
TUESDAY, 7 MARCH 2017

PROCEEDINGS OF THE WESTERN CAPE PROVINCIAL PARLIAMENT

The sign † indicates the original language and [] directly thereafter indicates a translation.

The House met at 14:15

The Speaker took the Chair and read the prayer.

BUSINESS OF THE HOUSE

The SPEAKER: Please be seated. Good afternoon hon members. Good afternoon to our guests in the gallery. I would like to welcome you today to this Budget Speech. I do wish to remind our guests in the gallery that we appreciate your presence. However, kindly note that you are not allowed to participate in the proceedings of the House.

If I could call the House to order. I will now ask the Secretary to read the Order of the Day.

1. Introduction and First Reading – Western Cape Appropriation Bill
[B1 – 2017]

The SPEAKER: Thank you. I now see the honourable, the Minister of Finance, Minister Meyer.

†AGB LEDE: Hoor-hoor! [Applous.]

[Hon MEMBERS: Hear-hear! [Applause.]]

The SPEAKER: Order, please. [Interjections.] Order, hon members.

The MINISTER OF FINANCE: Madam Speaker and Mr Deputy Speaker, hon Premier and Cabinet colleagues, hon Leader of the Official Opposition, hon Leaders of Official Opposition Parties; hon members of this Legislature, Executive Mayors and Deputy Mayors present here today and former Mayors, Speakers and Councillors present here today; senior officials of the Western Cape Government; leaders of the business community; members of the Cape Town Chamber of Commerce; citizens of the Western Cape; ladies and gentlemen and our guests. Madam Speaker, it is my honour to table the Western Cape Government's 2017 Budget.

The MINISTER OF SOCIAL DEVELOPMENT: Hear-hear!

The MINISTER OF FINANCE: Two weeks ago Helen Zille defined the Western Cape Government's vision... [Interjection.]

Mr Q R DYANTYI: The Premier. [Interjections.]

HON MEMBERS: Premier. [Interjections.]

The MINISTER OF FINANCE: ...and clear plans to deliver that vision. [Interjections.] Her State of the Province Address gave a detailed account of what was already achieved during the mid-term... [Interjections.]

The SPEAKER: Order!

The MINISTER OF FINANCE: It also puts a razor sharp focus on this Government's plans, projects and time frames for the future. Today, Madam Speaker, I am presenting the fiscal framework to fund these plans and projects as outlined in this Government's delivery agenda.

Today I am tabling a budget for the people; I am tabling a budget for growth and I am tabling a budget for prosperity.

HON MEMBERS: Hear-hear! [Applause.]

The MINISTER OF FINANCE: Madam Speaker, there is consensus in this Government and in this Cabinet that nothing is more important than growing the economy and creating jobs. This budget will support growth and jobs creation.

Ms P MAKELENI: For all, yes. For all.

The MINISTER OF FINANCE: Madam Speaker, nations prosper when they:

- Show respect for their Constitution and institutions that support constitutional democracy;
- They prosper when they show respect for individual freedom, individual choices, and accept individual responsibility for their own future;
- Nations prosper when you accelerate investment in infrastructure;
- They prosper when we boost support for small, medium and micro enterprises;
- They prosper when we create jobs and reduce unemployment;
- They prosper when we promote smart and inclusive growth and have access to basic services like water, energy, sanitation and refuse collection.

Premier Zille was right when she stated in her SOPA that:

“For any government, at any level, to create conditions for sustained progress towards prosperity for all requires three pre-conditions: the rule of law; a culture of accountability in which all members of society take their responsibilities seriously, and a capable state that undertakes its duties efficiently, honestly, and cost-effectively.”

Today I want to thank the citizens of this province who took up their responsibility and continue to take up their responsibility for active citizenship.

Madam Speaker, in all communities we find people who come together and take ownership of their communities. One such community is a group of people I recently met in Hessequa. The Mayor of Hessequa is in this House today and he introduced me to Oom Naas ... [Interjection.]

Mr C M DUGMORE: The DA is the minority party in Hessequa.

The MINISTER OF FINANCE: ... and his committee who have taken ownership, in partnership with the community, who brought significant changes in Jongensfontein.

Mr D JOSEPH: Who won the election?

The MINISTER OF FINANCE: Mr Palmer, where are you?

Mr Q R DYANTYI: He is not here.

An HON MEMBER: No. He is here.

The MINISTER OF FINANCE: Thank you, Mr Palmer, because you are giving content to the philosophy of active citizenship. [Applause.] Through partnership and active citizenship we are indeed “Better Together”.

