
TUESDAY, 26 NOVEMBER 2024

PROCEEDINGS OF THE WESTERN CAPE PROVINCIAL PARLIAMENT

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

The House met at 10:00.

The Speaker took the Chair and read the prayer.

BUSINESS OF THE HOUSE

The SPEAKER: Please be seated. Hon members, before we proceed, I would like to remind you of some of the logistical arrangements. As has been our practice to date, hon members will participate in this Sitting of the House both from the Chamber with the Presiding Officer and the Table Staff, and via Microsoft Teams. Our Standing Rules have accordingly been amended to accommodate such hybrid Sittings.

Hon members experiencing challenges in connecting to this Sitting are requested to contact the WCPP ICT colleagues who will assist to resolve the connectivity issues.

Hon members, the quorum requirements for this Sitting of the House are provided for in the Constitution and the Standing Rules and unless there is a unanimous concurrence, voting will be confined to members present in the House and on the hybrid system, who are entitled to cast their votes as per the ATC issued on 11 August 2020.

Members present in the Chamber and via Microsoft Teams have all the privileges and immunities imparted by law. Hon members, if you are considered out of order by the Presiding Officer, I will have your microphones muted and you will be called to order.

Hon member, when a member wishes to raise a point of order in the Chamber such an hon member may address the Presiding Officer as expected, but must mute their microphones when they have completed speaking, and hon members on the hybrid system must please do so via indicating with the raised-hand functionality of the system.

Hon members, the media have also been granted access to the MS Teams meeting as guests of the WCPP. However, I wish to remind the members of the press that they may not use the chat room or speak or activate their cameras while the Sitting is in progress.

Hon members, for this Sitting Language Translation Services are available in the Chamber as usual and on Microsoft Teams via the respective channels.

Hon members, I wish to draw your attention to Rule 40 of our Standing Rules and remind you that no interjections are permitted during these hybrid Sittings.

Hon members, with that being said, I would like to take this opportunity to welcome all the guests in the gallery to the Western Cape Provincial Parliament. Welcome to the Sitting today and I trust that you will enjoy the Sitting and the proceedings of the House.

With that being said, hon members, I call upon the hon Minister of Finance, to table the Municipal Economic Review and Outlook. The hon Minister of Finance, Minister Baartman.

MUNICIPAL ECONOMIC REVIEW AND OUTLOOK

Withstanding Gale Force Winds:

Municipal Resilience in the Western Cape

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Hon Speaker and Deputy Speaker, hon Acting Premier, Cabinet Ministers, hon Leader of the Opposition, hon members, the Consul-General of Germany, the Western Cape Children's Commissioner, Prof Sope Williams-Elegbe, Dr Marlene le Roux, special guests, people of the Western Cape. [Interjections.]

The SPEAKER: Hon Minister, my apologies. Can I please ask that the Table

Staff mute the microphones? My apologies, hon Minister, you may continue.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Hon Speaker, the resilience of the Western Cape and her people echo the wisdom "that a strong tree does not fear the storm; it uses the wind to deepen its roots." Similarly in the Western Cape our municipalities have faced adversity that has transformed these trials into opportunities for growth and innovation.

Across the country, provincial and local governments are facing an avalanche of challenges. Some have been unable to rise to the challenges which lie ahead and left their residents to their own devices. In the Western Cape, provincial and local governments have refused to give up.

Two months ago, we officially kicked off the Western Cape's budget process with the tabling of the Provincial Economic Review and Outlook. The main takeaway from the PERO, as we call it, was the Western Cape's economic and governance resilience in the face of global and national pressures. The PERO highlighted the Western Cape's growth potential and its adaptability to challenges.

Today, I table the PERO's counterpart, the Municipal Economic Review and Outlook, or the MERO, as we call it, and I wish to table key insights from this publication, wanting us to equally reflect on the resilience of our municipalities.

Local governments across our province have been able to sustain commendable levels of service delivery and exemplary governance, despite their constrained fiscal envelopes, increasing service delivery demands...
[Interjections.]

An HON MEMBER: [Indistinct talking in background]

The SPEAKER: Hon Minister, please take your seat. Can I please ask that Table Staff mute all microphones and can I please remind the hon members on the hybrid system to not unmute your microphones if you are not raising a point of order?

Hon Minister, my apologies, we will ensure that the Table Staff follows the mute throughout your presentation. My apologies, you may continue.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES:
Increasing their service delivery demands and challenges, such as climate change and rapid population growth.

An HON MEMBER: [Indistinct talking in background]

The SPEAKER: Can I please ask that the Table Staff remove whoever is on the hybrid system that is continuously unmuting while the Minister is speaking? Has the person been removed from the Sitting? Thank you very

much. Hon Minister, you may continue.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Even when the challenges facing our municipalities seem insurmountable they continue to build, they continue to deliver, they continue to work and they continue to deepen the roots of excellence and delivery for the people in the Western Cape.

Hon Speaker, The MERO is a hallmark publication that provides an in-depth analysis of the economic realities of municipalities across our country. It tracks key indicators such as local economic growth, employment trends, fiscal sustainability, and offers insights into how each district municipality contributes to the Western Cape's overall performance.

The report references several datasets for its analysis of each district's economic performance and outlook. These include the SARS Spatial Tax Panel Data, Quantec Research, the 2024 Stats SA's Mid-Year Population Estimates and administrative data from Western Cape Government departments and entities. These datasets provide crucial insight into the respective economic trends, sectoral performance, and regional challenges within each district.

The MERO is, therefore, not just a report, it is a tool for decision-making, to drive innovation and ensure inclusive and sustainable growth for all communities.

This year's MERO include key innovations such as insights from the Ratings Afrika Financial Sustainability Index to enhance governance in infrastructure development, the implementation of new data tracking systems for monitoring and climate-related risks, updated housing market studies to identify development opportunities in smaller towns, findings from the GBV Victim Empowerment Programme, analysing health and education infrastructure, and collaboration with the children monitors, with the Children's Commissioner of the Western Cape.

