

Western Cape Government

Provincial Treasury

**2026 OVERVIEW OF PROVINCIAL REVENUE AND
EXPENDITURE**

**2026 OVERVIEW OF PROVINCIAL AND MUNICIPAL
INFRASTRUCTURE INVESTMENT**

**2026 ESTIMATES OF PROVINCIAL REVENUE AND
EXPENDITURE**

Speech

'A Budget that Delivers Growth with Discipline and Care'

Minister of Finance

Deidre Baartman

12 March 2026

Provincial Treasury
Business Information and Data Management
Private Bag X9165
15 Wale Street
Cape Town
tel: +27 21 483 5618

Email: pt.communication@westerncape.gov.za

www.westerncape.gov.za

Speech by Deidré Baartman

Minister of Finance

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Budget Speech 2026/27

Western Cape Provincial Parliament

Cape Town

12 March 2026

“A Budget that Delivers Growth with Discipline and Care”

Honourable Speaker and Deputy Speaker

Honourable Premier Alan Winde

Honourable Minister of Finance, Mr Enoch Godongwana

South African Revenue Service Commissioner, Mr Edward Kieswetter

Honourable Members of the Executive

Honourable Leader of the Opposition

Honourable Members

Members of the Consular-Corps

Captains of Industries

Special Guests

Residents of the Western Cape

1. INTRODUCTION

Speaker, last year we committed to stepping up for the people of this province. Seven months later, we recognised that maintaining our footing was only the baseline, and that we had to scale our efforts and build real momentum.

Today we define that forward motion. Growth that is deliberate, disciplined and sustained.

As a world-class agricultural region, we understand organic growth better than most. We know that a vine left entirely to its own devices grows wild. It spreads its energy across too many leaves and sprawling branches, ultimately yielding a bitter, unusable harvest. And to secure a yield that actually sustains the entire estate, a viticulturist must apply two essential forces. The shears of discipline, and the hands of care.

Discipline is the hard, necessary work of winter pruning. It is the act of cutting back excess and withdrawing from unproductive growth so that the plant's limited energy is concentrated into the branches that bear fruit. It requires making difficult, sometimes unpopular choices in the present to guarantee viability in the future.

But discipline alone produces nothing if the roots are starved. Care is the soil we tend, the water we preserve, and the windbreak we construct against the frost. A vine cut back to the wood will perish if abandoned to the elements. Without care, even the most strictly managed estate will wither.

Speaker, this budget is our harvest plan. We face an undeniably volatile global reality that presents us with a complex mix of risks and opportunities. We cannot control international markets nor how it impacts our economy or national fiscus. We can, however, control how we cultivate our own estate.

A society that feels supported and valued is the soil from which prosperity grows. To prosper, we must mimic the wisdom of a farmer.

Today, the Western Cape Government is not forced to choose between fiscal responsibility and social duty. Today, we are proving that one enables the other.

We are delivering growth, with discipline and with care.

2. ECONOMIC OVERVIEW

2.1 GLOBAL ECONOMY

Speaker, the world has settled into a cautious rhythm. Global growth is uneven, marked by small pockets of resilience sitting alongside clear structural weaknesses.

Developed economies are moving in different directions. Some continue to hold steady, while others are losing momentum. Emerging markets reflect the same divergence. Across the board, tighter global financing conditions and rapidly shifting trade patterns continue to shape the outlook.

Trade flows are under strain. Value chains that once moved smoothly across borders are becoming more fragmented as countries raise barriers, tighten rules, and push for greater self-reliance in critical goods. This realignment brings challenges and opportunities: higher costs for certain inputs, but also new demand for reliable suppliers who can deliver consistently. For an open, export-oriented province like the Western Cape, these shifts test our ability to keep produce moving, sustain tourism arrivals, and maintain investment pipelines.

Global inflation has eased from its peaks, but the pressure has not disappeared. Food prices, energy costs and supply-chain disruptions continue to flare where weather shocks or logistical constraints take hold.

2.2 NATIONAL ECONOMY

Speaker, South Africa recorded economic growth of 1.1 per cent in 2025, with forecasts of 1.4 per cent in 2026. While this improves on the past decade's average of 0.7 per cent, the economy remains constrained. Confidence has improved under the Government of National Unity with a sovereign credit-rating upgrade, the exit from the FATF grey list and a firmer Rand. Yet unemployment remains above **31 per cent**. Structural reforms in electricity, logistics and water are progressing and will be essential to unlocking stronger growth.

Electricity availability has improved sharply, supported by a surge of private investment in renewables. Ports and rail systems are beginning to open to private partners, and long-delayed water infrastructure is finally receiving focus.