The Western Cape 2017 – 2020 Medium Term Budget Policy Statement tabled in this House on 22 November outlined our fiscal budgetary framework which shaped the 2017 Budget, while taking into account the current constrained economic and fiscal environment and its associated risks.

The Western Cape Government’s Fiscal and Budget Policy Principles, which underpin the 2017 Budget, continue to promote allocative efficiency, fiscal consolidation; fiscal sustainability and fiscal discipline.

Madam Speaker, to maintain the sustained progress made by this Government in achieving the goals outlined in our Provincial Strategic Goals and our plan for 2014 to 2019, this Budget will continue to focus on creating public value and investing in initiatives that promote inclusive growth. I wish to reaffirm the Western Cape Government's unfaltering commitment toward the principles of good governance and sound financial management practices.

To demonstrate this I signed a Declaration on Good Financial Governance earlier this morning. The Declaration acknowledges that the effective and efficient management of public resources in an open, transparent and accountable manner is the foundation of democratic governance.

The declaration further serves as our commitment to, at all times, uphold the principles and values enshrined in the Constitution and other fiscal legislative policy frameworks.

By means of this declaration, we pledge to promote a culture of fiscal discipline and allocative efficiency within the Provincial Departments of the Western Cape Government and within the public entities that fall under the jurisdiction of this Government.

Madam Speaker, I now turn to the economic context and outlook underpinning the 2017 Budget. Global economic growth slowed to 3.1% in 2016 from 3.2% in 2015. This was due to slower growth in advanced economies while growth in the emerging economies remained unchanged.

The global economic growth prospects are expected to improve over the medium term. The expected performance in advanced and developing economies will result in growth in world output accelerating to 3.4% in 2017 and 3.6% in 2018. After a bleak performance in 2016, the South African economy accelerated to 1% in 2017 and 1.8% in 2018. The recovery is anticipated to be driven by higher consumer spending and in 2018 an improvement in fixed investment.

Our fiscal situation still faces a number of risks. Despite the tax increases announced in 2016 the National Treasury projects to collect R30 billion less than the expected revenue in this financial year.

The South African public sector wage bill is another risk and has now reached unsustainable levels and is currently crowding out other much needed expenditure programmes aimed at the poor. Debt service costs pose a very serious risk to South Africa's fiscal situation.

The debt service costs will rise from R142 billion in 2016 to R162 billion and it will rise over the Medium Term Expenditure Framework to over R200 billion.

We are still in the middle of a serious drought which is impacting on both the rural and urban parts of this province. As a result of the drought, we are now also facing an increasing food security risk.

The economic growth of the Western Cape is expected to accelerate to 1.3% in 2017 and by 2% in 2018, mainly driven by faster than expected growth in the finance,

insurance, real estate and business services sector.

Labour market performance: Madam Speaker, in the Western Cape there are almost 2.4 million people employed in the fourth quarter of 2016. The Western Cape's broad unemployment rate stood at 20.5% in the fourth quarter of 2016.

Life expectancy continues to increase in the Western Cape, currently standing at 64.2 years for men and 69 years for women.

The matric pass rate increased from 75.7% in 2009 to 86.0% in 2016. However, challenges such as crime still remain one of the great impediments to an improved socio-economic environment - an issue affecting all provinces in South Africa.

Madam Speaker, there is a lost generation. South Africa has nearly nine million people who are unemployed. This Budget brings hope to the lost generation. There are nearly six million people, mainly black young South Africans, who cannot find work. The lost generation is the half a million mainly black children who disappear from our education system in South Africa each year. The lost generation is the three million South Africans under the age of 25 who are not in education, employment or training.

This budget will provide hope to the lost generation in that it focuses on growing the economy and creating jobs, improving the retention rate within the education system and providing much needed training opportunities, targeted mainly at the youth.

Mr Q R DYANTYI: What are the numbers?

The MINISTER OF FINANCE: Madam Speaker, this budget is a budget about people. It is a budget for growth. [Interjections.]

Mr Q R DYANTYI: What is the number of unemployed youth?

The SPEAKER: Order please!

The MINISTER OF FINANCE: It is a budget for prosperity. Madam Speaker, let me now turn to the spending priorities of this budget.

Mr Q R DYANTYI: Please come back to the province.

The MINISTER OF FINANCE: Let us now turn to the 2017 Provincial Budget. The total expenditure amounting to R59.3 billion in 2017/18 to R62.1 billion in 2018/19 and R65.3 billion in the last quarter of this MTEF.

Creating opportunities for growth and jobs, investment, promotion and support to key economic sectors: the focus of the Agri-processing sector over the 2017 MTEF will include maintaining and expanding the Western Cape's share of the Halal market through Halal export promotion and industrial parks. Furthermore, exports of wine and brandy to Angola and China are being explored through market access initiatives.