In the lead up to the tabling of the MERO and the MTBPS, I further embarked on a number of engagements with Finance MMCs and District Mayors across our province. I was encouraged to hear from them that the MERO has become a crucial resource in guiding their budget decision-making and future planning on a municipal level.

The data and evidence contained in the MERO, show us that while municipalities are making progress in regard to key economic indicators, population growth is outperforming all other indicators. This highlights that local governments are struggling to keep up with the intensified pressure being placed on their resources and their respective fiscus.

Speaker, the post-pandemic global economic environment has been characterised by volatility and heightened geopolitical tensions and uncertainty. This period has seen individuals, businesses and governments

navigating a protracted period of exceedingly high lending and inflation rates, subdued economic activity, and major geopolitical conflicts in parts of Africa, Europe as well as the Middle East.

Despite these challenges the global economic outlook is beginning to show shoots of resilience. Global oil prices are easing, and the United States interest rates are beginning to ease with major central banks across the world aiming to follow suit. China announced a large economic stimulus in November 2024, and trade outlooks are improving which will ease the supply chain disrupts wrought by the global COVID-19 pandemic. The developments within the global economic landscape, especially in the second half of 2024, offer, however, optimism.

At home, the South African economy has largely been in lockstep with the global economy. The national economic context has improved since the beginning of the year, marked by several key developments such as the improved political outlook brought on by the formation of the Government of National Unity, or as South Africans call it, the GNU, over 200 days without loadshedding, improvements to the inflation and lending rate outlook, and an uptick in general economic activity. This has allowed for a cautiously optimistic outlook for South Africa.

The GNU optimism coupled with an enabling global economic environment has also had a positive impact on key economic indicators. The rand has shown considerable appreciation against the dollar, from R18,96 against the

dollar at the beginning of June 2024, to R17,60 against the dollar by mid-October 2024. The South African Reserve Bank, in alignment with other global central banks, have reduced interest rates, signalling the potential for the rate to be cut by at least 100 basis points by the end of December 2025.

However, South Africa's economy continues to reel from the poor economic management of the past decade. Despite the gains, there are still significant risks to the country's economic outlook. The major risks facing the South African economy include the high unemployment rate which rose to 33.5% in Quarter 2 2024. Despite the moderate economic growth, the national economy shed approximately 100 000 jobs between Quarter 1 and Quarter 2 of 2024, with youth unemployment being of particular concern. Escalating electricity prices continue to be a risk. Should NERSA approve Eskom's unconscionable proposal with a 36,15% hike, operating costs will increase for businesses and disposable incomes will reduce for residents across South Africa.

Despite ongoing fiscal consolidation, National Government debt remains untenably high. Nearly 20% of every rand collected by the National Government is spent on debt servicing. The economy has also showed modest GDP growth of 0,4% in Quarter 2 2024, indicating a slow trend in economic performance. Additionally, severe weather events brought on by global warming is a major threat, not only to human wellbeing and infrastructure, but also to the fiscus.

Speaker, in the wake of the GNU optimism and South Africa's evolving

economic conditions, the Western Cape has demonstrated resilience and growth. Economic growth in the province is tracking above the national average and expected to continue on this trajectory. The province's economy expanded by 0,6% in 2023, with current outlooks projecting real economic growth of closer to 1% by 2024. This growth is supported by the growth opportunity offered by sectors such as tourism, renewable energy, and business process outsourcing. While economic growth in the Western Cape outperforms the rest of the country, growth remains slow due to South Africa's structural economic challenges.

Economic growth in the province has been stimulated by a variety of factors. The Western Cape specifically has benefited from the slight improvement in the most recent RMB/BER Business Confidence Index, while the BCI, as we call it, for South Africa still hovers below the neutral mark of 50, it is up from 31 in Quarter 2 of 2023 to 40 in Quarter 1 of 2024.

The Western Cape, Speaker, ranks as the third-largest host of small, micro, and medium sized enterprises or SMMEs in South Africa, accounting for approximately 300 000 SMMEs. This thriving SMME environment is complemented by a significant boost in exports. Total exports for the province reached R202,1 billion in 2023, marking a remarkable year-on-year growth of 8,7%. Key contributors to the export earnings include the oil refinery in Cape Town and the gas-to-liquid refinery in Mossel Bay, alongside exports of fresh fruit, textiles and other agricultural goods.

Tourism has experienced a strong recovery, with international arrivals at Cape Town International Airport surpassing 200 000 between January and February 2024, reflecting a 20% increase from the previous year. The Western Cape also boasts the lowest unemployment rate in the country, with the unemployment rate breaking the gale barrier - dipping below 20% to 19,6% for the first time in a decade in Quarter 3 of 2024. Additionally, Wesgro, has committed to 14 investment projects valued at R7,75 billion, resulting in the creation of close to 4 000 jobs.

These achievements not only highlight the province's potential for economic growth but also underscore our commitment to fostering a thriving and inclusive economy for all residents.

Hon Speaker, while the criticism is often "what can residents do with good governance and clean audits," these indicators highlight that good governance can create an environment where businesses can thrive and jobs can be created.

Speaker, the Cape Town Metro – moving to our Regional GDP contributions, is currently the biggest contributor to the Provincial GDP at 72,5% in 2023. However, districts like the Cape Winelands at 11,2%, and Overberg at 3,4%, have demonstrated significant growth potential which have been driven by tourism and agriculture. The District GDP contribution for the Garden Route stood at 7,6%, for the West Coast at 4,8%, and the Central Karoo at 0,5%. The robust growth in the Garden Route and Overberg can be attributed

to increased investments in infrastructure, revival of the tourism industry and the internationally competitive agriculture industries. These districts, just like the ever-growing branches of a resilient tree, are steadily expanding their reach and strengthening the provincial economy.

The GDP trends, however, also highlight the need to enhance and diversify the economic contributions from districts that currently contribute smaller proportion in order to create more resilient regional economies.