2.3 PROVINCIAL ECONOMY

Speaker, as the national economy asks provinces to work harder with less room for error, the Western Cape enters this period on firmer footing, but not with any sense of complacency. Our economy is broad, productive and resilient, giving us the space to support real, organic growth.

Our outlook shows that strength. The provincial economy is set to grow by 1.6 per cent in 2025. It is still below what our residents deserve, but it outpaces the national outlook and shows that this province is generating its own momentum.

Speaker, the clearest test of that momentum is jobs. In the fourth quarter of 2025, unemployment in the Western Cape was 18.1 per cent, well below the national rate. The province delivered 28.1 per cent of all new jobs in the country, putting the Premier's target of 10 per cent unemployment firmly within reach.

We remain realistic about risk. As an open, export-oriented economy, we are exposed to global trade fragmentation and rising protectionism. When external markets shift, our competitiveness feels it.

We are equally honest about the sectors under pressure. Electricity, logistics and water constraints continue to hold back manufacturing and construction, the sectors that absorb semi-skilled and lower-skilled workers and shape whether firms grow, whether goods move on time and whether families can participate in economic life.

This budget meets our provincial economy with both realism and resolve. We are speaking to a province with real momentum, strengths and confronted by real pressure points.

We therefore scale what is working, confront what is not, and protect the conditions that allow discipline and care to translate into long-term prosperity and growth.

3. FISCAL FRAMEWORK

Today the Western Cape Government tables a R285.8 billion budget for the 2026 MTEF period, R93.538 billion for 2026/27, R94.770 billion for 2027/28, and R97.506 billion for 2028/29.

Our budget consists of 95 per cent of national transfers, specifically through the Provincial Equitable Share and Conditional Grants, and the remaining 5 per cent is generated from Provincial Own Revenue, such as motor vehicle licence fees and gambling taxes.

3.1 PROVINCIAL EQUITABLE SHARE

Speaker, in terms of the vertical division of the distribution of nationally raised revenue, provinces will receive 42.3 per cent over the medium term.

In line with the Provincial Equitable Share (PES) formula, the Western Cape receives R217.583 billion in equitable share for the MTEF.

The equitable share portion for the Western Cape increases by 4.78 per cent 2025/26 to the 2026/27 financial year. This increase is made up of both data updates and additional allocations flowing through our equitable share.

Data Updates

Speaker, we welcome the updates to the PES formula. It now reflects the latest Mid-Year Population Estimates, School Enrolment data, Total Fertility Rate, Premature Mortality, Patient Load Data, Income and Expenditure Survey, and GDP-R statistics.

The 2025 Mid-Year Population Estimates confirms that the Western Cape remains the third-largest province in South Africa, and for the first time, the economic component includes the adoption of a new methodology by Statistics South Africa's measuring regional GDP.

The poverty component has been updated using the 2022/23 Income and Expenditure Survey (IE Survey), the first refresh since the 2010/11 IE Survey. The updates confirm a shift in poverty from more rural provinces to more urban provinces as populations shift in search of work.

These updates increase the Western Cape's share of the PES from 10.3 per cent over the 2025 MTEF to 10.4 per cent over the 2026 MTEF, resulting in an additional R1.204 billion over the 2026 MTEF for the Western Cape.

Adjustments to PES baseline Allocations

Speaker, the additional allocations of R2.798 billion will flow through the PES, which will be earmarked to the respective departments, consisting of,

- A reduction of R566.498 million due to the inflation adjustment, reflecting the lower inflation outlook;
- An additional allocation of R1.035 billion for Education for compensation of employees;

- An additional allocation of R2.225 billion for Health for compensation of employees, the employment of doctors, and shortfalls in goods and services;
- An additional allocation of R55.289 million for the progressive equalisation of the remuneration of Grade R teachers;
- An additional allocation of R19.357 million for Early Retirement and Voluntary Exit Programmes; and
- An additional R30.232 million for Teacher Assistants under the Presidential Employment Stimulus Programme.

PES Formula Review

The Western Cape's PES increases from 10.39 to 10.45 per cent of the total provincial portion nationally over the 2026 MTEF, averaging 10.42 per cent over the 2026 MTEF.

Speaker, beyond the data updates and additional allocations, we welcome National Treasury's decision to review the composition of the PES formula.

When we compare real PES per capita, cumulative population growth, real PES cumulative growth, and real PES growth from 2016/17 to 2028/29, the gap keeps widening. Real PES per capita is declining. Combined with the increasing cumulative population growth experienced in our province, it is culminating in the erosion of per-capital fiscal capacity.

As provinces, we need to seriously consider the incorporation of forecasted population growth and forecasted population growth within the Provincial Economic Share formula so that we can shift from reacting to historical data to preparing for the future, based on clear evidence.

