
THURSDAY, 22 NOVEMBER 2018

The House met at 14:15.

The Speaker took the Chair and read the prayer.

The SPEAKER: Good afternoon, hon members. Good afternoon to our guests in the gallery. Thank you for being here today; do feel welcome. However, I must draw your attention to the rules of the gallery that you are not allowed to participate in the proceedings and that all cell phones should be on silent. Thank you.

I will ask the Secretary to read the first Order of the Day.

ORDER OF THE DAY

1. Introduction and First Reading – *Western Cape Adjustments Appropriation Bill* [B6 – 2018].

The SPEAKER: I recognise the hon, the Minister of Finance, Minister Meyer.
[Interjections.]

HON MEMBERS: Hear-hear! [Applause.]

Mr Q R DYANTYI: You do not have to shout ... [Inaudible.]

The SPEAKER: Order please!

Mr Q R DYANTYI: What have you been doing before?

The MINISTER OF FINANCE: Hon Madam Speaker, Mr Deputy Speaker...
[Interjection.]

The SPEAKER: Hon member Dyantyi! Sorry Minister, kindly take your seat please. Hon member Dyantyi, you are allowed to interject but running interjections, ongoing, will constitute a running commentary that might see you being asked to leave the Chamber, if it persists. Kindly manage yourself. You may proceed, Minister Meyer.

†UNksz P Z LEKKER: Kuqalwa nje?

[Ms P Z LEKKER: Right in the beginning?]

The MINISTER OF FINANCE: Madam Speaker, Mr Deputy Speaker, hon Premier and my Cabinet colleagues here today, hon Leader of the Official Opposition, hon Leaders of Opposition parties, hon members of this Legislature, senior officials of the Western Cape Government, citizens of the Western Cape, our special guests in the gallery, ladies and gentlemen.

[The Deputy Speaker takes the Chair.]

The MINISTER OF FINANCE: Mr Deputy Speaker, I rise today to table the Western Cape Government's 2018 Medium Term Budget Policy Statement (MTBPS) and the 2018 Western Cape Adjusted Estimates of Provincial Expenditure in this House.

The Western Cape 2018 MTBPS, Mr Deputy Speaker, reconfirms the Western Cape Government's commitment to service delivery and citizen impact. Over the last ten years this Government has invested a lot in institutionalising good governance practices. These are important governance frameworks that allow the Western Cape to serve the citizens for maximum impact.

Just yesterday, Mr Deputy Speaker, the Auditor General of South Africa, Kimi Makwetu, announced in the National Parliament that the Western Cape Government has received the best audit outcomes for the 2017/18 financial year.

The PREMIER: Hear-hear! [Applause.]

The MINISTER OF FINANCE: These achievements are possible because this Government, under the leadership of Premier Helen Zille, adopted a zero tolerance for corruption. [Interjection.]

†Mnr Q R DYANTYI: O, asseblief!

[Mr Q R DYANTYI: Oh, please!]

The MINISTER OF FINANCE: I want to thank my Cabinet colleagues, the Director-General, the accounting officers, all the CFOs and all the staff who contributed to our achievements in good financial governance. Governance matters, as it benefits citizens directly through financial allocations and the creation of public value. [Interjection.]

Mr Deputy Speaker, let me now turn to the economic context in South Africa. The sad reality is that the South African economy has been mismanaged. Claire Bisseker of the *Financial Mail* sums it up when she says:

“After ten years of economic mismanagement and policy bungling during which South Africa staggered under the dead weight of state capture, the economy just is not competitive enough...”

Mr Q R DYANTYI: Ten years and you did nothing!

The MINISTER OF FINANCE: In short, Mr Deputy Speaker, the chickens have finally come home to roost! Two thirds of municipalities in South Africa are either dysfunctional or distressed. Corruption is deeply rooted in Local Government and South Africa is paying the price now. [Interjections.]

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE: Mr Deputy Speaker, the result of this saw the national economy contracting in both the first and the second quarter of 2018

and the South African economy entering into a technical recession.

An HON MEMBER: Under Cyril.

The MINISTER OF FINANCE: Mr Deputy Speaker, tough economic conditions always result in a sense of uncertainty - uncertainty for households, uncertainty for businesses and uncertainty for individuals. With all the scientific evidence and economic intelligence before us today, the people are rightfully asking:

- Will my business survive?
- Will I lose my job?
- Is there a future for my children?
- Will my family cope?

An HON MEMBER: That is the City of Cape Town.

The MINISTER OF FINANCE: These are real and tough questions and each question affects people - real people of South Africa. In response to the news that South Africa has entered into a technical recession and the slow performance of the economy, the State President Cyril Ramaphosa, announced on 21 September 2018 a stimulus package. South Africa's economy is indeed in deep trouble; it may be a question of too little too late.

According to the Fitch Ratings the stimulus package to revive South Africa's

economy is unlikely to deliver a significant boost to economic growth. As such, the stimulus package and the recovery plan announced did not change Fitch's GDP growth forecast for South Africa.

The ratings agency stated that several of the measures relate to existing proposals, and others will take time to finalise and to have an impact.

Professor Jannie Rossouw, our economist from the Wits Business School, put it this way - he has warned us continuously about the risk of the South African economy and the fiscal status; these include a fiscal cliff as a result of the growth in the civil service wage bill, sharp increases in the interest payment on Government debt and a large payment in the form of social grants.