Speaker, moving to the sectoral contributions, while there is still a need for districts to deliver a more robust contribution to the provincial economy, the MERO highlights that the province nonetheless boasts a diverse economy. At a sectoral level, the Western Cape benefits from contributions from manufacturing and growth-enhancing services. In 2023, the finance, insurance, real estate, and business services sectors were the largest contributor to the Provincial GDP at 33,9% of the Provincial GDP. This was followed by wholesale and retail trade, catering, and accommodation at 13,5%, and manufacturing at 14,1%. Other significant sectors included transport, storage, and communication at 11%, agriculture, forestry and fishing at 4,2%, and general Government services at 5,9%.

Agriculture, forestry and fishing have positively impacted most areas across the province, with Overberg making a 0,14% contribution to this growth. Manufacturing and construction sectors also show healthy growth, particularly the Overberg and the Garden Route regions. The finance,

insurance, real estate, and business services sector, which is the top driver of growth in the Western Cape, showed especially positive signs within the Garden Route and Overberg regions.

Transport, storage, and communication, along with community, social, and personal services, contribute positively across the board, again with Overberg and the Garden Route again standing out, while the consistent yet minimal contributions from the general government sector reflect its steady economic role in the province.

The MERO further highlights a 20% year-on-year increase in the tourism sector in the 2023/24 period. This growth is evident in both domestic and international tourist numbers. The sectoral contributions to the province's GDP are varied and stable but points to the need for future diversification for exponential GDP growth and economic performance.

Speaker, moving to employment trends: As mentioned earlier, the recent Quarter 3 2024 Quarterly Labour Force Survey revealed that the official unemployment rate in the Western Cape has dropped by 2,6 percentage points from the last quarter, and now stands at 19,6%. This translates to 75 000 jobs added to our provincial economy in the space of three months. This is no small feat and it is testament to the past two decades of steady and consistent economic development and growth led by the Western Cape Government in partnership also with the private sector. It is also a testament to how our economy adapts and thrives even in high pressure environments.

The Cape Town Metro remained the leading contributor to employment in the Western Cape, accounting for 62,9% of total employment in 2023. However, economic development in our rural communities is increasingly contributing to the Western Cape's jobs market, particularly the increased contributions from Cape Winelands and Overberg at 15,3% and 5,1% respectively. Garden Route contributed 8,9% with the West Coast contributing 7,1% and the Central Karoo at 0,7%.

Speaker, every job matters. The informal settlement has not been left behind, and in the formal sector specifically, in the job gains the province is experiencing. Since 2021 there has been a positive rebound in the informal sector, with informal employment rising to 19% in 2023 post-COVID. In the West Coast the informal employment increased from 18% to 19%, in the Cape Winelands 20% to 22%, and in Overberg 22% to 24%. The informal sector now accounts for almost one in every five jobs in the province. With overall employment increasing, these statistics suggest that both formal and informal employment are increasing in the province, adding to jobs.

While we still have a lot of work ahead of us, these statistics speaks to a provincial economy that is growing and resilient, highlighting that the Department of Economic Development and Tourism is well on its way to achieving its goal of building a trillion rand economy and adding over 600 000 new jobs within the next term.

Speaker, moving to demographics: in alignment with the PERO, the MERO indicates that there has been sustained population growth across the regions. In 2023, the population distribution across the province's districts was as follows: the Cape Town Metro accounts for 65,8% of the total population, making it the most populous area. The West Coast stands at 6,5%, Garden Route at 9%, Cape Winelands at 13,4%, Overberg at 4,3% and Central Karoo with the smallest population share at 1%.

These numbers highlight that there is a growing trend of urbanisation, especially to the Cape Metro, which continues to attract a larger share of the population. The influx of people into the province through in-migration has major implications for local governments. However, much like a tree strengthening its roots against the storm, we must adapt by deepening our investments in housing, infrastructure, and service delivery to support this growth and ensure sustainability.

Speaker, my reference to winds, trees and storms throughout this speech are not only symbolic, it is also a reflection of one of our most pressing and urgent threats as a province, especially for our municipalities.

Climate disasters are reshaping the landscape of our province, with municipalities and local communities feeling now more often than ever the devastation of floods, wildfires and other natural disasters. From floods in the Cape Metro to continual droughts in the Central Karoo and wildfires in

the Garden Route, no district remains untouched by the ravaging effects of global warming.

We all remember Day Zero and how the drought has taught us the cost of water scarcity. Wildfires near Stellenbosch and George have destroyed biodiversity and livelihoods, and Overstrand is grappling with storm surges and erosion, threatening both ecosystems and economies.

The human toll is equally staggering – displacement, food insecurity, and economic losses weigh heavily on vulnerable communities, but there is hope. Initiatives in municipalities and support given by the Western Cape Government and its departments such as improved disaster response management, sustainable water management, fire mitigation strategies, and budgeting better for disasters have shown what we can achieve when we act decisively, so as to ensure no one is left behind in our fight against the climate crisis.

Speaker, moving on to our socio-economic trends: the MERO data indicates an upward tick in food insecurity across regions in the Western Cape. According to Stats SA 2024, an individual requires R760 a month to meet the minimum daily energy intake necessary for basic nutrition.

A number of municipalities are experiencing high levels of food poverty. In Saldanha Bay we see 44,7% of residents experiencing food insecurity, with Oudtshoorn and Prince Albert at 43,4% each, and Beaufort West and George

both at 42,2%, highlighting that residents are unable to meet the minimum food expenditure required for basic energy intake. The lowest food poverty prevalence is in municipalities such as Witzenberg at a rate of 23,8%, Cederberg at 26%, Langeberg at 26,8%, Theewaterskloof at 29,2% and Matzikama at 30,8%. What this data shows is it highlights the impact also of the close proximity of food sources.

There is also an evident disparity in food poverty levels across different regions. The highest prevalence of food insecurity in municipalities is in the Garden Route and Central Karoo Districts, whilst municipalities in the Cape Winelands and West Coast have lower food insecurity rates.

The 2024 PERO indicated that in the years 2002, 2012 and 2022, the Western Cape Gini coefficient, which measures income inequality, declined from 0,66 in 2002 to 0,59 in 2022, indicating a more equal income distribution. The MERO data does show us that certain municipalities in the province have Gini coefficients above the National Development Plan (NDP) target of 0,60. Winds of economic hardship still sway in some of the municipalities such as Bitou at 0,64, Knysna at 0,62, and Overstrand at 0,61 with Gini coefficients just above the target.