Therefore, there is a need to explore the notion of a formula that can anticipate changes in demographics, becoming much more proactive in dealing with the needs of our residents.

3.2 CONDITIONAL GRANTS

Over the 2026 MTEF, the Western Cape will receive approximately R50.482 billion in conditional grant allocations,

Reflecting:

- Increase in R60.813 million for the Education Infrastructure Grant;
- Increase in R1.284 billion for the Early Childhood Development Grant;
- Increase in R279.631 million for Health Facility Revitalisation Grant;
- Increase in R713.503 million for the Provincial Roads Maintenance Grant;
- Reduction of R397.818 million for the Human Settlements Development Grant, which will shift to the Informal Settlements Upgrading Partnership Grant for Provinces;
- Increase in R349.896 million for the Human Settlements: Informal Settlements Upgrading Partnership Grant for Provinces;
- Reduction of R209.711 in the Ilima/Letsema Projects Grant, which will merge into the Comprehensive Agriculture Support Programme Grant to streamline and enhance support for emerging farmers;
- Increase of R192.422 million for the Comprehensive Agriculture Support Programme Grant; and
- Increase of R43.488 million for the EPWP Integrated Grant for Provinces.

Over the MTEF, our conditional grant allocations decreased marginally by 0.92 per cent from 2025/26 to the 2026/27 financial year.

Speaker, furthermore, our Budget Facility for Infrastructure (BFI) Funding for the 2026 MTEF, consisting of R883.163 million for Health, will flow through conditional grants.

- For the Metro East Hospital (previously Belhar Regional Hospital), we are receiving R106.658 million over the 2026/27 and 2027/28 financial years;

- For the Metro West Hospital (previously Klipfontein Regional Hospital), we are receiving R111.505 million over the 2026/27 and 2027/28 financial years; and
- For Tygerberg Health Technology, we are receiving R665 million over the 2027/28 and 2028/29 financial years.

3.3 PROVINCIAL OWN REVENUE

Departmental Specific Own Receipts

Across all votes, provincial departmental own receipts are projected to total R2.295 billion over the 2026 MTEF, representing a 0.51 per cent decrease from the 2025/26 financial year.

Speaker, our Departments of Health and Wellness and Infrastructure collectively account for 80.9 per cent of total own receipts and are projected to raise R596.74 million in 2026/27.

Provincial Tax Receipts

Speaker, turning to provincial tax receipts, collectively motor vehicle licence fees, gambling taxes and liquor licence fees raised R3.757 billion in the 2025/26 financial year, and are projected to generate R12.528 billion over the 2026 MTEF, constituting a 4.5 per cent increase from the 2025 MTEF period driven mainly by inflation.

Speaker, we will introduce today the 20th Gambling Amendment Bill, aimed at accounting for the difference between original casino bid fees and any new economic advantage casinos would gain by choosing to relocate; and over the MTEF we will review our provincial gambling legislation in full in order to keep up with the industry.

Financing and Reserves

Speaker, having outlined our funding sources and the total amount we will appropriate over the 2026 MTEF, you will see a deficit between expenditure and revenue. This deficit will be financed from accumulated reserves, mainly the Asset Finance Reserve and the Provincial Revenue Fund.

To address key spending priorities and pressures, the Western Cape Government is adding R5.955 billion in Provincial Financing to the MTEF.

Speaker, approximately eighteen months ago we warned this House about the rising frequency of disasters and the need for our province to budget for a rainy day. That day has arrived. We are now drawing down reserves as a deliberate decision to act swiftly in responding to disasters.

This also means that, when we table the Adjustment Budget later this year, our first task will be to begin replenishing those reserves so we can prepare for future shocks with the same foresight, discipline and care.

In total, we are making provisions for R2.842 billion in reserves over the 2026 MTEF, of which we have set aside R1.346 billion for our Unforeseen and Unavoidable Reserve, R707.503 million for our Stabilisation Reserve, and R269.180 million for our Acquisition of Property Reserve, to deal with the impacts of climate impacts, protect essential services in the face of national fiscal constraints, and support infrastructure as projects accelerate.

Speaker, a herd reflects the discipline of the farmer who tends it. Good farmers do not lose discipline in good seasons. They prepare for the seasons that will surely come.

In that spirit, I wish to announce that in line with long-term planning, the Western Cape Government has approved the establishment of the Alternative and Blended Financing (ABF) Reserve, aligned with our 2025 Policy Framework and funded in part through over-collection on Motor Vehicle Licence fees.

This R518.814 million ABF reserve will be dedicated exclusively to service borrowings for infrastructure and related projects, strengthen capacity to manage strategic development, reinforce fiscal resilience and help scale our infrastructure portfolio.