An additional risk is that South Africa has turned now to China to borrow funds, to fund the stimulus package. Such borrowing comes with conditions and borrowed capital must be repaid. The secrecy around the loan conditions from China is a serious fiscal risk and the President must come clear in the National Assembly about these conditions.

Lastly, the National Government should not be permitted also to use the Government Employees Pension Fund to fund this stimulus package.
[Interjections.]

The MINISTER OF SOCIAL DEVELOPMENT: Hear-hear!

The MINISTER OF FINANCE: Mr Deputy Speaker, the stimulus package does not seem to appreciate that not only are cities the centres of growth, but also the future centres of opportunity.

In this regard, Mr Deputy Speaker, we have seen that Cape Town has been named the African City of Opportunity in a recent research report published by PricewaterhouseCoopers. [Interjections.]

Mr Q R DYANTYI: You must be joking! [Inaudible.] [Interjection.]

The MINISTER OF FINANCE: The City scored the highest in the following areas [Interjections.]

The PREMIER: Those are the important things! [Inaudible.]

The MINISTER OF FINANCE: Ease of doing business, transportation and infrastructure, sustainability and the natural environment. [Interjection.]

Ms S W DAVIDS: It is not just where you are governing!

The MINISTER OF FINANCE: Mr Deputy Speaker, this Government reaffirms its commitment to the three pillars of development:

- Building a capable state;
- Leadership at all levels - both in public and private sectors;

- And very importantly, this Government reconfirms its commitment towards active citizenship. [Interjections.]

Mr Deputy Speaker, in this regard I am particularly happy also to welcome in terms of active citizenship the guests of hon member Mackenzie, home-based carers, community health workers, nurses and community leaders from Woodlands in Mitchells Plain, welcome to this House. [Interjection.]

An HON MEMBER: Where exactly are they? [Applause.]

The MINISTER OF FINANCE: Mr Deputy Speaker, at the macro level this Government's policy proposals for structural reform includes:

- To stop state capture and corruption as it robs the poor. The Commission into State Capture reveals on an ongoing basis, to a shell-shocked audience, the extent of looting of the fiscus mainly through the State-owned Enterprises, but also through the blunt illegal procurement methodologies of the ruling party.
- State-owned Enterprises pose a serious risk to the fiscus and should be privatised.
- Visa regulations need to be relaxed to stimulate tourism and investment. While I am pleased to note the recent announcements in this regard, much more need to be done.
- We need to revisit our labour laws to make it easier for business to comply with our regulatory framework. The current labour law

framework stifles small and medium enterprises from becoming, like elsewhere in the world, the frontier of job creation and growth and development. [Interjections.]

Mr Q R DYANTYI: You do not say the best [Inaudible.]

The MINISTER OF FINANCE: Mr Deputy Speaker, there are exciting plans here in the Western Cape. [Interjections.]

The DEPUTY SPEAKER: Order! Order!

Mr Q R DYANTYI: Just announce them, they are here!

An HON MEMBER: This is much more important!

The DEPUTY SPEAKER: Order members!

Mr R D MACKENZIE: They were here the whole day!

The DEPUTY SPEAKER: Minister, you may continue.

The MINISTER OF FINANCE: Mr Deputy Speaker, exciting plans are in the pipeline. [Interjections.]

The DEPUTY SPEAKER: Order! Order, please come to order! Order!

The MINISTER OF FINANCE: Mr Deputy Speaker, reducing the Government wage bill and inefficiencies will go a long way in restoring confidence in public finance in South Africa. Fiscal discipline is one of the pillars of the Western Cape Government's fiscal strategy. The Western Cape Government has the lowest CoE percentage on the budget in South Africa. This allows us to spend public funds on people and service delivery.

Mr Q R DYANTYI: You do not do that. Speak to somebody else!

An HON MEMBER: That is why people are sleeping on the floor at Khayelitsha Hospital.

Mr Q R DYANTYI: Exactly.

An HON MEMBER: The slush funds!

†Die MINISTER VAN FINANSIES: Ek stem saam met die President van die Reserwebank dat vir ons ekonomie om te groei oor die medium termyn moet ons nasionale skuld stabiliseer; en hy is reg as hy sê ons kan nie voortgaan om teen die huidige tempo geld te leen nie. Ons moet eenvoudig die strukturele tekorte omkeer en die staatsdiens se loonuitgawes is die plek om mee te begin.

Mnr die Adjunkspeaker, almal, van huishoudings tot munisipaliteite, provinsiale regerings en die Nasionale Regering, ook ons vennote in die

sosiale sektor, moet begin om te spaar. Dit beteken ons moet die strop intrek en bestedingsvlakke in toom hou. [Tussenwerpsels.]

[Translation of Afrikaans paragraphs follow.]

[The MINISTER OF FINANCE: I agree with the President of the Reserve Bank that for our economy to grow over the medium term we have to stabilise national debt, and he is correct when he says that we cannot continue borrowing money at the current tempo. We simply have to turn around the structural shortcomings and the civil service's salary expenditure is the place to start with.]