In terms of the Human Development Index (HDI), which is a composite measure used to assess and compare the overall development and wellbeing, the Western Cape continues to show an overall improvement in social and economic development across the districts and the Metro. The indicators are

as follows: Cape Metro at 0,74, the West Coast at 0,71, Cape Winelands at 0,7, Overberg at 0,72, Garden Route at 0,72 as well, and Central Karoo at 0,7 and unlike the Gini coefficient, as you move up in the HDI, it is showing you a positive trend.

Hon Speaker, what these figures tell us is that the quality of life for many residents across the districts of the Western Cape, is improving, and that the inequality gap is narrowing. However, the economic challenges facing our country and our province are having serious consequences on the lived realities of the people of the Western Cape, and this is particularly evident in regards to food security.

Speaker, in the context of education, school retention rates for the different regions show positive trends. The retention rates for Grade 10 to 12 in the Cape Metro, West Coast, Cape Winelands, Overberg, Garden Route, and Central Karoo have all seen increases from 2021 to 2023, indicating that more students are staying in school and successfully completing their education.

For instance, the Cape Town Metro's retention rate rose from 75,1% in 2021 to 76,1% in 2023, while the West Coast improved from 75,1% to 78,8% in the same period. Notably, the Matric pass rates have also seen consistent year-on-year growth, particularly within the Cape Metro, Garden Route and Central Karoo regions reflecting enhanced academic performance.

These numbers also suggests that interventions such as the Western Cape Education Department's #BackOnTrack Programme are contributing to enhancements in the quality of education and support systems for learners which in turn guarantees better outcomes overall. This upward trajectory in retention and pass rates underscores the importance of continued investment in our education system to ensure all students have the opportunity to succeed.

Speaker, in terms of health and wellness, there has been progress made in the delivery and access to healthcare services across the districts. Across the respective districts there are major projects underway and in the pipeline to expand healthcare services. These projects will go a long way in building resilience and expanding access within the province's healthcare sector in the face of growing demand.

Another positive development in the health space is the general decline in neonatal mortality across the Western Cape. This suggests an improvement in healthcare access and quality of care in relation to natal care. However, some municipalities, such as Laingsburg and Hessequa, still have a relatively high mortality rate. This will require a more focused interventions and resource allocation to improve their metrics.

A concerning trend identified by the PERO is the increase in teenage pregnancy rates in 10 municipalities between 2021 and 2023. The Cape Metro has the lowest teenage pregnancy rate in the province at 10,2%. However,

districts such as Central Karoo, Overberg and West Coast remain a concern with rates of 18,3%, 14,2% and 14,9%, respectively.

High teenage pregnancy rates can significantly impact the overall health and wellbeing of young mothers and their children, and in addition, it can have an adverse effect on a young mother's educational attainment and economic opportunities.

Hon Speaker, the Western Cape is currently experiencing a population boom and it is estimated that within the next two years, net migration will account for 51,2% of the total population growth in the province, in-migration being the main driver of this growth.

Municipalities across the province are at the coalface of this massive population expansion. Outside of the Overberg District, this expansion is not driven by birth rates but rather by net migration and urbanisation. Growth in districts such as the Cape Winelands and West Coast have been driven by residential, socio-economic and tourism opportunities. In the Garden Route growth has primarily been driven by semigration, particularly retirees and individuals seeking a better quality of life. As the province's economic hub, population growth in the Cape Metro has been driven by a combination of migration, economic opportunities, quality of life as well as higher birth rates.

Population growth in the Central Karoo remains modest due to limited

economic opportunities, underdeveloped infrastructure, and harsh environmental conditions in the predominantly rural and semi-desert region.

This population expansion understandably places pressure on municipalities, its resources and its infrastructure. In particularly housing there has been a notable increase in housing demand over the past year, indicating a growing need for residential properties in the province. Strong growth was recorded in the Overberg and Central Karoo regions at 11% and 7% respectively. Reflective of its status as a major urban centre, the Cape Metro continues to have the highest number of housing applications on the Western Cape Housing Demand Database at over 39 000 applications. 2023 also saw a marked increase in informal dwellings in areas such as Grabouw, Villiersdorp, and Kleinmond in the Overberg District.

Speaker, turning to safety: crime remains a challenge across the Western Cape, the trends varying across districts. The Cape Metro, while recording the lowest serious crime rate in the province at 4 980 incidents per 100 000 people, has seen an increase in drug-related crimes and commercial offences. This reflects a strong foundation in its crime reduction efforts.

Meanwhile, the Central Karoo experienced the highest increase in crime rates rising to 7 637 incidents per 100 000 people, underscoring the need for more robust law enforcement and support in this region.

Encouragingly, districts such as the Garden Route have shown a declining

trend in serious crimes, while residential burglaries have decreased across the province, and thanks to improved security measures as well to community partnerships. The MERO also indicates that both the Cape Metro and West Coast have seen a reduction in the number of crimes reported per 100 000 residents compared to the provincial average. This suggests improvement in safety and crime interventions in these areas such as the LEAP programme in the Metro and the K9 Unit in Swartland. These efforts are part of the ongoing effort to build resilience in our communities, adapting to new challenges as they arise.

As with the 2024 PERO, we can clearly see in the findings of 2024 MERO, that rapid in-migration to the Western Cape is speeding up and while progress has been made, the reality is that migration is exceeding all other socio-economic indicators.

Speaker, we are therefore encouraged by the sheer resilience demonstrated by local governments across our province. Despite fiscal constraints and a smaller revenue collection base, municipalities continue to deliver services, showing that they are building a stronger foundation for the future.

I want to thank, Speaker, the Mayors, Mayco members of Finance, Councillors and municipal officials across the length of our province for serving the people of our province, for consistently showing up for the residents within our community in often difficult circumstances. The performance of our municipalities, despite various governance challenges, is

a testament to our commitment and resolve to create an inclusive and prosperous Western Cape.