Just as a farmer balances the growth of the herd with the health of the pasture, government must balance growth with discipline and care.

Unforeseen and Unavoidable Events

Speaker, continuing our discipline and care as a government, the Western Cape acted swiftly during the 2026 budget process to respond to emergencies and disasters affecting our communities.

We are drawing down from our Unforeseen and Unavoidable Reserve, alongside existing departmental budgets over the 2026 MTEF, to support and scale our disaster response and strengthen resilience across our Province.

The 2026 Budget will thus respond with R949.8 million in provincial funding for unforeseen and unavoidable events.

This includes:

- R177.942 million for Water Resilience and Drought Response, including groundwater augmentation, bulk raw water supply and alien vegetation removal;
- R452.529 million for Energy Resilience, including solar installations for schools, clinics, emergency services, and farmworker homes;

- R139.7 million to combat foot-and-mouth disease, for vaccines and scaling our veterinary capacity to protect our dairy and meat industries;
- R67 million to address fire damage at Paarl Hospital;
- R65.530 million allocated for integrated fire management, firefighting and aerial support; and
- R47.139 million to combat gender-based violence.

4. POLICY PRIORITIES AND ALLOCATIONS

4.1 GROWTH FOR JOBS (G4J)

Speaker, genuine growth is not declared. It is cultivated. It takes root when barriers are pruned, foundations strengthened, and the conditions for enterprise and employment deliberately tended.

That is the work at the centre of this budget. That is why Growth and Jobs remains our apex priority.

We allocate **R36.651 billion** over the 2026 MTEF to drive our Growth for Jobs (G4J) priority, of which we are adding an additional **R1.496 billion** in provincial funding for the MTEF.

Driving Growth Opportunities through Investment

Speaker, private capital invests where confidence is strong.

In 2024/25, the Department of Economic Development and Tourism and Wesgro facilitated 14 investment projects worth about R14 billion, with more than 11 000 projected jobs. To maintain that momentum, Wesgro receives R396.877 million over the MTEF to promote investment, tourism, export growth and trade.

Speaker, we are strengthening our industrial hubs. Freeport Saldanha receives R31.8 million in 2026/27 as it expands as a green hydrogen, maritime and manufacturing centre. The Atlantis Special Economic Zone receives R129.432 million over the medium term as it grows its greentech manufacturing footprint.

Our 2025 Western Cape Investment Summit secured six major investment commitments valued at R50 billion which is expected to generate 45 000 job opportunities over the next two decades. Projects showcased at the Summit formed part of a R400 billion investment pipeline. We will thus provide an additional R6.196 million over the MTEF to DEDAT to support the continuation of this initiative.

Further, the Department of Economic Development and Tourism receives an additional allocation of R3.098 million over the MTEF for the implementation of its Growth Opportunity Coalitions, strengthening sector-specific growth opportunities that support business expansion and job creation in priority sectors such as food and beverage, clothing and textiles, and manufacturing.

Stimulating Market Growth through Exports and Domestic Markets

Speaker, in order to accelerate export growth and expand market access we will invest in scaling our support for the agriculture, tourism and logistics sectors.

Our Department of Agriculture will receive,

- An additional R16.5 million for Africa Market Activations;
- An additional R12 million for our Export Certification Online System; and
- An additional R15.490 million for mobile abattoirs to advance market access through agri-processing in the informal economy.

In addition, we will scale nearly all of our agriculture programmes, consisting of

- an additional R13 million for our agriculture producer support programme;
- An additional R15.531 million for our agricultural producer support and development programme;
- As mentioned earlier, an additional R39.661 million for our veterinary service programme and R100 million for vaccines to fight foot- and mouth disease;
- An additional R15.4 million for our research and technology development services programme; and
- An additional R18.5 million for our agricultural education and training programme.

Our Department of Economic Development and Tourism will receive,

- An additional R17.843 million for our Export Accelerator Programme;
- An additional R9.708 million for port and logistics performance support;
- An additional R3 million for Tourism Safety; and
- An additional R12.392 million for our Tourism Growth initiatives to strengthen destination quality and attract private investment.

And supporting a flourishing Events Economy, we will allocate the Department of Cultural Affairs an additional R31.326 million for hallmark and incubator events, and R15 million for World Cup Legacy Infrastructure Upgrades for the 2027 ICC Cricket World Cup to ensure tournament readiness.

Energy and Water Resilience

To do that, we must secure the basics. Reliable power and water security is critical.

Our Energy resilience programme receives R452.529 million over the MTEF, supporting capacity, alternative energy procurement mechanisms, energy sector opportunities, solar PV installations for schools, clinics, EMS services and farmworker homes, industrial decarbonisation; grid and transmission infrastructure

upgrade planning; project preparation facility, green hydrogen, and support for municipalities.

