust, attracts investment, and fosters economic and social development by making engagement with institutions simpler and more transparent.

Integration and Collaboration

The WCG is integrating planning, budgeting, and service delivery to improve governance and efficiency.

This involves aligning provincial and municipal processes, using spatial data, and fostering partnerships. International relations support growth and effective service delivery.

Impact: Faster, more efficient service delivery & improved coordination in the Western Cape



Chapter 5

Spatial Distribution of Provincial Expenditure

SPATIAL DISTRIBUTION OF PROVINCIAL EXPENDITURE

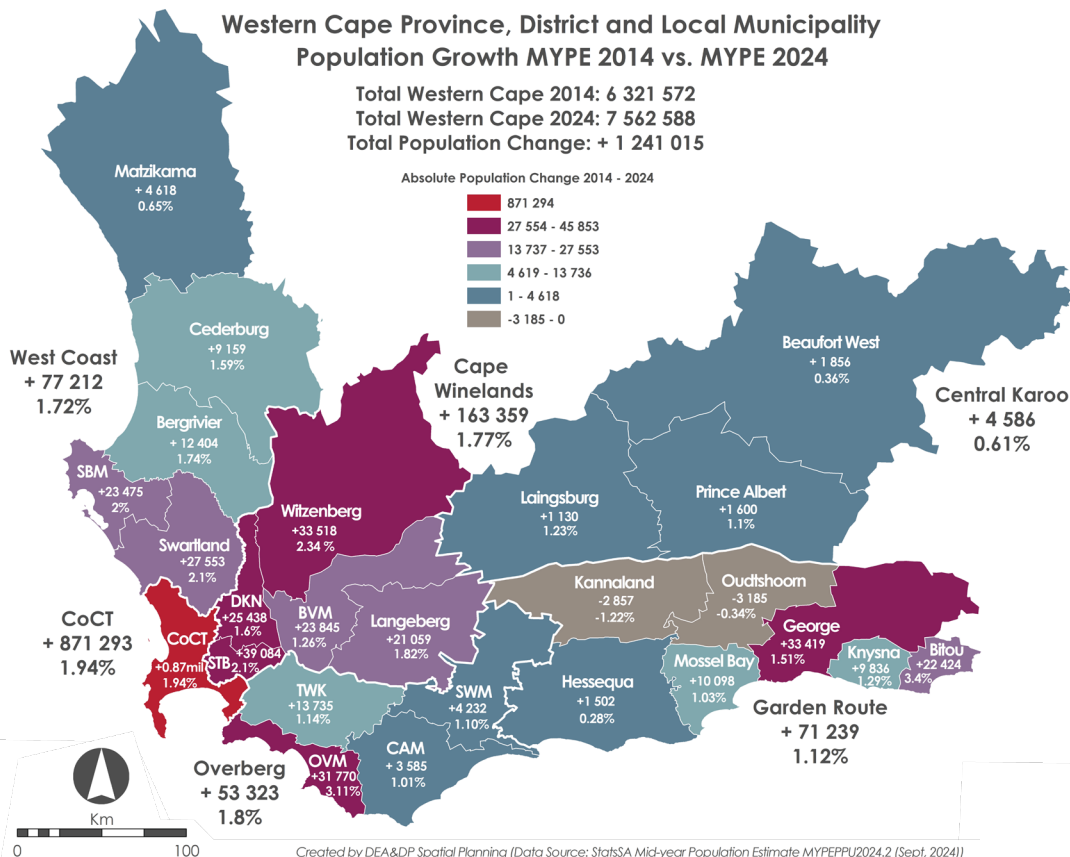
WC Population:
7 562 588



GROWTH
2014 - 2024 **19.6%**

Fastest Growing Areas

- Cape Town Metro (+871 293)
- Witzenberg (+33 518)
- George (+33 419)
- Overstrand (+31 770)





CHALLENGES

Increased demand for housing, public transport, healthcare, schools and social services