Speaker, I want to thank the team and the Provincial Treasury and particularly the Local Government Budget Office for their work on the MERO 2024, noting that some of them are currently being poached by municipalities. Your hard work and dedication is appreciated. Just like the strong tree does not fear the storm, but uses the wind to deepen its roots, so too does the work you do to strengthen the foundations of our municipalities, even in the face of challenges.

I also would like to thank, Speaker, Lilitha Kopolo, 16 years old from Eerste River and Solakha Noyi, 17 years old from Kwanokuthula for their artwork as part of this MERO publication, interpreting the MERO statistics in a child-friendly language; as well as the Western Cape Children's Commissioner for assisting in facilitating this contribution.

Speaker, it is my pleasure to officially table – †ek lê ter tafel [I table] – the 2024/2025 Municipal Economic Review and Outlook. I thank you.
[Applause.]

†Die SPEAKER: Baie dankie, agb Minister Baartman.

[The SPEAKER: Thank you, hon Minister Baartman.]

Hon members, the Municipal Economic Review and Outlook will now be

referred to the relevant Committee for consideration.

ORDER OF THE DAY:

The SPEAKER: The Secretary will read the Order of the Day.

The SECRETARY: **Introduction and First Reading – Western Cape Adjustments Appropriation Bill [B 2–2024] and Medium-Term Budget Policy Statement (MTBPS).**

The SPEAKER: Thank you very much. I recognise the hon Minister of Finance, hon Minister Baartman.

The MINISTER OF FINANCE: Hon Speaker, hon Deputy Speaker, hon Acting Premier, hon Cabinet colleagues, hon Leader of the Opposition, hon members of the Western Cape Provincial Parliament, Consul-General of Germany, the Western Cape Children's Commissioner Prof Sope Williams-Elegbe, Dr Marlene le Roux, special guests and people of the Western Cape.

Imagine the sky as a big, protective blanket under which air is constantly in motion. When the sun heats the ground, it warms the air closest to it, hon Speaker, and like a balloon, this warm air begins to rise, making room for cooler air to take its place. As the warm air ascends, it cools, causing the moisture within it to condense into tiny little water droplets. These droplets gather to form clouds and when the updraft of warm air persists, the clouds

grow denser and darker. Within these clouds, winds swirl, and a storm begins to brew.

As the water droplets become heavier, they fall as rain, often accompanied by powerful winds, lightning, and thunder. This entire phenomenon is driven by the interplay between warm and cool air and when this process happens rapidly, we witness the birth of a storm.

Hon Speaker, over the years South Africa, and particularly the Western Cape, has faced many storms, natural and man-made alike. We have endured droughts, floods, and fires. We have weathered a global pandemic, an economic recession, persistent loadshedding, and even plagues of locusts. These challenges have tested our resilience as a province and as a nation.

Now, as we enter a new era, a time of healing and rebuilding, we continue to grapple with the lingering impacts of those storms. Whether they come from nature's fury or human blunders, their effects remind us of the importance of preparedness, adaptability, and unity in the face of adversity. Hon Speaker, our task today is to ensure that the lessons of the past guide us to a stronger, more resilient future.

It is my privilege, therefore, to rise today to deliver the Western Cape Government's Medium-Term Budget Policy Statement and the 2024 Adjustments Budget.

Today, I share the Western Cape's budget priorities for the Medium-Term, and then turn to our immediate fiscal realities. As I will make evident, our current outlook is cautiously optimistic. This Budget Policy Statement and Adjustment Budget is therefore our response to an increasingly complex and challenging economic climate. It is a testament to the resilience of the Western Cape and our steadfast commitment to the people we serve.

We will need to chart a course to overcome turbulent waters, grounded in the values of trust and transparency, fairness, value-for-money, and innovation. It will be driven through fiscal sustainability, allocative efficiency, and enhancing productive efficiency; to improve the livelihoods of our people despite the current fiscal climate.

Honourable Speaker, we have put together a Budget Policy Statement within the context of a precarious global and economic landscape. Globally, growth is projected to slow to 3,2% in 2024, with South Africa forecasted to grow by a modest 0,9%.

Economies around the world face headwinds from inflation while domestically, our growth forecast remains constrained by the continued impact of the energy crisis, logistical constraints, and structural inefficiencies. The national growth outlook can therefore be characterised as cautiously optimistic, anchored in targeted sectoral interventions.

The Finance sector is set to lead our growth with a projected 2,5% expansion

in 2024. Tourism is recovering spectacularly and in the Western Cape, we have seen a 53% increase in international arrivals in 2023. The Transport sector was 1,2% larger by the first two Quarters in 2024, compared to the same period the previous year.

The GNU formation is charting a path of fostering inclusive economic growth and job creation, reducing poverty and tackling the high cost of living, and building a capable, ethical and developmental state. This National MTBPS aims to stabilise our economy amid fiscal constraints. Nationally, our debt is expected to peak at 75,5% of GDP by 2025/2026 and spending pressures remain high.

Hon Speaker, the National MTBPS aims to reduce debt over the Medium-Term, but debt has increased and is projected to reach R6,8-trillion by 2027/2028. It aims to grow our economy, but our economic outlook has been revised downwards -0,2 percentage points. The budget deficit will decrease from 5% of GDP in 2024/2025 to only 3,2% in 2027/2028.

It aims to protect frontline services, but did not increase the provincial envelopes. To put this into context hon Speaker, the Provincial Equitable Share, a national formula as well as conditional grants make up more than 95% of the Western Cape Government's revenue, which we use to anchor our spending priorities.

This implication of not increasing the provincial envelopes of provinces thus

means that budget cuts are forced down onto all provinces as the country attempts to stabilise its debt. This is in addition to provinces already having to face a carry-through impact of fiscal consolidation from the 2021 and 2024 MTEF years. In the Western Cape specifically, this carry-through effect amounted to a R8,4-billion cut to our Equitable Share since the 2021 MTEF. Hon Speaker, many will ask how did we end up here?

We ended up here because the National Government cut R590-billion nationally from Health, Education and Police in order to fund bailouts for State-Owned Enterprises. Hon Speaker, the impact of this on provinces is a man-made disaster. The National Government prioritised SOE bailouts over teachers, nurses, doctors and the police, and as a country, we are now facing the consequences of these decisions.