We will further allocate R177.942 million for water resilience and drought response over the MTEF, supporting BFI programme preparation for ecological infrastructure; nature-based solutions for water quality improvement, clearing invasive alien vegetation; municipal borehole support and potable water tanks for drought relief, augmenting water security, bulk raw water security and resilience, and fabricated balancing reservoir.

Technology and Innovation

Speaker, we will build a stronger technology ecosystem and boost innovation capacity.

The Department of Economic Development and Tourism receives an additional R9.294 million to establish a Drones/Unmanned Aerial Vehicles Regulatory Sandbox.

Mobility

Speaker, growth also depends on how efficiently we move goods and people.

The George Integrated Public Transport Network will receive R329.197 million, of which we allocate an additional R50 million in the 2026/27 financial year; and the Integrated Transport System receives R366.653 million for freight reform.

To lower the cost of seeking work, the Department of Mobility's Jobseeker Travel Voucher Programme receives an additional allocation of R5.08 million for the Cape Town and George areas.

And supporting both our G4J and Safety priorities, our Department of Mobility receives R80 million for two heavy-duty mobile diagnostic scanners to curb the movement of illegal firearms, drugs, animals and human trafficking.

Infrastructure

Speaker, infrastructure remains a major driver of growth. The Western Cape will spend R31.1 billion over 3 years on infrastructure.

Over the MTEF, we allocate

- R11.109 billion to road construction and maintenance;
- R5.557 billion for human settlements;
- R2.691 billion for public works;
- R5.199 billion for health infrastructure and non-infrastructure related interventions such as health technology;
- R6.437 billion for education infrastructure; and
- R136.730 million for ecological infrastructure.

Improved Access to Employability and Economic Opportunities

Speaker, while businesses create jobs, we need to ensure our residents are able to get those jobs. This is why we will strengthen and scale improved access to employability and economic opportunities.

We will allocation an additional R3.098 million over the MTEF to the Department of Economic Development and Tourism to support a new Employment and Enterprise Development Outcomes fund, that will leverage public, private and donor capital to finance youth employment and enterprise development initiatives with funding linked directly to verified job creation results.

DEDAT receives R122.294 million over the MTEF for Skills Development in the BPO and technology sectors, and R250.567 million for its Skill Development programme.

Our Department of Infrastructure will spend R255.232 million on its community-based programmes like the Masakh'iSizwe Bursary Programme, the Professional Development Programme, and its Contractor Development Programme.

The YearBeyond programme will continue creating pathways for more than 3 000 young people currently outside of employment, education, or training. R9 million is allocated to the YearBeyond 1 000 Stories Libraries Programme R9 million, while an additional R15.764 million is added to expand the YearBeyond initiative.

4.2 SAFETY

Speaker, supporting our Safety policy priority, we will allocate R8.595 billion for Safety in the 2026 MTEF.

Integrated Violence Prevention

We will invest R373.747 million over the MTEF in Care and Services to Families through the Department of Social Development. This strengthens parenting support, family therapy, reunification services and violence-prevention programmes.

We allocate R396.093 million for Substance Abuse Disorder prevention and treatment, focusing on prevention, early intervention for about 4 000 service users a year, and residential treatment.

The Department of Social Development receives R1.223 billion over the MTEF, supporting adults and children in conflict with the law, including the completion of diversion programmes.

We will scale the Planet Youth model, which applies a public-health approach to reducing trauma. In 2024/25 it gathered data from nearly 49 000 learners to guide

evidence-based interventions. We invest R106.443 million to expand this work through Area-Based Teams and the Cardiff Public Health Model.

Speaker, Gender-Based Violence and Femicide has been declared a national disaster. It demands a Whole-of-Society response. To support the Western Cape GBV Implementation Plan, we allocate R47.139 million over the MTEF to advance this work, reducing violence, restoring dignity to survivors and building safer, more resilient communities across our province.

Safe and Secure Communities and Infrastructure

Speaker, supporting a whole-of-society approach to building safe and secure communities, we will allocate R169.376 million over the MTEF to Neighbourhood Watches and Community Policing Safety Forums. We will allocate a further R20.961 million to the Street Coaches and Safety Observatory, and R18.588 million to our Community Resilience Programme.

Through the Western Cape Liquor Authority, we continue balancing economic opportunity with public health to reduce alcohol-related harm. In 2024/25, the Authority achieved full inspection coverage of licensed premises and recorded a 53 percent drop in fines, reflecting improved compliance.

Over the MTEF, R245.307 million will support the rollout of the Differentiated Pricing Model, amendments to the Liquor Act to strengthen public-health outcomes, an e-portal to improve regulatory access, and ongoing enforcement and public education to reduce alcohol-related harm while supporting responsible trading.