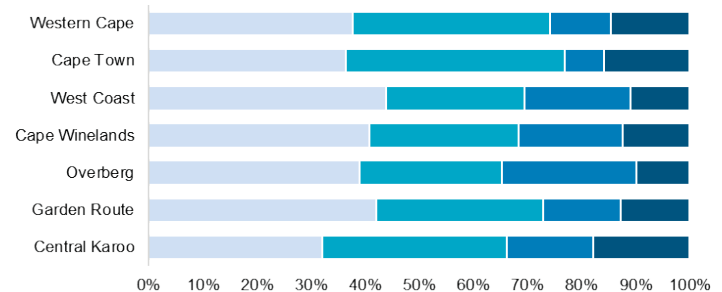
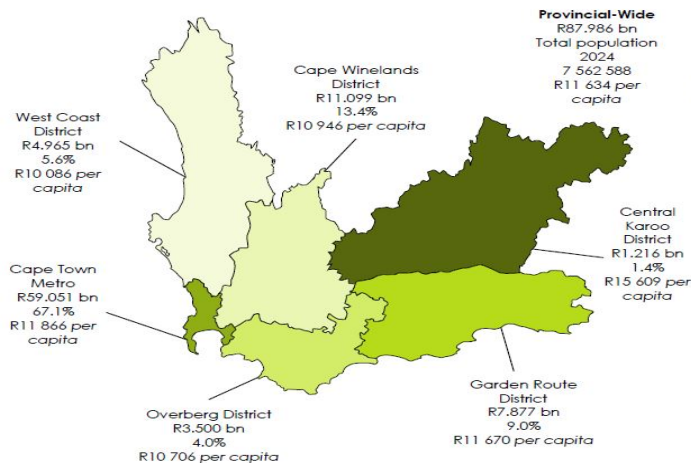


SOLUTIONS

A strategic budgeting approach rooted in principles of spatial planning to balance economic growth with sustainability.

Total Budget: R269.524 billion over the 2025 MTEF

Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % of sector allocation at district level (total per capita)



	Central Karoo	Garden Route	Overberg	Cape Winelands	West Coast	Cape Town	Western Cape
Edu%	32,1%	42,1%	39,0%	40,7%	43,8%	36,4%	37,8%
Health%	34,1%	30,7%	26,3%	27,7%	25,7%	40,5%	36,4%
INFR%	16,0%	14,5%	24,9%	19,1%	19,5%	7,2%	11,2%
Other%	17,8%	12,7%	9,9%	12,5%	10,9%	15,9%	14,7%

■ Edu% ■ Health% ■ INFR% ■ Other%

Provincial payments & estimates by metro, district, and local municipalities

Population Growth (2014–2024)

- Western Cape: +19.6% growth
- Cape Town Metro: +871 293 people (largest absolute increase)
- **Fastest Growing Areas:**
 - Witzenberg (Cape Winelands): +133 518 people (2.3%)
 - George (Garden Route): +33 419 people (1.5%)
 - Overstrand (Overberg): +31 770 people (3.1%)

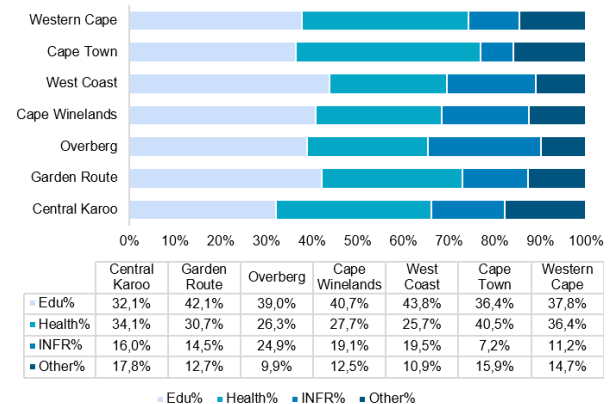
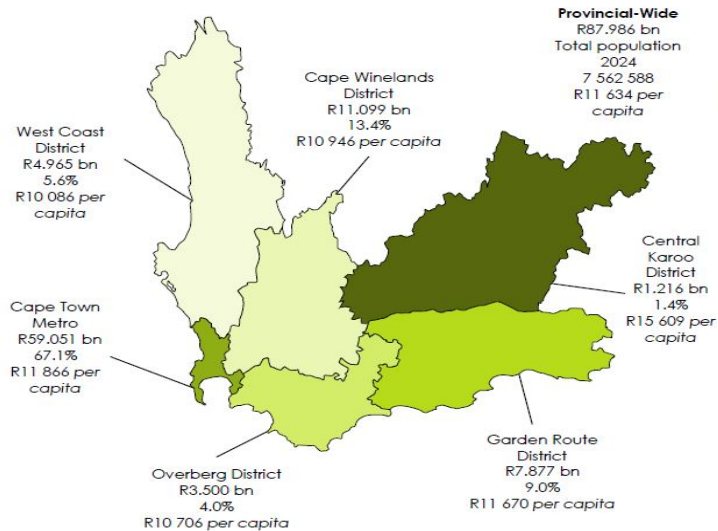
District Budget Shares:

- Cape Winelands: R33.662 billion (12.5%)
- Garden Route: R23.566 billion (8.7%)
- West Coast: R14.931 billion (5.5%)
- Overberg: R10.277 billion (3.8%)
- Central Karoo: R3.765 billion (1.4%)