Over the 2017 MTEF, the Tourism sector will focus on securing direct access routes from key visitor markets; positioning the Western Cape as the cycling capital of Africa and the development of the Madiba Legacy tourism route to maximise a culture and heritage tourism.

The Oil and Gas sector will focus on the Saldanha Bay Industrial Development Zone and the West Coast Industrial Development Plan. Over the 2017 MTEF, R125 million is allocated toward the operationalisation of the Saldanha Bay Industrial Development Zone.

Madam Speaker, another key factor of this budget is the ease of doing business. This Government continues to support interventions seeking to reduce red tape facing businesses in this province. [Interjections.]

Mr Q R DYANTYI: Tell us about that.

The MINISTER OF FINANCE: Over the 2017 MTEF, R30 million has been made available towards red tape reduction initiatives. The Western Cape Government has recently adopted the Regulatory Impact Assessment Methodology to, amongst others, minimise the impact of regulations on economic growth and job creation.

Minister Winde, the Minister of Economic Opportunities, will elaborate on this during his Budget Speech.

Mr Q R DYANTYI: We will watch that space.

The MINISTER OF FINANCE: Madam Speaker, we now turn to infrastructure for growth. This budget is about growth. I am glad to announce that over the 2017 Medium Term Expenditure Framework an amount of R28 billion will be made available in the investment portfolio of this Government. We will invest in key sectors in education, in health, social development, tourism, human settlements and in public works.

Mr Q R DYANTYI: Thank you National! †Dankie. [Tussenwerpsels.] [Thank you. [Interjections.]]

The MINISTER OF FINANCE: Madam Speaker... [Interjections.]

The SPEAKER: Order please.

Ms M N GILLION: It is not your fiscal money.

The MINISTER OF FINANCE: Madam Speaker, the Municipal Infrastructure Skills Development Grant will develop capacity ... [Interjections.]

The SPEAKER: Order, Minister Meyer, could you take your seat please, Sir. Hon members if I can call you to order please. Firstly let us get ourselves composed. There is finger-pointing and there is an exchange of words whilst we have a speaker on the floor. Heckling and interjection are allowed but I am not going to allow the sitting to degenerate so I am asking for your cooperation and I am cautioning both sides of the House please. I need you to cooperate. We have a speaker on the floor.

You may proceed hon Minister.

The MINISTER OF FINANCE: Thank you, Madam Speaker. The Municipal Infrastructure Skills Development Grant will develop capacity within municipalities by creating a pool of young professionals with technical skills related to municipal services such as such as water, electricity and town planning.

This grant also places interns within the municipalities. Madam Speaker, I wish to announce that proposals are currently being investigated to introduce an Infrastructure Incentive Grant for municipalities. I am quite excited about that. As part of our commitment... [Interjections.]

Mr Q R DYANTYI: You said that last year. [Inaudible.]

The MINISTER OF FINANCE: This grant is still a work in progress. It is part of our commitment to incentivise behaviour. We would like to encourage Mayors and councillors to increase their infrastructure capacity in order to benefit from such incentives once it is ready for implementation.

Madam Speaker, let us now turn to Education: R4.8 billion rand will be spent on education infrastructure over the 2017 Medium Term Expenditure Framework. The following key infrastructure projects will be delivered over and above the 2017 Medium Term Expenditure Framework:

- 16 new schools will be built consisting of 637 classrooms;

- 220 additional classrooms;
- 15 replacement schools will be completed beyond the current Medium Term Expenditure Framework

Let me now turn to Health. Health infrastructure has been allocated R2.5 billion over the Medium Term Expenditure Framework. Capital projects planned over the 2017 Medium Term Expenditure Framework in health include, amongst others:

- Upgrades and additions to Emergency Centres at Helderberg and Victoria Hospitals;
- Groote Schuur and Tygerberg Hospitals prioritised maintenance and upgrade;
- New Acute Psychiatric Unit at Khayelitsha, Eerste River, and New Somerset Hospitals;
- Observatory Forensic Pathology Laboratory, replacement of Salt River Mortuary;
- Avian Park, Napier, Prince Alfred Hamlet, and Wolseley Clinics; and
- Hanover Park and Ravensmead Day Care Centres.

Let us now turn to Transport. Over the Medium Term Expenditure Framework an amount of R9.8 billion is allocated for road infrastructure and R1.8 billion to Transport and Public Works. The Department plans to deliver the following key projects for the 2017/18 financial year:

- The reseal of the Melkbos Road which is expected to be closed-out during September 2017;

- 36 large projects including Simonsvlei, Paarl - Franschhoek, Oudtshoorn, De Rust, Kalbaskraal rehabilitation, amongst others, which are in the planning stages of infrastructure delivery;
- There will also be 16 mega projects currently under construction including the Worcester Nekkies Road, Piketberg-Velddrif and Robertson- Bonnievale; and
- the anticipated handover of 11 projects during the 2017/18 financial year.