Effective and Responsive Law Enforcement

Speaker, we remain committed to reducing murders in our province. In the precincts where Law Enforcement Advancement Programme (LEAP) officers are deployed, we have seen a sustained decline. In 2024/25, we maintained a deployment of more than 1 000 LEAP officers in 6 high-violence precincts where

homicides declined by 1.5 per cent compared with a provincial reduction of 0.8 per cent.

We will maintain LEAP with R1.14 billion over the 2026 MTEF, which will include extending support to 25 municipalities.

We will allocate R6 million for our Anti-Gang hub and rollout a SAPS detective-capacity pilot, which aims to strengthen case detection, analysis and gang-related investigations.

In 2024/25, the Western Cape Police Ombudsman processed 366 complaints, and the Court Watching Brief programme continued monitoring murder and GBV cases. A total of R54.231 million is provided in the 2026 MTEF baseline to implement the Capability Maturity Matrix to assess station-level performance.

4.3 EDUCATED, HEALTHY AND CARING SOCIETY (EHaCS)

Speaker, over the 2026 MTEF, we allocate R208.643 billion to the Educated, Healthy and Caring Society priority, of which we are adding an additional R3.719 billion in provincial funding for the MTEF.

This means the protection of the frontline systems that shape a person's future long before they ever enter the labour market.

Education

In Education, our spending rises from R32.738 billion in 2025/26 to R35.108 billion in 2026/27, including an additional R1.034 billion.

We will strengthen our system by funding 701 new educator posts in 2026/27, amounting to R799 million; and

Invest R330 million in education infrastructure, with priority given to the replacement and refurbishment of schools built with inappropriate or hazardous materials.

The full education infrastructure budget, including the Rapid Build Programme will total R6.437 billion over the MTEF.

Cultural Affairs and Sport

Supporting the EHaCS priority, the DCAS receives an additional R93.921 million.

Ensuring that education does not end when the school bell rings, the Department of Cultural Affairs and Sport's MOD Programme supporting after-school sports, art and culture activities receives R234.504 million over the MTEF, scaled with R15.8 million for expansion.

Our Western Cape Library Services will receive R1.327 billion allocation over the MTEF.

We further will reprioritise R130 million towards the implementation of our School Sport Strategy.

Health and Wellness

Speaker, a caring society must be a healthy society. Supporting the EHaCS priority, the Department of Health and Wellness receives an additional R2.305 billion, of which R2.225 billion is allocated to stabilise the system, through compensation of employees and goods and services.

And our health infrastructure and non-infrastructure portfolio will amount to R5.199 billion over the MTEF, inclusive of our BFI funding.

Social Development

Speaker, Social Development remains under heavy strain, and this budget targets the areas under the most pressure. Over the 2026 MTEF, the department receives an additional R285.168 million.

To support vulnerable young people, R31.216 million is allocated towards designated child protection organisations, and R94.900 million to non-designated NPOs.

We are also allocating R15.5 million to fund additional CYCC bedspaces for children with disabilities and R9.5 million is allocated to support young adults leaving alternative care through independent living and transition services.

Additionally, R878.709 million is allocated to Child Care and Protection services, and R475.419 million to Child and Youth Care Centres. We are tightening oversight, improving reunification services, and expanding support for children with disabilities.

Speaker, ons ouer mensies verdien soortgelyke beskerming.

Residents like Natalie Kotze from Parow Valley have raised the need for more affordable old-age homes and care services, especially for seniors relying solely on a SASSA grant. This budget allocates an additional R36 million over the medium term to support older persons live more fulfilled and dignified lives. This includes independent and assisted living, frail care, community-based services, and a stronger wellness orientation within the health system.

Finally, in order to capacitate the social services sector, an additional R22.827 million is allocated to fund 32 additional social work posts, and additional R6 million for upgrades to the SWIMS system.

This is discipline and care in practice: protecting core services in a tight fiscal space and keeping people at the centre so that our province remains resilient, capable, and humane.

Nutrition

Speaker, the quiet work of planting, tending and harvesting has become a powerful instrument of dignity. We cannot grow an economy when our people are suffering from hunger.

Supporting nutrition and whole of province commitment towards food security, over the MTEF,

- The Department of Agriculture is allocated R64.410 million, supporting household and school food gardens;
- The Department of Social Development prioritises R12.256 million for the provision of nutritious meals, a further R56.736 million allocated to food distribution centres and community nutrition development programmes; and R81.413 million for food relief under social distress interventions;
- The Western Cape Education Department will spend R1.771 billion over the MTEF providing daily, nutritious meals to learners in schools, with an additional R219.014 million over the MTEF to address food inflation pressures through the National Schools Nutrition Programme; and
- The Department of Health and Wellness through its Khulisa Care programme, will support underweight pregnant women and mothers of low-birth-weight babies with nutritious food vouchers and community health care to prevent child stunting and give children a healthy start in life.