This budget distribution reflects population trends and service delivery demands across the Western Cape

Provincial payments and estimates by metro, district, and local municipalities

The **Central Karoo District** has the highest per capita allocation (**R15 609**), exceeding both the Cape Metro area (R11 866) and the Garden Route District (R11 670)



Education dominates in the West Coast District receiving **43.8%** of provincial expenditure. **Health and Wellness** are prioritised in the Cape Metro area, at **40.5%**, while **Infrastructure** leads in the Overberg District (OD), with **24.9%** of the regional allocation

Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)



Cape Winelands District

📍 Key Economic Contributor

- Largest demographic & economic hub outside Cape Metro
- Driven by tertiary services, especially in Drakenstein & Stellenbosch

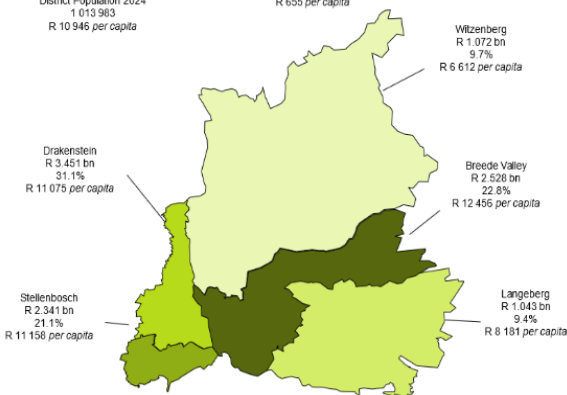
💰 2025/26 Provincial Budget Allocation:

R11.099 Billion (12.6%)

- Supports economic growth, population increases & infrastructure needs

Cape Winelands District
R 11 099 bn
12.6%
District Population 2024
1 013 963
R 10 946 per capita

Across wards and municipal projects
R 663 864 million
6.0%
R 655 per capita



📊 Funding Distribution by Municipality

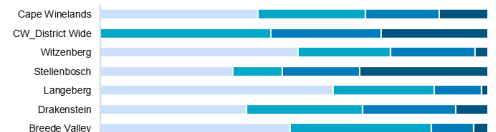
- Drakenstein: 31.1% (Economic Hub)
- Breede Valley: 22.8%
- Stellenbosch: 21.1%
- Witzenberg: 9.7%
- Langeberg: 9.4% (Smallest share)

🏠 Sectoral Spending Priorities

Education: Langeberg prioritised with 60.2%

Health & Wellness: Breede Valley prioritised with 36.4%

Infrastructure: Drakenstein prioritised with 24%



	Breede Valley	Drakenstein	Langeberg	Stellenbosch	Witzenberg	CW_District Wide	Cape Winelands
Edu%	49.0%	37.8%	60.2%	34.3%	51.1%	0.0%	40.7%
Health%	36.4%	29.9%	26.0%	12.8%	23.9%	44.0%	27.7%
INFR%	11.0%	24.0%	12.1%	19.9%	21.8%	28.5%	19.1%
Other%	3.6%	8.3%	1.7%	33.1%	3.2%	27.5%	12.5%

• Edu% • Health% • INFR% • Other%

Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)

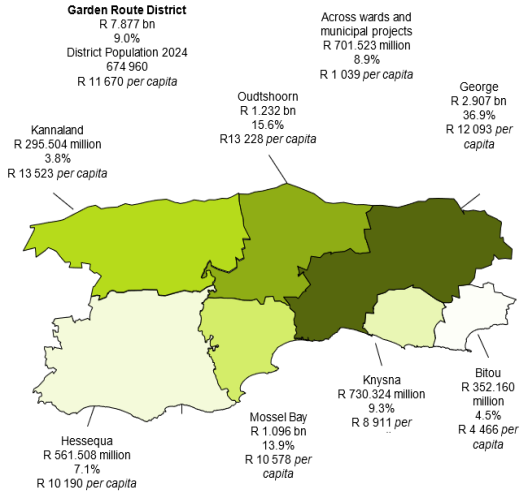
Garden Route District

Second-Largest District Economy

- GDP: R46.2 billion (2023)
- Second most populated region in the Province (outside of the Metro) – 1.1% annual growth, 2014 - 2024)

2025/26 Provincial Budget Allocation: R7.877 Billion (9%)

- R11 670 per capita



Per Capita Spending by Municipality

Highest: Kannaland (R13 523) – Reflecting socio-economic needs.