The Western Cape Minister of Transport and Public Works - I am glad he is listening - Minister Donald Grant will outline further plans regarding strategic infrastructure projects. [Laughter.]

Human Settlements: R7.2 billion will now also in this budget be allocated over the period for human settlements. Departmental catalytic priority projects over the 2017 Medium Term Expenditure Framework include the following:

- Southern Corridor: 51 540 opportunities;
- Transhex: 8 000 opportunities;
- Vlakkeland: 2 500 opportunities;
- Belhar: 3 000 opportunities;
- George: 15 000 opportunities;
- Investment in bulk infrastructure in the non-metro municipalities to the value of R64 million will assist in accelerating housing delivery and will augment the Municipal Infrastructure Grant of the municipalities.

The Western Cape Minister of Human Settlements will expand on these projects

during his Budget speech in this House.

Mr C M DUGMORE: But will you have time with all the DA nonsense that is [Inaudible.]? [Laughter.]

Ms P MAKELENI: Order.

The MINISTER OF FINANCE: Madam Speaker, the Department of Agriculture receives an allocation of R2.5 billion over the 2017 Medium Term Expenditure Framework. [Interjections.]

The SPEAKER: Order, please hon members.

The MINISTER OF FINANCE: Key priorities... [Interjections.]

The SPEAKER: Hon Minister, if you could just - there is too much conversing. If there are questions kindly pose them through the Chair, to the speaker, rather than directly across the floor and I hear an echo for order. I suspect the Deputy Speaker is not in the House. You may proceed, hon Minister. Thank you.

The MINISTER OF FINANCE: Madam Speaker, let us now turn to Agriculture. The Department of Agriculture receives an allocation of R2.5 billion over the Medium Term Expenditure Framework. Key priorities for the Department includes:

- Veterinary services;

- Farmer support;
- Agricultural economic services;
- Rural development.

The Green Economy: over the 2017 Medium Term Expenditure Framework, R73.8 million has been allocated for Green Economy initiatives across the Western Cape.

We also welcome the R1 billion investment into Atlantis. This was facilitated by the National Government, the Western Cape Government and the colleagues in the City of Cape Town. This investment will bring economic growth and jobs to Atlantis. The transversal Green Economy Programme focuses on the Smart Grids Project, exploring opportunities for Liquefied Natural Gas and preparation work around the designation of the Atlantis Special Economic Zone.

I know that my colleague, the Minister of Economic Opportunities, has already submitted an application to declare Atlantis as a SEZ. Furthermore, the assessment of the feasibility of further solar PV installations in Western Cape Government buildings as well as the implementation of electricity and water saving measures will be prioritised.

Madam Speaker, let us now turn to Energy Security. The Game-Changer aims to ensure energy security that supports economic growth by incorporating diverse and low carbon sources of energy and improving energy efficiency. The key focus areas for the 2017 MTEF include facilitating and enabling independent generation of solar

panel installations and doubling the current installed capacity over the next year.

This Budget is about the people and giving hope to the lost generation and therefore, Madam Speaker, skills development; I am glad to announce that the Province will allocate R193.3 million over the MTEF for skills development and innovative initiatives. [Interjections.]

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Mooi, mooi!
[Applause.]

[The MINISTER OF SOCIAL DEVELOPMENT: Well done, well done! [Applause.]]

The MINISTER OF FINANCE: Key focus areas over the medium term include skills programmes, vocational and technical skills initiatives, with a particular focus on bridging the skills gap in the tourism, ICT, and Agri-processing sectors.

Through the Apprenticeship Game-Changer the Province aims to develop appropriately qualified, technical and vocational skilled people to meet the needs of prioritised economic sectors in this province. Over the MTEF the focus will be placed on introducing 32 500 technically skilled persons into the labour market by 2019. Our continued investment in the economy is an investment in people. It is an investment in growth and prosperity.

An allocation for Education, improvement of the education outcomes and opportunities for youth development. [Interjections.]

Mr C M DUGMORE: More money for [Inaudible.] [Interjection.]

The MINISTER OF FINANCE: Madam Speaker, an allocation of R65.7 billion to the Department of Education will be directed to improving education outcomes over the next three years. Key focus areas include:

- The level of language and mathematics in all schools;
- increasing the number and quality of passes in the National Senior Certificate;
- and increasing the quality of education and provision, particularly in poorer communities.