Mr Deputy Speaker, all of us, from households to municipalities, provincial governments and the national government, also our partners in the social sector, should start saving. It means that we have to tighten our belts and keep spending levels in check. [Interjections.]

†Mnr Q R DYANTYI: Hulle het niks om te spaar nie, niks om te spaar nie.

[Mr Q R DYANTYI: They have nothing to save, nothing to save.]

†Die MINISTER VAN FINANSIES: Derdens moet ons die verswakking in ons regerings- en bestuursmodaliteite omkeer. Dit sal begin om beleggingsvertroue in Suid-Afrika te herstel. [Tussenwerpsel.]

[Translation of Afrikaans paragraph follows.]

[The MINISTER OF FINANCE: Thirdly we have to turn around the decline in our governing and management modalities. It will start to rebuild investment trust in South Africa. [Interjection.]]

†Mnr Q R DYANTYI: Hulle het niks!

[Mr Q R DYANTYI: They have nothing!]

†Die MINISTER VAN FINANSIES: Mnr die Adjunkspeaker, soos wat die Internasionale Monitêre Fonds ook na 'n onlangse besoek aan Suid-Afrika uitgelig het moet ons:

- Indringend kyk na die sakemodelle van Staatsondernemings. Besnoeiings en bateverkope is van die opsies om mee te begin, maar volhoubaarheid moet sentraal wees in die nuwe sakeplanne. Daar kan nie voortgegaan word om kontant-inspuitings en staatswaarborgte te gebruik as reddingsboeie vir swak presterende entiteite nie.
- Die arbeidsmark moet hersien word; loonverhogings moet hand aan hand gaan met groter produktiwiteit. Verhogings moet bekostigbaar wees en gesentraliseerde ooreenkomste behoort nie kleiner ondernemings se mededingendheid te bemoeilik nie.
- Bevorder mededinging oor 'n breë front, van mynbou tot die telekommunikasiesektor en die finansiële tegnologie in die banksektor.
- Verminder beleidsonsekerheid byvoorbeeld oor grondhervorming deur te fokus op beter produktiwiteit in die landbousektor.
- Verbeter ons belastingadministrasie van die Suid-Afrikaanse

Inkomstediens en oorweeg ook die implementering van bestedingsplafonne.

Hoewel van hierdie beleidsmaatreëls onder die Nasionale fiskus val, is die Wes-Kaapse Regering en ons Tesourie ernstige vennote om die fiskale raamwerk reg te trek in die Begrotingsraad wat kwartaalliks onder die Nasionale Tesourie vergader.

[Translation of Afrikaans paragraphs follow.]

[The MINISTER OF FINANCE: Mr Deputy Speaker, as the International Monetary Fund has also highlighted after a recent visit to South Africa, we have to:

- Look incisively at the business models of State Enterprises. Cuts and asset sales are some of the options to start with, but sustainability should be central to all the new business plans. They cannot continue using cash injections and state guarantees as lifebuoys for poorly performing entities.
- Revise the labour market; salary increases should go hand in hand with greater productivity. Increases should be affordable and centralised agreements should not complicate smaller enterprises' competitiveness.
- Promote competition along a broad front, from mining to the telecommunications sector and the financial technology in the banking sector.

- Reduce policy uncertainty for example on land reform by focusing on better productivity in the agricultural sector.
- Improve our tax administration of the South African Revenue Service and also consider the implementing of ceilings of expenditure.

Although some of these policy measures fall under the National fiscus, the Western Cape Government and our Treasury are serious partners to correct the fiscal framework in the Budget Board that meets quarterly under the National Treasury.]

†But, Mr Deputy Speaker, we need to restore public confidence and trust. South Africa must restore business and investor confidence. The Western Cape Government will partner with the business sector and explore further ways to increase business confidence.

I am happy to report that the Western Cape Cabinet, led by Premier Zille and the former Minister for Economic Opportunities, Minister Alan Winde, have recently met with the business sector. It was a positive engagement and the feedback suggests that we are moving in the right direction.

Speaking about the right direction, Mr Deputy Speaker, I am pleased that Cape Town has been ranked as the top financial centre in sub-Saharan Africa in the latest Global Finance Index by ZY Partners and the China Development Institute. [Interjections.] [Applause.]

An HON MEMBER: Is that why you went to Europe [Inaudible.]

The MINISTER OF FINANCE: As a new entrant to the ranking, Cape Town has overtaken Johannesburg and Mauritius and places Cape Town as the highest ranked city in South Africa and sub-Saharan Africa. Cape Town is the new financial capital of South Africa.

An HON MEMBER: Hear-hear! [Applause.]

The MINISTER OF FINANCE: This is a major development and we want to thank all the role players in the financial sector. [Interjections.]

This major achievement follows the opening of the JSE office in Cape Town. We are pleased that the business and financial sectors have expressed their confidence in Cape Town and the Western Cape in this particular way.

Another major development was the decision by the Japanese company, Panasonic, to move its headquarters from Johannesburg to Cape Town. [Interjection.]

Following the Premier's earlier very successful visits last year to Japan, I recently led a trade delegation to Indonesia and Japan and will soon be in a position to make some exciting announcements in this regard. [Interjections.]

Mr Q R DYANTYI: What does that mean for your adjustment? It is like a lost

[Inaudible.]