Provinces we will have to stand together to chart a course to ensure the Health, Education and Social Development sectors within our province are not only protected, but that our funding from the National Government increases in line with the increasing demand for service delivery. We no longer need to ask which province is able to deliver better, but which sphere of government is the better at delivering services directly to our people.

Hon Speaker, every storm leaves behind damage: communities are displaced, people are wounded, and infrastructure is destroyed. While our wounds may not be our fault, our healing is our responsibility. In the Western Cape, we are charting a course towards 1,0% growth in 2024 and 2,2% growth in 2025

thus making our province stands as a lighthouse in a turbulent ocean.

More people are finding a job in the Western Cape than any other province in South Africa, with the official unemployment rate in the Western Cape standing at 19,6% for the 3rd Quarter of 2024. The first time in the past decade! Similarly, international tourist arrivals surged by 53% last year, a testament to the resilience of our people and the appeal of our province as a global destination.

This resilience is no accident, it is the result of deliberate planning, sound governance, and the collective efforts of our people. However, there is still much more work to do and the path to economic recovery is a long one.

We continue to face significant challenges in key sectors such as Agriculture and Construction, which face ongoing headwinds from climate shocks and underinvestment. Similarly, we continue to navigate the persistent inequalities that continue to shape our society. Unemployment, particularly among the youth, remains unacceptably high.

This economic context informs our fiscal framework, and it is because of this that we have been driven to ensure that every allocation aligns with our goal of driving inclusive growth and providing opportunities for all. This MTBPS is designed to confront these realities head-on.

Hon Speaker, the budget priorities of this MTBPS reflect the urgent and long-

term needs of our residents. It is more than just an allocation of resources; it is a blueprint for resilience and a map for the course that lies ahead. It is a strategy to overcome the formidable challenges we face in turbulent times, and a testament to our shared commitment in building a thriving Western Cape.

Our Growth for Jobs strategy sets an ambitious but necessary target: a R1-trillion economy by 2035, creating over 600 000 new jobs. ...[Interjection.]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: This will be achieved through focused initiatives that include investments in small businesses; improving the ease of doing business; boosting exports and investments; reviving our tourism industry; and advancing skills programmes, particularly those focused on the youth.

While the Western Cape narrow unemployment rate sat at 19,6%, our youth unemployment rate still remains at 31,2%. As our Premier often says: nothing stops a bullet like a job. Therefore, we will have a Youth Development focus as a budget policy priority.

Further, we have seen as part of our Growth for Jobs strategy, that a key driver for growth is infrastructure investment; and therefore, hon Speaker, we will have an Infrastructure Pipeline and Spatial Planning focus as a budget

policy priority, to ensure that we not only prepare for the future, but that we Build Back Better after disasters.

Hon Speaker, safety is a fundamental enabler of growth and wellbeing. Our Western Cape Safety Plan integrates enforcement, community engagement, and violence prevention. The Western Cape Safety Plan is a data-driven and evidence-based initiative launched in February 2020 with the goal of halving the province's murder rate by 2030.

Key elements of the Safety Plan include training and deploying law enforcement officers, enhancing police oversight, expanding the Chrysalis Academy for youth, and working to mitigate harms from alcohol abuse. Additionally, the Western Cape Government uses a Safety Dashboard to monitor emergency centre admissions across 34 health facilities in the province.

Significant progress has been achieved since 2019 and our MTBPS is a step towards advancing our key initiatives that include increasing community policing by 2025, scaling our violence prevention initiatives, and bolstering GBV support services.

Hon Speaker, it is therefore encouraging to note that the Western Cape murder rate, as published yesterday, has decreased by 8,7% to 16,2% as a contribution to South Africa, bringing it down to the 4th largest contribution by a province in the country, with Gauteng now with the highest murder rate

at 24,1%, KwaZulu-Natal at 21,8% and Eastern Cape at 20,1%. But hon Speaker, every murder is one too many and in order to address the root causes of our safety challenges in the province, we will have a Violence Prevention and Community Safety focus as a budget policy priority.

Through Wellbeing and Dignity, we are ensuring that every resident has the opportunity to thrive. Key efforts include significantly scaling our capacity to provide housing opportunities, advance Early Childhood Development programmes, and ensure greater food security for the most vulnerable, and increase health-care resilience.

Frontline services are part of the bread and butter of our mandate, particularly Health, Education and Social Development. In order to mitigate the impact of pressures on our frontline services, we will have to apply a risk-lens to the budgetary process, with a particular focus on the cost of Compensation of Employees across all departments within the budget process going forward.

Further, we have seen the devastating impact the increase in disasters has had on our province. Climate change is a reality and cannot be denied. We are increasingly seeing risks emerge also in Water and Energy security, and hon Speaker, water is life. Water insecurity directly affects the wellbeing and dignity of the people of our province. Therefore, we will therefore have a Climate Change, Disaster Management, Water and Energy focus as a budget policy priority.

Hon Speaker, good governance underpins all our efforts. Our Innovation, Culture, and Governance portfolios drive impactful service delivery and fosters a culture of accountability. The Western Cape Government is actively exploring alternative financing solutions in collaboration with partners such as the World Bank. This partnership aims to secure concessional finance for climate change investments while leveraging resources from both local and international private capital markets.

Similarly, we are driving greater coordination and governance to address climate change. Through the Department of the Premier, we are exploring the implementation of Artificial Intelligence through strategic programmes, aligning with the Growth for Jobs priority, including an AI-driven predictive analytics platform while our Digital Government Strategy drives transformation by empowering residents with digital tools, enhancing integrated, resident-centric services, and ensuring data driven delivery through advanced technologies

Further, our Fiscal Futures Model is already addressing fiscal challenges, forecasting revenue needs, identifying risks, and proposing strategies to mitigate the Province's reliance on national transfers and economic vulnerabilities. A key focus includes building integrated data ecosystems, fostering collaboration, and improving decision making via the WCG Data Portal's continuous updates.