The e-Learning Game-Changer aims to use technology to enhance teaching and learning for all Western Cape learners, predominantly also in Mathematics and Languages, toward revolutionising teaching and learning in our schools.

Mr Q R DYANTYI: Madam Speaker ... [Interjections.]

The SPEAKER: Order, please.

The MINISTER OF FINANCE: Madam Speaker, Minister Schäfer will expand on some of these initiatives in her Budget address. Over the next three years the focus will be on ensuring that all teachers and learners will be exposed to a level of technology that is linked to the wide area network that is being rolled out to all Western Cape schools. [Interjection.]

Early Childhood Development: the Department of Social Development and the Department of Education will continue to focus on improving access to quality early childhood development. The Western Cape Minister of Social Development will make further announcements in this regard during his Budget speech later this month.

The MINISTER OF SOCIAL DEVELOPMENT: Hear-hear!

Mr Q R DYANTYI: Madam Speaker, ja.

The SPEAKER: Order, please hon member Mr Dyantyi.

The MINISTER OF FINANCE: Hon members of this House, in support of this, an additional ... [Interjections.] The Western Cape Minister of Social Development, as I indicated will make further announcements, but in support of this an additional R83.9 million has been allocated over the 2017 Medium Term Expenditure Framework.

Madam Speaker, let us now turn to the social and economic opportunities for the youth. Youth development in the Western Cape places specific emphasis on equipping the youth to transition into responsible, independent, and productive adults. The MOD programme receives an allocation of R152 million over the 2017 Medium Term Expenditure Framework.

The After School Game-Changer aims to provide quality after school programmes to

20% of learners in no-fee and low-fee schools in the Western Cape. Our continued investment in improving education outcomes and opportunities for youth development is an investment in people, which also is an investment in growth and in prosperity. As previously stated it is an investment in the lost generation.

The Western Cape Minister of Cultural Affairs and Sport, Anroux Marais, will make additional announcements regarding arts, culture and sport during her Budget speech.

Increased wellness, safety and tackling social ills: one of the key tenets of inclusive growth is promoting the wellbeing of our citizens, so that they may access opportunities that enable both social development and economic growth; inclusive and healthy communities, families and children:

I am glad to announce that the Department of Health is allocated a budget of R68.5 billion over the 2017 Medium Term Expenditure Framework for the provision of public health services that improve health outcomes and contribute to creating public value and overall well-being of the population. The Department is implementing a number of inter-sectoral interventions that target unhealthy lifestyles, which contribute to the burden of disease.

The Western Cape Minister of Health, Dr Nomafrench Mbombo, will make further announcements in this regard during her Budget speech. Part of it will be:

- the First 1000 Days initiative;

- the Western Cape on Wellness;
- the Integrated Service Delivery Model in Drakenstein, Saldanha, Gunya and in Khayelitsha.

Furthermore, the Community-oriented Primary Care is one of the initiatives aimed at intensifying and scaling up the whole of society and whole of government behavioural initiatives toward improving wellness in the Western Cape.

I now turn to social development services for the poor and the most vulnerable and persons with disabilities. Hon members of this House, the Department of Social Development will receive R512.6 million over the 2017 Medium Term Expenditure Framework to empower and improve the wellbeing of persons with disabilities.

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Mooi!

[The MINISTER OF SOCIAL DEVELOPMENT: Well done!]

The MINISTER OF FINANCE: Madam Speaker, I want to thank the Premier and Minister Fritz for driving the issue of disabilities because over the next three years we will spend half a billion rand on persons with disabilities. I think this is a major significant contribution. [Applause.] Included in this amount is an additional allocation of R12.7 million ... [Interjections.]

The SPEAKER: Order, please. Hon Minister, if you could take your seat please. Hon members, conversing allowed in terms of Rule 31, can I please caution you. You are allowed to interject and heckle but we cannot have a buzz happening which impacts

on my ability to focus on what is being presented. You may proceed, hon Minister.

The MINISTER OF FINANCE: Thank you, Madam Speaker. Included in this half a billion rand over the Medium Term Expenditure Framework for persons with disabilities is an amount of R12.7 million to expand access to appropriate residential care as these individuals require infrastructure, stimulation and nutrition specific to their needs. The majority of the additional bed-space unlocked will be within the rural areas in the Western Cape.

Hon members, further the Western Cape Education Department receives R77.8 million over the Medium Term Expenditure Framework towards resources and equipment to care centres and schools for the provision of education to children with severe to profound intellectual disabilities. The Minister of Education will make further announcements in her Budget speech later this month.

Mr C M DUGMORE: How much for school safety?