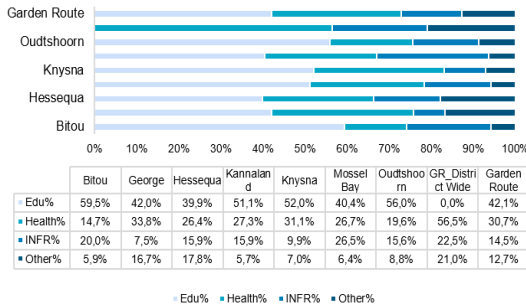
Lowest: Bitou (R4 466) – Fewer education & healthcare facilities.

Sectoral Spending Priorities

Education: Oudtshoorn prioritised with 56%

Health & Wellness: George prioritised with 33.8%

Infrastructure: Mossel Bay prioritised with 26.5%



Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)



West Coast District

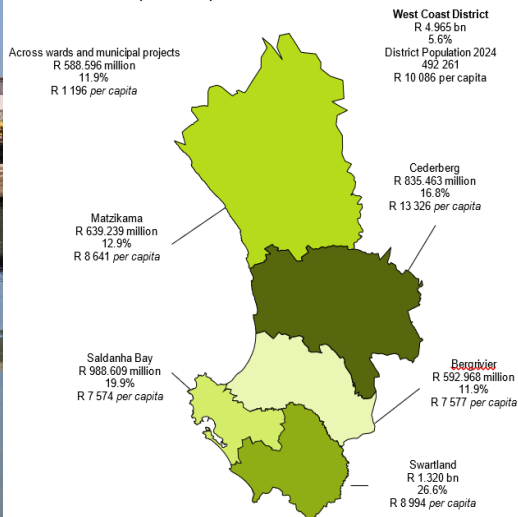
📌 Third-Largest District Economy

- GDPR: R29.4 billion (2023).
- 3rd most populous district, but lower-than-average population growth (1.7% annual, 2014 - 2024).

💰 2025/26 Provincial Budget Allocation:

R4.965 Billion (5.6%)

- R10 086 per capita



🏠 Per Capita Spending by Municipality

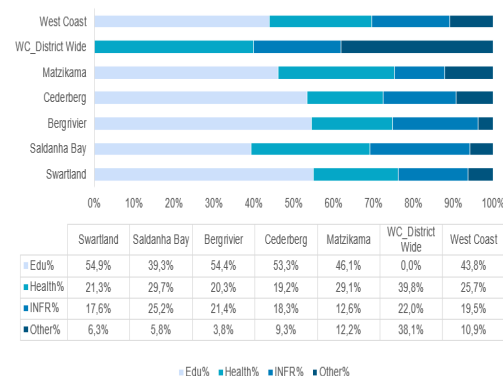
- Highest: Cederberg (R13 326) – Prioritising socio-economic development.
- Lowest: Saldanha Bay (R7 574) – Despite being the 2nd largest budget recipient.

🏢 Sectoral Spending Priorities

Education: Swartland prioritised with 54.9%

Health & Wellness: Saldanha Bay prioritised with 29.7%

Infrastructure: Saldanha Bay prioritised with 25.2%



Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)

Overberg District

Population Growth & Demographics

- 1.8% annual growth (2014-2024) → 326 874 residents.

2025/26 Provincial Budget Allocation:

R3.5 Billion (4%)

Per capita spending priorities:

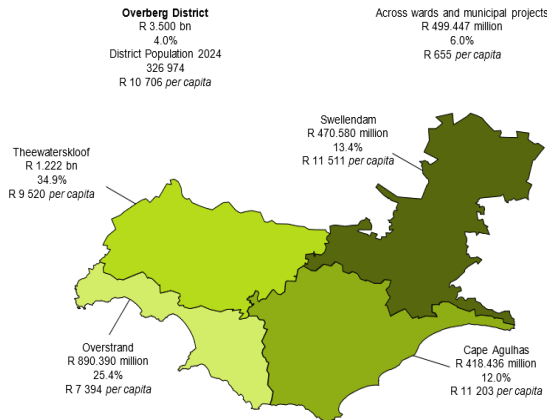
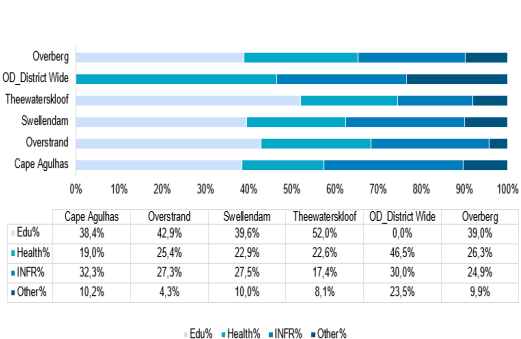
- Education: R4 172 (39%) – Largest allocation
- Health: R2 818 (26.3%)
- Infrastructure: R2 660 (24.9%)

Sectoral Spending Priorities

Education: Theewaterskloof prioritised with 52%
 Health & Wellness: Overstrand prioritised with 25.4%
 Infrastructure: Cape Agulhas prioritised with 32.3%

Infrastructure Focus

- Cape Agulhas: 32.3% of its budget on Infrastructure (highest).
- Theewaterskloof: Lower Infrastructure spend (17.4%) compared to others (25% - 32% range).



Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)





Central Karoo District

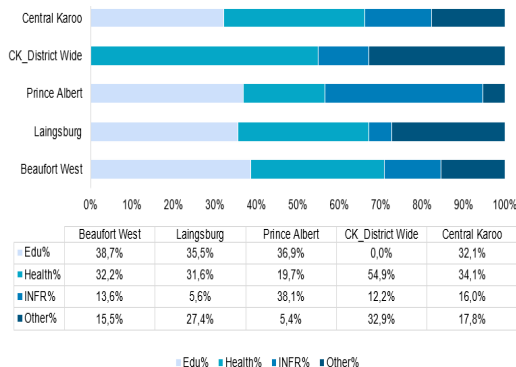
📌 Smallest Population

- 77 883 residents (2024)
- 0.6% annual growth (2014-2024), mainly in Beaufort West

💰 2025/26 Provincial Budget Allocation:

R1.216 Billion (1.4%)

- Highest per capita spend in the province: R15 609
- Per municipality: Highest: Beaufort West (R14 640). Lowest: Laingsburg (R9 413)



🏠 Municipality Budget Shares

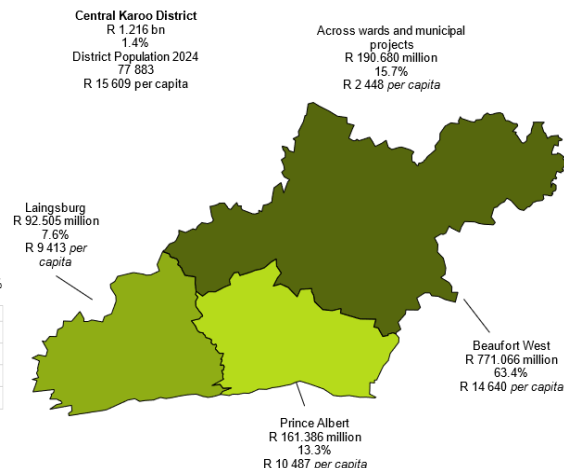
- Beaufort West: 63.4% – Economic & population hub
- Prince Albert: 13.3%
- Laingsburg: 7.6%

🏠 Sectoral Spending Priorities

Education: Beaufort West prioritised with 38.7%

Health & Wellness: Beaufort West prioritised with 32.2%

Infrastructure: Prince Albert prioritised with 38.1%



Spatial Distribution of the 2025/26 Provincial budget by district, total population, and % share of sector allocation at district level (total per capita)

Acronyms

ABT	Area-Based Teams	NGO	Non-Governmental Organisation
AI	Artificial Intelligence	NHW	Neighbourhood Watch
CoE	Compensation of Employees	NPO	Non-profit organization
CPF	Community Policing Forum	PCG	Partial Credit Guarantees
CYCC	Child and Youth Care Centre	PES	Provincial Equitable Share
DSD	Department of Social Development	PPA	Power Purchasing Agreements
ECD	Early Childhood Development	PPP	Public Private Partnership
EIA	Environmental Impact Assessment	PSP	Provincial Strategic Plan
ERP	Energy Resilience Programme	SAPS	South African Police Service
GDP	Gross Domestic Product	SARB	South African Reserve Bank
IPP	Independent Power Producer	SCM	Supply Chain Management
LEAP	Law Enforcement Advancement Plan	SIB	Social Impact Bonds
LG	Local Government	SIFS	Supporting and Interlinked Financial Systems
MOD	Mass Participation, Opportunity and Access, Development and Growth	SOE	State-Owned Enterprise
MTEF	Medium Term Expenditure Framework	U.S.	United States
MTBPS	Medium Term Budget Policy Statement	VAT	Value-added Tax
MYPE	Mid-year Population Estimates	VEP	Victim Empowerment Programme
		VPU	Violence Prevention Unit
		WCG	Western Cape Government

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**Western Cape
Government**

PR 204/2025

ISBN: 978-1-77997-989-6