The MINISTER OF FINANCE: Mr Deputy Speaker, despite the tough economic times we are seeing the net effect of competent government in the Western Cape for the past ten years. A capable state and a clean government do matter to investors and do impact positively on business and investor confidence.

Building investor confidence and business confidence is part of the Government's structural reform agenda. My Cabinet colleague, Minister Alan Winde, led the charge and we are bearing the fruits in the Western Cape.

Mr Deputy Speaker, let me now turn to the major risks in the Western Cape. The slow economic growth in South Africa will most likely result in an under-collection of projected tax revenues resulting in an increase in the national budget deficit and increased borrowing, which will drive up the costs of servicing the national debt.

As a result, the effects of a further constrained national fiscal envelope are expected to also negatively impact on the provincial share of nationally allocated revenue; in the Provincial Equitable Share and Conditional Grants.

The good rainfall received in the 2018 winter months has brought much needed relief. However, the drought had a much higher impact than initially anticipated with an estimated R5,9 billion gross value added loss to the

Western Cape economy. In addition, water targets set for the agricultural sector will impact the creation of employment opportunities in this sector and could possibly result in job losses. Crime has a detrimental effect on the businesses and tourism in South Africa.

Mr Q R DYANTYI: Are you sure? [Interjections.]

An HON MEMBER: That is what Pravin said. Pravin did say that.

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE: Mr Deputy Speaker, crime experts have also warned that crime is affecting tourism profits with South Africa's tourism growth at 2,4% compared to the global growth rate of 7% in 2016.

Frontline service delivery staff are exposed to a number of security and safety risks. Within the health sector, this mainly manifests in the provision of emergency medical services in certain hotspots such as Hout Bay, Dunoon, Manenberg and from the psychiatric patients at public health facilities.

Social Development - my colleague Minister Fritz also experienced some of these service delivery pressures and the implications of the safety for his core service delivery challenges. Social Development staff are also subjected to violence within communities, often as a result of wanting to remove abused or neglected elderly, children or disabled persons.

The full impact also of the recent Constitutional Court ruling on the private use of cannabis is unknown at this stage and therefore the risk of an increased demand for substance abuse treatment remains. Provincial Treasury, in consultation with relevant departments, will initiate research in this regard.

The population growth of the Western Cape will hold significant budget, service delivery and spatial development planning implications. In 2018, the Western Cape has now become the third most populated province in the country with an estimated 6,5 million citizens.

†Mnr Q R DYANTYI: Dit is waar.

[Mr Q R DYANTYI: That is true.]

The MINISTER OF FINANCE: The increased population, high unemployment and growing complexity of the burden of disease have placed severe pressure on our public health, public education and social services.

Municipalities are widely regarded as being at the frontline service delivery and therefore central to building a prosperous and inclusive society. This need requires municipalities to be administratively stable and financially viable to give effect to the service delivery agenda at Local Government level. As indicated by the Auditor-General of South Africa in the National Assembly, most municipalities in the province have consistently performed well due the application of good financial governance principles.

†Mnr Q R DYANTYI: Wag 'n bietjie met daai! Daai kom weer en weer. Dit is 'n boek *exercise*. [Onhoorbaar.]

[Mr Q R DYANTYI: Wait a minute with that! That is coming again and again. It is a book exercise. [Inaudible.]]

The MINISTER OF FINANCE: However, a number of municipalities in South Africa are on the brink of collapse due to amongst others systemic financial mismanagement, lack of suitably qualified staff, rising cost pressures and declining revenue. [Interjections.]

Mr R D MACKENZIE: It is all ANC municipalities. [Interjections.]

The MINISTER OF FINANCE: Mr Deputy Speaker, let me now turn to the 2018 Western Cape Medium Term Budget Policy Statement and our response to the risks. The Provincial Strategic Plan sets out this Government's vision of an open opportunity society. The Medium Term Budget Policy Statement is a consolidation of the policy, programmes and projects as set out in the Provincial Strategic Plan.

Over the last nine years the citizen impact has been positive as reflected in the various reports of the Presidency through the Management of the Performance and Assessment Tool (MPAT), the Auditor-General's Report, Statistics SA (Stats SA) and the Western Cape Outcomes Indicator Report 2018.

Provincial Strategic Goal Number 1 focuses on priority initiatives to support and enable growing the economy and creating employment opportunities. Government recognises that without growth in the private sector, reducing unemployment will be difficult. In response, the Province seeks to enable key strategic sectors and enhance skills development that provides an enabling environment for job creation and economic growth. The creation of opportunities for growth and jobs is the joint responsibility of the Western Cape Departments of Economic Development and Tourism, Agriculture, Transport and Public Works, Environmental Affairs, Human Settlements and the Department of Development Planning.

Over the 2019 MTEF, R31,5 billion will be collectively dedicated to creating opportunities for growth and jobs. My colleagues, Ministers Donald Grant, Beverley Schäfer and Anton Bredell will provide greater detail during their respective budgets in 2019.

Provincial Strategic Goal Number 2, Mr Deputy Speaker, is focused on improving the quality of education, which is directly linked to economic development and social cohesion. It is therefore critical that the Western Cape Government continuously improves the education outcomes. The aim is not only to improve the skills and capabilities of youth but also to end poverty and tackle social ills such as crime and substance abuse.
[Interjection.]