The MINISTER OF FINANCE: Included in the Department's Budget is an amount of R39 million over the Medium Term Expenditure Framework to address the need for social workers. This is a special, newly introduced, conditional grant and the Minister of Social Development, Minister Fritz, will announce the details of this support in his Budget address later this month.

Arts and Culture: the Department of Cultural Affairs and Sport is allocated R328 million over the 2017 MTEF towards identifying and enhancing talent within the arts

in partnership with the various institutions.

A nation prospers when that nation reads, and therefore I am pleased to announce that R1 billion has been allocated over the 2017 Medium Term Expenditure Framework in support of 370 libraries across the province.

Inclusive and safe communities, families and children: R923.8 million is allocated towards increasing the safety of our citizens over the three year period.

Hon members of this House, the Department of Community Safety has developed a service delivery model called the Community Safety Improvement Partnership as its blueprint for increasing safety in this province. Key elements of the service delivery model include the promotion of professional policing through effective oversight and ensuring that public buildings and public spaces are safe.

The Department facilitates the identification of police needs and priorities with Community Police Forums and institutionalised the Court Watching Briefs to monitor police conduct within the court environment.

Let us now turn to Provincial Traffic Services. The Department of Transport and Public Works will continue to render a 24/7 traffic service. R2.3 billion has been allocated over the 2017 MTEF for traffic regulations to ensure that traffic services are rendered and the registration and licensing of motor vehicles are monitored. This is to ensure that our biggest own revenue source is protected.

Furthermore, systems and procedures for improving the evidence required to secure convictions will be elaborated on by my colleague, Minister Grant, during his Budget speech.

Mr Deputy Speaker, our continued investment in creating a safe and healthy environment is an investment in our people, which is an investment in growth and an investment in prosperity.

Let me now turn to the resilient, sustainable and inclusive living environment. The Department of Human Settlements is allocated a Budget of R7 billion over the next three years towards the creation of sustainable, integrated and resilient human settlements. The three priority areas include directing more resources to the upgrading of informal settlements and provision of basic services to backyard dwellers who continue to wait for houses; and increased affordable GAP housing and to prioritise the most deserving people.

Let us now focus on spatial and development planning. The Provincial Spatial Development Framework continues to guide the Western Cape's spatial agenda toward balancing the space-economy. The Regional Socio-Economic Project, the Violence Prevention through Urban Upgrading project will be rolled out to three additional towns. That is Saldanha, Darling and Touws River.

The Violence Prevention through Urban Upgrading programme will continue in the City of Cape Town covering the areas of Manenberg, Hanover Park, Gugulethu, Nyanga and Khayelitsha. This programme directly addresses the needs of

communities in the province as it delivers service delivery projects which are visible in poorer communities. An allocation of R101.4 million has been made available towards the RSEP and the VPUU initiative over the 2017 MTEF.

I also want to acknowledge the substantial contribution of €5 million Euros from the German Development Bank, KFW, which they have made already in the previous financial year, but this is the further roll-out of this particular programme in this province.

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Hoor-hoor!

[The MINISTER OF SOCIAL DEVELOPMENT: Hear-hear!]

The MINISTER OF FINANCE: Mr Deputy Speaker, we have a crisis when it comes to the current drought. Water has been identified as a top priority and an enabler for sustainable growth and development. Water security has, however, also been identified as a key risk in this Government.

For this reason, various initiatives related to water security will be conducted by a number of departments, notably the Departments of Environmental Affairs and Development Planning, Agriculture and Local Government. Just over R84 million has been allocated to these departments for the development and implementation of an integrated sustainable water-security strategy.

Mr Deputy Speaker, fires and disasters. [Interjections.]

Mr Q R DYANTYI: [Inaudible.] for consultants.

The MINISTER OF FINANCE: The Department of Local Government received R42.5 million over the 2017 MTEF. Furthermore, CapeNature has been allocated R30 million over the 2017 MTEF towards disaster prevention measures, which include the management of wildfires, floods and other risks. Our continued investment in the building of a resilient, sustainable and inclusive environment is an investment in growth and prosperity.

Embed good governance and integrated service delivery through partnerships and spatial development: National and Provincial Treasuries have agreed to strengthen management in municipalities. These will be strengthened with the introduction of the Municipal Standard Chart of Accounts from 1 July also known as mSCOA. I have already during the adjustment Budget last year made substantive amounts available to support municipalities with the implementation of the mSCOA.

Secondly, Supply Chain Management reform to reduce costs and to combat corruption; enhanced revenue management; and improving asset management and maintenance of infrastructure.

I am particularly happy that from now onwards we will closely monitor that municipalities do spend 8% of their operational budget on capital and maintenance infrastructure assessments.