Hon Speaker, as we face economic uncertainty and social challenges, it is evident that this budget will reflect our unwavering commitment to building a Western Cape that is safer, inclusive, and economically strong. Therefore, I now move to the Budget Process.

Hon Speaker, one of the core tenets of good governance is meticulous planning, especially in the turbulent waters we currently find ourselves in. It was Louisa May Alcott who famously said:

"I am not afraid of storms, for I am learning how to sail my ship."

That is exactly what is required of us now. Our ability to sail our ship is paramount.

Crafting a robust budget in these conditions demands that we manage the dual task of addressing the immediate in-year fiscal risks we face, while remaining focused on the opportunities for the future that we must be prepared to seize to make this province a better place for its residents. This is not a task we undertake lightly. It requires foresight, teamwork, trust, innovation, and diligent adherence to the principles of good financial governance that this Province holds as its hallmark.

It follows the journey of the 2025-2030 Provincial Strategic Plan completion with its key focus on: Growth for Jobs, Safety, Wellbeing and Dignity, and Innovation, Culture and Governance. It takes into account provincial service

delivery risks, mainly Water Security, Energy Security, Safety, Jobs, Climate Change, and Investment in Provincial Infrastructure. We use the data and evidence as tabled in the Provincial Economic Review and Outlook (PERO) as well as in the Municipal Economic Review and Outlook (MERO) to inform our decision-making.

With increasing service delivery demands for Government services, we face two big storms. Having to deliver more with less and the impact this will have on our officials, having to do more with not enough hands.

We will conduct rigorous evaluations of current spending, reallocate resources where necessary, and prioritise interventions that drive growth and sustainability. By maintaining a clear and strategic focus, the Western Cape Government is demonstrating its unwavering commitment, protecting frontline services while enabling economic growth and opportunity for all.

The 2024 Adjusted Estimates are, therefore, a critical part of our approach to fiscal sustainability and resilience for the remainder of the financial year. These adjustments aim to address in-year fiscal risks and prepare for the 2025 Budget.

Hon Speaker, we welcome the data updates to the Provincial Equitable Share formula, however a further implication of not increasing the share allocated to provinces means that provinces are continuously fighting over the same pie, instead of fighting for National Government to increase the overall size

of the pie in line with the demonstrated service delivery demands in provinces.

This relief is tempered by a critical concern: the population of the Western Cape continues to grow rapidly, which inevitably increases the demand for provincial services. The challenge for the Western Cape Government will be to navigate these competing priorities, managing fiscal constraints, meeting the rising demands of a growing population, and ensuring that provincial governance remains responsive and effective in the face of increasing responsibilities.

The combined impact of the new data updates in the PES formula phased in from 2025/2026 of 2024 Medium-Term Expenditure Framework amounts to an adjustment of R674,059-million over the 2025 period. This will however be phased in over three years, meaning that the current funding for the 2024 data updates will only be received fully in the 2027/2028 financial year.

The 2024 technical data updates will result in the Western Cape receiving an additional R65,2 million in the 2025/2026 financial year, R252,4 million in the 2026/2027 financial year, and the last tranche of R356,3-million in the 2027/2028 financial year.

While the Western Cape's PES will stand at 10,34% of the total provincial portion nationally, marginally increasing to 10,37% over the 2025 Medium-Term Expenditure Framework, however, hon Speaker, no changes have been

made to the PES formula for the 2025 MTEF.

According to the current design, Gauteng and KwaZulu-Natal consistently emerge as the top two recipients of the Provincial Equitable Share formula. Meanwhile, the Western Cape, which is the third most populous province, receives the fifth largest allocation. The structure of the formula has remained static over time and reactive to the prevailing socio-economic conditions. A review of the PES formula will be completed with the implementation of the revised Education component only scheduled for the 2026 MTEF. This creates an opportunity to strengthen the PES formula and enhance the robustness to support positive outcomes.

Hon Speaker, the Western Cape Government's applications for disaster and infrastructure funding from National Government, I can confirm, have been approved and we will be thus receiving R1,198-billion flowing through various provincial Conditional Grants. These include: R947-million for disaster-related infrastructure reconstruction and rehabilitation of infrastructure damaged between December 2023 and July 2024; and R251-million for the Western Cape Rapid Schools Build Programme, which forms part of R2,5-billion approval for school infrastructure over the 2024 MTEF.

In particular, the disaster-related funding will be allocated to the Comprehensive Agricultural Support Programme Grant [CASP), Education Infrastructure Grant [EIG), Health Facility Revitalisation Grant, and Provincial Roads Maintenance Grant [PRMG). The extent of the damages

caused by these floods and the high likelihood of more extreme weather events occurring over the 2025 MTEF, is further reason why we need a budget better for disasters.

Hon Speaker, provincial own revenue comprises less than 5% of the total revenue envelope but is still a significant supplementary source of revenue for the Western Cape Government. The most significant sources of provincial own specific revenue contributing to the budget, are from the Department of Health and Wellness, contributing 66%, and the Department of Infrastructure contributing 15,5%. Liquor license fees and gambling taxes are projected to average R56,067-million and R1,077-billion per annum respectively over the 2025 MTEF period.

Provincial own receipts raised by departments are estimated to increase at an average annual growth rate (AAGR) of 3,6% from the 2024/2025 Adjusted Estimate of R658-million to R731,1-million in 2027/2028, representing an increase of R73,1-million. The Provincial Revenue Fund tax receipts are projected to increase at rate of 4,5% from R1,037-billion in the 2024/2025 Adjusted Budget to R1,184-billion in 2027/2028.

It is anticipated that Motor Vehicle Licences will increase from R2,2-billion in the 2024/2025 Adjusted Budget to R2,5-billion in 2027/2028 at rate of 4,5%. This growth, however, hon Speaker, is primarily due to the implementation of revenue efficiency measures, growth in the population of motor vehicles, and below-inflation adjustments to Motor Vehicle Licence

tariffs across the various motor vehicle tare categories.