4.4 INNOVATION, CULTURE AND GOVERNANCE (ICG)

Speaker, we need to build an agile, innovative government that improves service delivery.

We will thus spend R31.924 billion on our Innovation, Culture and Governance priority, of which we are adding an **additional R280.864 million** to the MTEF.

Innovation

Speaker, Charnelle Samuels from Ceres asked for increased funding for Western Cape eCentres to expand access to digital services across communities.

Over the MTEF we will allocate R4.268 billion for Information and Communication Technology, including an additional R6 million for e-Kiosks for Digital Services and an additional R21.5 million for Mobile e-Centres.

We will accelerate digital transformation by strengthening broadband and ICT infrastructure at more than 2 000 Western Cape Government sites, and by expanding public Wi-Fi and digital hubs in vulnerable communities.

We will implement the WCG Artificial Intelligence Strategy and Governance Framework, strengthen cloud and data platforms, enhance cybersecurity, and build a shared digital ecosystem that improves service delivery and ensures better value from ICT spending.

We will institutionalise Alternative and Blended Finance as a key tool to expand fiscal space and unlock catalytic infrastructure.

As alluded to earlier, R518.814 million has been set aside in the ABF Reserve, to enable responsible borrowing for infrastructure, and finance parts of the R34.626 billion ABF portfolio across the province. This includes:

- R10.088 billion in provincial and municipal infrastructure for health, education, water and sanitation projects;
- an R490 million established portfolio in Public-Private Partnerships, supporting transport and environmental affairs; and
- R24.048 for catalytic ABF programmes and flagship initiatives.

Our Provincial Treasury will further continue our collaboration with the National Treasury and the World Bank to establish a Credit Guarantee Vehicle (CGV),

aiming to mobilise private capital by de-risking critical projects in the energy, transport and water sectors.

Further, our Department of Environmental Affairs and Development Planning will explore a Biodiversity Credit Scheme, aiming to unlock new streams of alternative and blended financing by monetising conservation outcomes and attracting private-sector investment into nature-based and climate-resilient infrastructure.

And the Provincial Treasury and the Department of Economic Development and Tourism will jointly undertake research to assess the impact of tourism from international visitors on our province, and possible associated revenue sources.

Speaker, to strengthen our evidence-led approach to violent crime, we will allocate R6.526 million over the MTEF to the Provincial Safety Coordination Centre. This will expand predictive analysis and support more proactive decision-making.

We are scaling telehealth for chronic care, rolling out tools such as the Single Patient Viewer, upgrading infrastructure, and strengthening data integration through the Patient Master Index.

To push this further, we will allocate R224.201 million over the MTEF for integrated electronic health records, expanded automation and telehealth, patient identification, and targeted investment in innovation and clinical technologies.

Sustained Good Governance

To support sustained good governance, we will expand our capacity-building initiatives with municipalities to strengthen financial oversight and professionalisation. The Department of Local Government receives R554.181 million to promote viable, sustainable and developmental local governance, improve integrated planning and deepen community participation.

We will advance cost-effective service-delivery models, support municipalities in reviewing public-participation and ward-committee policies, provide training for ward committees and strengthen community engagement through civic-education sessions.

Integration and Collaboration

Speaker, the Department of Local Government is allocated R29.929 million over the MTEF to strengthen intergovernmental planning and budgeting. It will institutionalise Integrated Development Planning as the central coordination framework and embed the Joint District and Metro Approach to improve forums, alignment and budgeting.

In 2026/27, 34 provincial grants from 10 departments, totalling R8.686 billion, will support municipal infrastructure and capacity-building. The assignment of the library function will also remove VAT from all future transfers.

The Department is further allocated R363.3 million to monitor and support municipal infrastructure development, including planning, finance, asset management, maintenance backlogs and capacity constraints.

Culture and People-Centred Delivery

Supporting Culture and People-Centred Delivery, we will deepen our Western Cape Culture Journey to strengthen leadership, embed values and enhance people-centred service delivery; and supporting workplace development and capacity building, our Provincial Training Institute will receive an additional R41.134 million over the MTEF to support phased reconfiguration, including a new curriculum framework, and supporting its infrastructure.

Futures Thinking and Evidence-Informed Decision-Making

We will strengthen future thinking and evidence-based decision-making by expanding integrated data systems, performance dashboards, evidence tools and responsible data and AI governance to guide planning and budgeting.

Together, the Department of the Premier and Provincial Treasury will improve the integration of financial and non-financial data through better monitoring, data warehousing and business-intelligence platforms. This will enable earlier risk detection and more responsive, transparent and efficient budgeting.