†Mnr die Adjunkspeaker en lede van hierdie Huis, ons is dit almal eens dat plaaslike

regering ook onder finansiële druk verkeer. Tydens die Kabinet en die munisipaliteit se ontmoeting het die Burgemeesters ons eerstehands ingelig van hul operasionele uitdagings en gepaardgaande fiskale tekorte. Om gehoor hieraan te gee het Premier Zille opdrag gegee dat ons in die Kabinet, deur middel van die geïntegreerde beplanningsbestuur en begrotingsmetodiek, die versoek moet evalueer en oorweeg.

[Translation of Afrikaans paragraph follows.]

[Mr Deputy Speaker and members of this House, we all agree that local government is also under pressure. During the meeting of the Cabinet and the Municipality the mayors informed us first hand on their operational challenges and associated fiscal shortages. To address this, Premier Zille gave instructions that we in the Cabinet, through the integrated planning management and budgetary methodology, must evaluate and consider the requests.]

†The provincial allocations to municipalities are important fiscal instruments to support spatial governance and service delivery for the people. The provincial allocations to municipalities - and I see many Mayors and Deputy Mayors and Speakers and councillors here in the gallery and in the audience - are also aimed at supporting regional economic growth.

In line with our value of responsive governance, the Premier requested the Cabinet Ministers to approach governance from the perspective of the end-user, in this case the citizen.

Mr Deputy Speaker and hon members, Executive Mayors, Speakers and councillors, I am pleased to also table today this Government's commitment to municipalities in support of the delivery of services to the end-user, the citizen. The allocation per region in terms of our geographical footprint of where this Budget of R59.3 billion will land, are as follows:

- In the Cape Metropolitan: R40 billion
- Eden region: R4.9 billion
- In the West Coast: R3.1 billion

I see the Mayor of the West Coast district up there.

- Cape Winelands: R7 billion
- Overberg: R1.9 billion
- Central Karoo R678 million.

The Department of Local Government is allocated R784.3 million over the 2017 MTEF to support municipalities. I also wish to announce that the updated data from the 2016 Community Survey will be used over the MTEF to determine the local government equitable share. That will bring some relief to municipalities because the latest census data of the Community Survey will be the guiding factor in determining the Local Government Equitable Share allocation. This is a welcome new development for local government financial support ... [Interjections.]

Mr Q R DYANTYI: [Inaudible.] change your speech.

The MINISTER OF FINANCE: ... supported by strong political leadership. The Provincial Treasury and the Department of the Premier will continue to fulfil the key role of ensuring the achievement of our integrated service delivery agenda in departments.

This Budget that I am tabling today will provide resources for investment and essential public service. It will provide ordinary citizens and families with an improved quality of public services. It will give certainty to the people of the Western Cape for a better future. It will also keep the province on a growth trajectory.

Mr Deputy Speaker, the Broadband Game-Changer: the allocations for the roll-out of the broadband for this province equates to R1.7 billion over the next three years as part of our smart growth and digital strategy. Broadband services will be delivered to 1 900 sites which consists of schools, hospitals, emergency medical services and clinics, rural libraries, Cape Access centres and Government corporate offices. The purpose of the broadband roll-out throughout this province is to bridge the digital divide between urban and rural communities.

Financing this Budget: the Budget commitments announced earlier will be financed as follows in 2017/18 financial year:

- R44.5 billion from the Provincial Equitable Share;
- R11.6 billion from Conditional Grants;
- R2.7 billion from own revenue, mainly from motor-vehicle license fees,

gambling taxes and hospital fees.

- R1.5 billion from financing. [Interjections.]

The province will continue to focus on Domestic Resource Mobilisation initiatives to further strengthen our fiscal approach. I will soon table specific proposals in this regard in the Western Cape Cabinet. [Interjections.]

Mr C M DUGMORE: When is soon? Give us a date.

The MINISTER OF FINANCE: I will do that in April. [Interjections.] Mr Deputy Speaker, afford me this opportunity to thank all the Ministers and the respective departments for participating in and assisting us during the 2017 planning and budgeting process. There were extensive MTEC engagements over a long period of time where we robustly interrogated the departmental budget proposals and associated plans and the service delivery risk and the alignment to the Provincial Strategic Plan.

I would also like to take this opportunity to give a special word of gratitude to the Department of the Premier, my Cabinet colleagues, the Budget Policy Committee, Environmental Affairs and Development Planning, the Department of Local Government who together with the Economic Development Partnership, the EDP, assisted the Provincial Treasury during the budget process in our adjudication and final assessments of this Budget. I want also to say thank you to the staff who assisted me in putting together the technical detail in this Budget. We are “Better Together”.

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Hoor-hoor!