Mr Q R DYANTYI: You have said that for the last past three years now. You

have six months left.

The MINISTER OF FINANCE: The pursuit for improved learner outcomes and creation of opportunities for the youth is the joint responsibility of the Departments of Education, Social Development, Community Safety and Cultural Affairs and Sport.

An HON MEMBER: Uh-huh, and you will be reminded.

The MINISTER OF FINANCE: The Western Cape Education Department is the lead department. However, the other departments play a critical role in facilitating programmes and interventions that support the improvement of learner outcomes and creating opportunities for the youth.

The Western Cape Government has put a number of interventions and additional resources in place to improve the quality of teaching and learning experience delivered to schools in poorer communities. The biggest intervention in this regard is ensuring that schools in poorer communities are given adequate resources to ensure that education infrastructure and learner teacher support materials are in line with the regulations relating to minimum norms and standards prescribed for public schools. In addition to this, almost 60% of the schools in the Western Cape provide no-fee education to 608 649 learners. The Western Cape Government also allows fee-paying schools to apply for compensation for fee exemption in cases where parents cannot afford the full school fees. In 2017, R49,4 million was paid to support fee

exemption for 80 895 learners in 554 schools.

The five-year Collaboration Schools Pilot was launched in 2016 as yet another model to close the education gap between poorer and more affluent communities. The model works by leveraging funds and expertise from the private sector to give intensive support to teachers and principals in no-fee pilot schools by way of individual training, provision of additional resources and constant monitoring and evaluation. The pilot is being implemented across both primary and secondary schools and includes older and more recently established schools. A mid-term review of the pilot project illustrated significant improvements... [Interjection.]

The PREMIER: Hear-hear!

The MINISTER OF FINANCE: ...particularly in the systemic assessments of almost all of the pilot schools in 2017.

The PREMIER: Hear-hear!

Ms P MAKELENI: Private schools... (intervention)

Mr Q R DYANTYI: We are watching you.

Ms P MAKELENI: There are no concerns with those.

The MINISTER OF FINANCE: Over the 2019 MTEF an amount of R86,5 billion will be allocated to improve learner outcomes and to create opportunities for the youth.

Mr Deputy Speaker, I also want to congratulate my colleague the Minister of Education for successfully negotiating the Western Cape Education Amendment Bill through the Legislature. [Interjections.] [Applause.]

This will be one of the biggest reforms and transformations in education in South Africa. [Interjections.]

The PREMIER: Accountability... [Interjection.]

Ms P MAKELENI: You still want shebeens in schools.

The DEPUTY SPEAKER: Order! Order!

Ms P MAKELENI: And you think you know what we want.

The MINISTER OF FINANCE: Mr Deputy Speaker, the biggest transformation is when people get good quality education and when people have access to jobs and this Government is determined to realise that transformation agenda of the Government.

Mr Deputy Speaker, the Western Cape has developed a strategic approach to

drive economic growth. It entails the following:

- Providing economic leadership through collaboration;
- Growing, attracting and retaining skills;
- Invest in quality infrastructure;
- Opening new and exciting markets;
- Rebranding the region to increase investment;
- Ease of doing business by cutting red tape;
- Demonstrating leadership in critical sectors of the economy.

Mr Deputy Speaker, an exciting development happened this week when the newly elected Mayor of Cape Town, Executive Mayor Dan Plato, signed a loan agreement of R1,3 billion with the KFW, a German Development Bank. [Interjection.]

An HON MEMBER: Five months before the election. [Interjections.]

The DEPUTY SPEAKER: Order! [Interjections.] Order! I want the Minister to continue.

The MINISTER OF FINANCE: Mr Deputy Speaker, an exciting development happened this week when the newly elected Mayor of Cape Town, Mayor Dan Plato, signed a loan agreement of R1,3 billion with the KFW, the German Development Bank during the recent visit of Mr Steinmeyer, the President of Germany. The loan will finance the upgrading of waste water treatment plants

in Cape Town.

Mr Q R DYANTYI: He has got such a good Department.

The MINISTER OF FINANCE: Mr Deputy Speaker, one of the reasons why this is an exciting development, is because this is a foreign loan but it will be repaid back in South African currency. That is what makes this such an attractive loan. [Interjections.]

Another exciting development is the establishment of a Special Economic Development Infrastructure Company, also known as SEDIC. The core function of SEDIC is to develop critical and large-scale infrastructure for economic development. It will drive economic returns in line with the broader economic strategy.

The Western Cape is committed to grow and invest aggressively in the green economy. Cape Town has already attracted \$1,2 billion USD investments in renewable energy projects. The Western Cape is leading in the green economy and 70% of South Africa's renewable energy manufacturing takes place in the Western Cape.

Since 2009 more than 600 000 more jobs have been created in the Western Cape. 75% of all jobs created in 2017 in South Africa were created in the Western Cape. [Interjections.]

The PREMIER: Hear-hear!

The MINISTER OF FINANCE: Jobs bring about the greatest transformation in the lives of citizens. Getting citizens into jobs is our number one priority in this Government.

Mr Deputy Speaker, we have seen that the Western Cape has also attracted 299 direct investments to the value of \$7,6 billion USD Foreign Direct Investment between January 2008 and December 2017 creating 20 000 employment opportunities in this province. Clean, open and transparent government creates an ecosystem for business investor confidence.