Ease of Doing Government

We will invest R112.236 million over the MTEF to strengthen supply-chain and asset-management practices. By upgrading our systems through the e-Procurement platform, the Supplier Evidence Bank and the Procurement Planning toolkit, we improve real-time visibility, automate low-value transactions and strengthen audit trails and value-for-money outcomes.

Human Resources and People Management

Speaker, in order to build human resources capacity and efficiency within the Western Cape Government's internal systems, the Corporate Service Centre housed in the Department of the Premier, will receive R5.670 billion over the 2026 MTEF. This will fund core security, network infrastructure and licensing requirements.

And as we bring new capacity into the system, we must also say goodbye to dedicated public servants who have chosen to exit through the Voluntary Exit Programme.

A total of 568 applications have been approved across departments, supported by R309.6 million in additional funding from National Treasury, and resulting in an estimated net saving of R367.7 million in 2026.

We honour the contribution these officials have made. Many have served for decades and helped shape the Western Cape Government into the best-run provincial administration in the country. Their departure will leave a real gap in institutional knowledge and technical expertise. We accept these exits with deep appreciation for their service.

5. CONCLUSION

Speaker, the viticulturist does not measure success by the size of the vine in spring. He measures it by the quality of the harvest that endures. He knows that unchecked growth is wasteful, that neglected roots invite decline, and that a healthy vineyard demands judgment, patience, restraint, and care.

That is the choice before any government with serious intentions. To spend without discipline is to weaken the vine. To cut without care is to wound the roots. We have chosen a better path. We have chosen to prune where waste has taken hold. We have chosen to protect what gives life. We have chosen to back the systems that allow this province to stand, to work, to heal, to learn, and to grow.

Johannes 15:2 verklaar: "Elke loot aan My wat nie vrugte dra nie, sny Hy af; maar elkeen wat vrugte dra, snoei Hy reg, sodat dit nog meer vrugte kan dra."

When this House considers the Budget tabled today, let it be clear what is being placed before it. This is a Budget that backs our economy without abandoning the vulnerable and protects dignity without surrendering discipline.

Ons sal nie moeg word nie.

Nie in die snoei nie.

Nie in die sorg nie.

Nie in die bou van 'n sterker, veiliger en meer waardige Wes-Kaap nie.

6. ACKNOWLEDGEMENTS

Speaker, this budget is a testament to the professionalism, dedication and excellence of every Western Cape Treasury Official. They are the very best this country has to offer.

I want to extend my sincere gratitude to our Head of Treasury, Julinda Gantana, along with our senior management team Isac Smith, Victor Senna, Analiese Pick, Taryn van de Rheede, Paul Pienaar, Michelle Nicholas, Ziyaad Majiet, Malcolm Booysen, Steven Kenyon, Isaac Tsie and Elizabeth Wenn, and every member of your respective teams. Your discipline means the people of the Western Cape never have to settle for the bare minimum. They can rely on a government that delivers services with excellence, dignity and real care.

I wish to thank the Premier, my Cabinet colleagues, the Director General of our Province, Dr Harry Malila, all our Head of Departments, and all our Western Cape Government officials for making sure every Rand spent on behalf of the people of our province is done in a disciplined and caring manner.

To my team in the Finance Ministry. Marshallé Frederiks and Lenku-Vince Oosthuizen; thank you for your technical support and strategic guidance; to Xanthia Lawson, Sandra Francisco, Gaynor Lucas, Igshaan Davids, and Edwina Herman, thank you for your ensuring the seamless administration and operations that makes our office tick. Your collective efforts are the backbone of our work.

To the national Minister of Finance, Minister Enoch Godongwana and the South African Revenue Service Commissioner, Mr Edward Kieswetter, thank you for showing up and supporting the people of the Western Cape today. You and your teams are our partners in finance and we look forward to our continued collaboration with your institutions.

Aan my vriende en familie, dankie vir jul opofferings, die verstaan wanneer ek aandetes mis en die naweke wat verlore gaan in werk. Dankie vir jul geduld en begrip sodat ek die mense van ons provinsie kan dien.

7. TABLING

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

- die Wes-Kaapse Begrotingswetsontwerp [Wet 1 - 2026] (Minister van Finansies);
- die 2026 Oorsig van Provinsiale Inkomste en Uitgawes;
- die 2026 Oorsig van Provinsiale en Munisipale Infrastruktuur beleggings;
- die 2026 Beramings van Provinsiale Inkomste en Uitgawes;
- die 2026 Provinsiale Staatskoerant: Munisipale Toekennings, en my
- 2026 Begrotingsrede.

Ek dank u.