[The MINISTER OF SOCIAL DEVELOPMENT: Hear-hear!]

The MINISTER OF FINANCE: Mr Deputy Speaker, a special word of thanks to the Head Official of the Provincial Treasury, our Director-General and the HODs in the Western Cape Government and also his talented team and capable staff in the Budget Office who are right now watching this broadcast in the boardroom on the third floor. To you, who are listening there, on the third floor, a big thank you on behalf of this Western Cape Government. [Applause.]

†Mnr Q R DYANTYI: Dis 'n goeie department ten spyte van u. [Tussenwerpsels.]

[Mr Q R DYANTYI: It is a good department in spite of yourself. [Interjections.]]

The DEPUTY SPEAKER: Order! Order!

The MINISTER OF FINANCE: Mr Deputy Speaker, to put together a budget of R59.3 billion for 6.2 million citizens over a geographical footprint of 129 000 square kilometres is not an easy task ...

Ms M N GILLION: Don't complain now.

The MINISTER OF FINANCE: ... over 15 functional areas, over many entities, requires a deep understanding of the fiscal risk and my staff has done an outstanding job in this regard. [Applause.]

Mr Deputy Speaker, I want to thank the Premier for her leadership and deep questioning.

Mr C M DUGMORE: Don't say thank you to [Inaudible.][Laughter.][Interjections.]

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE: I will thank the Premier. [Interjections.]

The DEPUTY SPEAKER: Order!

Mr K E MAGAXA: For appointing you!

The MINISTER OF FINANCE: No, no. I want to thank the Premier for deepening the questions this time around in the Budget Policy Committee. She asked deep questions. We set two hours aside for the Budget Policy Committee. She kept us busy for four hours. I want to thank her for her leadership. [Interjections.] Finally I also ... [Interjections.]

The DEPUTY SPEAKER: Order! Please come to order.

The MINISTER OF FINANCE: Mr Deputy Speaker, I want to thank my wife, Faiza, and my sons, Ivan and William, who are sitting next to Dr Dion George in the box, together with Professor Saheed Bayat. I want to thank all of them for their support. Thank you for doing the work when I cannot do it and thank you also for your

insights at times, sometimes I do not agree but sometimes I listen. It is my responsibility to be a responsive father even at home. Thank you for that.
[Applause.]

The MINISTER OF FINANCE: I would also like to thank our friends and colleagues from the Bavarian State Ministry of Finance who are also with us today in the gallery. [Applause.]

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Mooi!

[The MINISTER OF SOCIAL DEVELOPMENT: Well done!]

Ms S W DAVIDS: Your funders.

Mr Q R DYANTYI: Your funders, ja.

The MINISTER OF FINANCE: These are our friends in Bavaria. [Interjections.]

The DEPUTY SPEAKER: Order! Order, honourable. [Interjections.] Order! Hon member Davids, order. Please come to order. [Interjections.]

The MINISTER OF FINANCE: Mr Deputy Speaker... [Interjections.]

The DEPUTY SPEAKER: Order! Order, hon Minister, just one second. Members, there will be ample opportunity to interrogate the Budget in the Second Reading and in the individual votes. Please allow the Minister to conclude now.

The MINISTER OF FINANCE: Mr Deputy Speaker, I want to thank our friends from the Free State of Bavaria and the colleagues in the Ministry of Finance. [Applause.] As we say in German: †Wir schaffen das [we will achieve that], †sie schaffen das [they will achieve that].

†Mr Deputy Speaker, it now gives me great pleasure to table the 2017 Overview of the Provincial Revenue and Expenditure, Estimates of Provincial Revenue and Expenditure, the 2017 Western Cape Appropriation Bill, the Western Cape Gazette of Allocations to Municipalities and this speech for discussion and consideration in this House. I thank you. [Interjections.]

†Die MINISTER VAN MAATSKAPLIKE ONTWIKKELING: Mooi! [Applause.]

[The MINISTER OF SOCIAL DEVELOPMENT: Well done! [Applause.]]

The DEPUTY SPEAKER: Order! The Secretary will read the Bill the first time.

SECRETARY: *Western Cape Appropriation Bill.*

The DEPUTY SPEAKER: In accordance with Rule 187.1 the introductory speech, the Bill and papers laid upon the table will be referred to the relevant committees for consideration and report.

May I just remind members that the pack of documents will be available outside the door and the reason why it is not dished out is because we have been asked to stay behind for a photograph of the House, to be taken straight

away, so hon members are requested to remain in their seats for a photo of the House. I also would like to remind members that the Budget Committee meeting will commence immediately thereafter.

That concludes the business for the day. The House is adjourned.

The House adjourned at 15:03.