My colleagues, Minister Debbie Schäfer, Minister Madikizela, Minister Fritz, Minister Winde and Minister Marais will also provide more detail in their respective budget speeches in March 2019.

Provincial Strategic Goal Number 3 is focused on healthy, inclusive, safe and socially connected communities. The Western Cape Government is focused on client-centred intervention that improves physical health, safety and provides protection for the most vulnerable and build resilience for social challenges.

The Western Cape Government's approach to increase wellness, safety and tackle social ills is achieved through the following strategic objectives:

- Build inclusive, safe and healthy communities;
- Nurture resilient and healthy families;
- Ensure safe and healthy children between zero and 14-years of age;
- Promote engaged and healthy youth between 15 and 25 years of age.

Mr Deputy Speaker, increasing wellness, safety and tackling social ills is the joint responsibility of all of us, but particularly of the Departments of Cultural Affairs and Sport, Transport and Public Works, Health, Social Development and Community Safety.

What this MTBPS is allocating for this very important strategic objective over the MTEF, R114,2 billion will be collectively dedicated to increase wellness, safety and tackle social ills in this province.

Provincial Strategic Goal Number 4 focuses on improving resilience, sustainability, quality and inclusivity of urban and rural settlements in the province. The Western Cape Government therefore envisages an environment that promotes economic development, social equity, resilient infrastructure, improved access to services, and inclusive recreational facilities while ensuring sustainability of the environment.

This approach takes into account the protection of natural resources as well as the adjustments that are required in order to adapt to changing long term, trends.

The Western Cape Government's approach to enable a resilient quality, sustainable and inclusive living environment is achieved through the following strategic objectives:

- Firstly, to facilitate improvements in Western Cape settlement development and functionality, and I have seen some great catalytic projects which the Minister of Human Settlements will announce. He will get R7,7 billion over the next three years to give effect to that strategic objective.
- Improve management and maintenance of the ecological and agricultural resource-base; and
- To improve climate change response.

Improving resilience, sustainability, quality and inclusivity of urban and rural settlements is also the joint responsibility of my colleague, the Minister of Environmental Affairs and Development Planning, Agriculture, Human Settlements as well as Transport and Public Works.

Over the 2019 MTEF, Mr Deputy Speaker, R37,7 billion will be collectively dedicated to improve resilience, sustainability, quality and inclusive urban and rural settlements.

Provincial Strategic Goal Number 5, which focuses embedding good governance, Mr Deputy Speaker, will be to ensure an effective and efficient system of governance.

A guiding principle is that good governance is a fundamental ingredient for business confidence. The Western Cape Government therefore continues to invest in the development and maintenance of an environment and systems that support good governance, connectivity, evidence-based integrated planning and coordinated delivery for maximum citizen impact.

Mr Deputy Speaker, I have earlier referred to some catalytic projects in relation to Strategic Goal Number 1, growing the economy. Over the 2019 MTEF the Western Cape Government will place a particular focus on the development of the provincial economy and the creation of economic opportunities through further development and expansion of key catalytic infrastructure. Infrastructure investment is critical for the effective functioning of the economy and investment in key economic infrastructure will enable also economic growth that underpins increased economic benefits for the Western Cape.

The Saldanha IDZ: the development of the Saldanha IDZ will continue as a key driver of the Project Khulisa's Oil and Gas and the Marine and Engineering Sector. The first elements of a customised infrastructure of the Oil and Gas and Marine Engineering Hub are in place in Saldanha Bay. The IDZ is playing a catalytic role to unlock the industrialisation potential of the West Coast, and Saldanha in particular. The port of Saldanha Bay is largely a Greenfield; opening up the area for potential further development.

The region has the capabilities to service a range of vessels and equipment in offshore and maritime sectors, with a strong value chain supporting the water-based activities. Offshore and maritime sectors hold much more potential for transformative and sustainable impacts on the local economy through leveraging extensive value chains in that region.

However, a limitation in Saldanha Bay exists, namely the skills and services that are necessary for these sectors which are not readily available in the local region but in this particular regard through the Premier's Skills Development Forum in partnership with the local municipalities, the FET Colleges, we have been able to identify the skills that are needed in that particular area and we are currently busy together with the various role-players to source those particulars skills.

Another major development, Mr Deputy Speaker, is the Atlantis Special Economic Zone (SEZ). The Atlantis Special Economic Zone has been designated for the manufacturing of green technologies and related services to the Zone. The Atlantis SEZ has a green technology focus and received its designation in 2018.

The Atlantis SEZ will initially focus on the Special Economic Development Infrastructure Company. The focus over the 2019 MTEF will be finalising the institutional arrangements for the establishment particularly of the Special Economic Development Infrastructure Company itself and there are major significant investments and currently the Bill is before Parliament.

Also over the medium term, the SEDIC identified the following objectives:

- To developing and managing the Atlantis SEZ;
- Facilitating and conceptualising future catalytic infrastructure projects, for example the Cape Health Technology Park and Aerotropolis expansion of the Cape Town International Industry Economic Hub led by the Airports Company of South Africa;
- Also creating an infrastructure-based investment climate, but also supporting sustainable communities and also engage with the various stakeholders;
- But also keeping abreast of market and investor needs and creating an effective and accountable organisation.

Mr Deputy Speaker, let me now turn to the 2018 Adjustment Estimates of Provincial Revenue and Expenditure. The main aim of the 2018 Adjusted Estimates is to allow for in-year and immediate service delivery challenges to be addressed, whilst still achieving the original 2018 Budget outcomes as tabled in this House.

The following fiscal and budget policy principles guide us in the compilation of the Adjusted Estimates:

- Allocative efficiency;
- Fiscal sustainability;
- Fiscal consolidation;

- And fiscal discipline.

The Western Cape recently experienced one of the most severe droughts and a provincial state of drought was declared in 2017.

At a national level, R1,2 billion has been allocated for national programmes, indirect grants and direct conditional grants to this Province and also to certain municipalities.

In this Adjusted Budget, hon members of this House, the Western Cape Government received also R277,1 million for fodder relief, livestock feed and the transportation thereof, for various land care relief and infrastructure development projects and as unforeseeable and unavoidable allocations for repair and reconstruction of 22 schools, three houses and 15 farms in the Bitou and Knysna due to the fires that occurred in the area in 2017.

From the Provincial Drought Reserve a further R20,4 million was allocated for a summer communication campaign, food aid to agrifarm workers and farmers, to fund an emergency water supply in Matzikama, for the appointment of geo-hydrologists. Further allocation for a contract drought capacity, a geo-hydrologist, a project that was managed by my colleague Minister Bredell, was also made over this 2019 MTEF.

In addition from the Provincial 2018 Main Budget, unforeseeable and unavoidable reserve, R30 million has been provided for support to farmers

due to the fires in the Garden Route during October and November 2018, as well as the impact of the recent fire in the City of Cape Town.

In order to contribute to fiscal discipline, departments surrendered R198 million from Compensation of Employees budget as part of the 2018/19 Adjusted Budget.

Departments were also provided the opportunity to realign their budgets in 2018/19 with actual spending patterns, especially with regards to policy priority areas. In this regard, R61 million has been surrendered for the reallocation over the 2019 MTEF. Further realignments affected within the 2018/19 financial year have been expressed as shifts within or between main divisions or shifts between votes.

In total, the adjusted budget makes provision for additional net spending amounting of R463 million, which, in addition to the aforementioned budget includes the following:

- ICT related expenditure: R34,9 million;
- Youth related initiatives: R26,2 million;
- Building and infrastructure related projects, Minister Grant, R208 million;
- Transport related projects, R59,7 million;
- Various agricultural projects: R23,3 million.

Mr Q R DYANTYI: He is not listening. Is that a problem? He is not listening.

The MINISTER OF FINANCE: The 2018/19 own revenue to be collected has been decreased by R55,9 million, mainly due to the decrease in the Global Fund by the Department of Health, but also, Mr Deputy Speaker, as indicated earlier, MTEF 2019 is aimed at consolidating for maximum citizen impact.

I am therefore pleased to announce that the 2019 MTEF consists of a total budget of approximately R210,8 billion, which is R5,6 billion additional funds and whereof own funds of R4,1 billion.

Also we are also particularly happy that in this Adjustment Budget we have received R211 million addition as a result of the update of the data on the Provincial Equitable Share and I have seen the Minister of Education is very happy because out of the R211 million, R111 million goes to Education.

Mr P UYS: She does not even know what it is for.

Mr Q R DYANTYI: She does not know that. At least we know something now we know. [Interjections.]

The MINISTER OF FINANCE: And therefore, Mr Deputy Speaker, I am pleased to announce, also we remain steadfast in our commitment to delivering a quality health service to the citizens of the Western Cape, and therefore I am also pleased to announce that the Health budget will be

R77,7 billion over the 2019 MTEF. Hon members must know that is one Minister you do not fight with, and that is the Minister of Health.

This budget provided R511 million more to deal with the increase in service load pressures and medical requirements.

Infrastructure led growth remains a key strategy of this Government and therefore I am pleased to announce key infrastructure investment of R26,8 billion over the next three years, which is R1,7 billion more than the 2018 budget.

Improving education outcomes is directly linked to economic development and social cohesion. It pleases me to announce that Education will receive R75 billion over the 2019 MTEF. This is R663 million more for teachers, text books and learner requirements.

The PREMIER: Hear-hear!

The MINISTER OF FINANCE: Also supporting initiatives that enable growing the economy and creating major investment in economic development and job creation remain a priority.

Mr Deputy Speaker, we had some discussions in our Cabinet and during the MTEC and we have agreed that we, although it is important to focus on the social commitments of Government, we also need to make heavy investments

in the economic sectors and therefore I am pleased to announce that the Atlantis SEZ, the Economic Stimulus, the EPWP and Agriculture will receive over the MTEF R442 million more.

Client-centred interventions provide protection for the most vulnerable and build resilience to social challenges. I am therefore pleased to announce major additional investments into safety and public transport initiatives of R388 million more over the 2019 MTEF specifically to deal with the public transport matters and the safety issues in this Province.

Mr Deputy Speaker, as indicated on numerous occasions this Government remains committed to infrastructure led growth. It pleases me to announce that the Western Cape Government's 10-year Infrastructure Plan includes R2 billion into Tygerberg Hospital; R3,5 billion into roads, and R1,5 billion into Maintenance.

This Government has made a clear commitment that it will prioritise repairs and maintenance. I am also therefore pleased to announce that over the 2019 MTEF close to R1,2 billion will be provided to deal with the drought; R31,6 billion to create opportunities for growth and jobs; R86 billion for youth and to improve learner outcomes; R114 billion to improve wellness, safety and tackle social ills; R38 billion to enable resilient and sustainable living environments and human settlements. [Interjection.]

Mr Q R DYANTYI: And where will you get all of that? You can tell us later.

The MINISTER OF FINANCE: Mr Deputy Speaker, R6,6 billion will be made available to improve service delivery and embed good governance for results in departments and municipalities across this province.

Mr Deputy Speaker, allow me to conclude by extending my heartfelt gratitude to the Premier of the Western Cape, Premier Helen Zille, for her leadership and the Cabinet for their support and guidance. I am indeed honoured to be part of a winning team here in South Africa. [Applause.]

Putting a budget together like this requires the support of all the accounting officers, all the budget managers, all the executing authorities, members of this Cabinet, CFOs and I want to express my deep thanks and appreciation to the Director-General, Advocate Brent Gerber, Mr Zakariya Hoosain, Mr Harry Malila and all the senior managers in the Budget Office and in the Provincial Treasury but also all the accounting officer of their various departments as well as the Chairs and the COOs and the CFOs of all the Provincial Public Entities.

Honourable Deputy Speaker, it is now my pleasure to table the 2018 Western Cape Medium Term Budget Policy Statement, the 2018 Western Cape Adjusted Estimates of Provincial Expenditure, the Western Cape Adjustments Appropriation Bill, 2018; the Western Cape Gazette of Allocations to Municipalities and this speech for discussion and consideration in this House.

I thank you. [Applause.]

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

ORDERS OF THE DAY

1. *Western Cape Adjustments Appropriation Bill* [B6 – 2018].

The DEPUTY SPEAKER: The Bill, together with the papers tabled will be referred to the relevant Committees for consideration and report.

The Secretary will read the second Order.

2. Consideration of Report of the Standing Committee on Environmental Affairs and Development Planning on the *Marine Spatial Planning Bill* [B 9D –2017] (NCOP), dated 9 November 2018 (See Announcements, Tablings and Committee Reports, No 88, dated 13 November 2018, p 349) (Ratification of final mandate).

The DEPUTY SPEAKER: The House received the report of the Standing Committee on Environment Affairs and Development Planning on the Marine Spatial Planning Bill, conferring authority on the Western Cape Delegation in the NCOP to not support the Bill. This mandate has been sent to the NCOP.

If there are parties who want to make a declaration of vote they can do so now.

The hon member Dijana.

Ms T M DIJANA: Thank you Mr Deputy Speaker. The ANC supports the Bill which is aimed to develop a shared and coordinated system of practices and policies, which can be used by all parties to promote sustainable economic opportunities that contribute to the development of the South African Oceans Economy; to provide the framework for Marine Spatial Planning in South Africa; to provide for the development of Marine Spatial Planning; to provide for institutional arrangements for the implementation of Marine Spatial Plans and governance of the use of the ocean by multiple sectors and to provide for matters connected therewith.

This would facilitate good ocean management, provide for the documentation, mapping and understanding of the physical, chemical and biological ocean processes and opportunities entrenched to the ocean. This would also give effect to South Africa's international obligations in South African waters.

This will help manage the negative impact that humans had on the oceans as our activities to use its resources have not been done in a proper coordinated way.

The Bill seeks to create a Marine Spatial Planning system that promotes economic growth and is facilitated by coordinated planning across multiple sectors. The Bill applies to South Africa's territorial waters, the exclusive economic zone, extended continental shelf claim and extended continental

shelf claim around the Prince Edward Island.

I thank you.

The DEPUTY SPEAKER: Thank you, member. Are there any other parties wanting to make a declaration? Hon Simmers?

Mr T A SIMMERS: Thank you, Mr Deputy Speaker. As the Democratic Alliance we do not support this Bill because on 9 November when the Standing Committee deliberated... [Interjection.]

Mr Q R DYANTYI: I am not surprised.

Mr T A SIMMERS: ...it was noted that when the NCOP Select Committee met on 30 October to consider our negotiating mandate it was not approved or accepted without evident reasons for it not being done, so based on the lack of reasoning behind their decision on rejection of our proposals and our amendments that we proposed to them as the Western Cape, including that some of them are of a technical drafting, that is why we say we do not support this Bill.

Thank you.

The DEPUTY SPEAKER: Thank you, hon member. I will now put the question, are there any objections to the ratification of the conferment of

authority on the Western Cape Delegation in the NCOP to not support the Bill?

An HON MEMBER: Yes.

The DEPUTY SPEAKER: The ANC objecting. The objection will be recorded.

Before we adjourn, I just need the House's attention. Before we adjourn, I would like to inform members that the IEC is already waiting outside to give a briefing to us and once that is done the Budget Committee will convene immediately after that. So I would appeal to members not to leave the House. The IEC will be here very soon.

That then concludes the business of the day.

The House is adjourned.

The House adjourned at 15:07.