Gambling taxes are largely comprised of taxes from casino, horseracing, sports betting and taxes from limited payout machines. Gambling taxes trends have shown a steady growth, mainly from sports betting, resulting in an Annual Average Growth Rate increase of 4,5% from R985,5-million in the 2024/2025 Adjusted Budget to R1,125-billion in 2027/2028. Hospital patient fees are estimated to increase at a rate of 4,5% from R326,9-million in the 2024/2025 Adjusted Budget to R373-million in 2027/2028.

The Western Cape Liquor Authority is presently developing a differentiated pricing model which will allow for the entity to categorise the liquor licensing market according to, for example, turnover, volume and location of outlets. This new approach will contribute to the entity becoming self-sustaining while implementing an equitable and cost-reflective tariff regime. Liquor licence fees are projected to register a growth of 4,5% from R51-million in the 2024/2025 Adjusted Budget to R58,5-million in 2027/2028, driven mainly by inflation.

Hon Speaker, the Province will rollover R84,9-million, mainly for: R20,3-million for ICT services; R27,9-million for Infrastructure; R11,7-million for the MOD feeding scheme; and R9,7-million for Agricultural programmes and equipment.

Hon Speaker, I am proud of the Provincial Treasury's work to keep our

reserves stable to ensure the availability of sufficient financial resources to address unforeseen circumstances, including economic, operational, and external disruptions that could potentially affect the continuity of service delivery.

The utilisation of these reserves currently enables the Western Cape Government to maintain a stable level of service delivery, despite external financial pressures. However, such pressures may still constrain the ability to fully meet operational demands.

In response to unpredictable fiscal constraints at the national level, the Western Cape Government will be drawing on its reserves to mitigate the potential effects of fiscal consolidation measures that could compromise service delivery.

The Western Cape Government continues to be committed to rebuilding and restoring its financial reserves in spite of economic constraints. Rebuilding provincial reserves aims to maintain long-term fiscal sustainability and the Province's ability to cover future unforeseen and unavoidable expenditure demands, which is becoming more and more important as, for example, the severity of weather events in the Western Cape increases.

In order to weather future storms, we have raised R2,8-billion from various sources in this financial year to respond to fiscal risks.

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: Of this, we will set aside approximately R922-million for the unforeseen, unavoidable, and external expenditure demands, in particular for disasters in the province. We will set aside R678,9-million from our provincial revenue raised for the preparation for the 2025 MTEF and we will bolster the current 2024 Budget with R616-million from the Provincial Revenue Fund.

Hon Speaker, it is during the worst storms of our lives that we get to see the true colours of the people who say they care for you. To weather the storms we face, the Western Cape 2024 Adjustment Budget will respond to: Infrastructure; Flood Disasters, and Preparation for Fire Season; Jobs and Safety; Energy and Water Security; and In-Year Fiscal Risks.

We will thus be allocating and adjusting R1,72-billion in funding for the 2024 Adjustment Budget.

Hon Speaker, I turn first to Infrastructure. We will allocate R1,198-billion for Infrastructure in the 2024/2025 adjustment budget, consisting of the R947-million for disaster-related infrastructure from National Conditional Grant. We will allocate R251-million for the Rapid School Build Programme. We will further allocate R38-million on the Human Settlements acceleration projects, to accelerate service delivery for our residents.

We will allocate R12,6-million on Agriculture infrastructure and operations, and we will further allocate R27,8-million for the continuation of Transport Infrastructure and Human Settlements projects. We will allocate R4,9-million for the acquisition of property and finally, we will add R190-million to the Asset Reserve to prepare for the 2025 MTEF.

Hon Speaker, over and above provision in our reserves for the 2025 MTEF, we will budget allocate over R21-million for Disasters in the current 2024/2025 financial year, consisting of: an allocation of R7-million for integrated fire and water response from the Provincial Revenue Fund; reprioritising R5-million for alien vegetation clearing; reprioritising R3-million for aerial fire support; and allocating from the Provincial Revenue Fund and reprioritising as well, R6,2-million for humanitarian emergency relief and nutritional support.

We will further adjust in the Safety and Jobs and Skills component, R10,4-million for expanding peace officer training, youth resilience, and Neighbourhood Watch programmes.

Hon Speaker, we are investing in 5,5 gigawatts of renewable energy projects over the next three years, supported by our focus on green hydrogen and gas-to-power capacity. These efforts will reduce our carbon footprint while creating jobs and driving economic growth. To support these efforts, we will allocate R4,7-million for the Green Hydrogen Master Plan and revise our

Energy Reserve in order to include future provision for water security. Therefore, over the 2024 and 2025 MTEF, R694,3-million is allocated towards Energy and Water Security in the province of which R73,5-million remains in the reserve.

Hon Speaker, as I turn to our in-year risks, as at 30 September 2024, the Western Cape Government faced in-year pressures of R896,4-million, largely due to increasing service delivery demands. To address service delivery pressures, we will allocate and reprioritise to bolster the 2024 Budget with a total in-year funding of R650-million to ensure uninterrupted service delivery.

We will allocate: R77-million to the Department of the Premier for Microsoft Licencing shortfall, which includes the impact of the Rand/Dollar exchange rate; R25-million for the Saldanha Freeport operations; and R68-million to the Department of Mobility, of which R25-million to the Department of Mobility to enhance public transport systems, R32-million towards George Integrated Public Transport Network, and R11-million towards the procurement of tasers for traffic law enforcement officers.

Hon Speaker, as at 30 September 2024, the Department of Health and Wellness faced a reported pressure of R266,7-million due to the medical inflation on goods and services they are facing. To respond to this pressure, we are allocating R230,5-million from the Provincial Revenue Fund to the Department. Further, we are un-earmarking R193-million in Provincial

Equitable Share within the Department's Infrastructure budget allocation to provide further manoeuvrability within the vote.

Hon Speaker, as at 30 September 2024, the Education Department faced a reported pressure of R405,8-million, mainly due to COE, having already brought this down from R687-million reported pressure as at 31 July 2024. Through a reduction exercise, the Department could mitigate projected overspending by approximately R270-million, leaving a residual risk of R135-million.

However, hon Speaker, further projected risks included approximately R220-million for the placement of an estimated 11 000 additional learners and walk-ins in January 2025, therefore increasing the projected 2024/2025 pressure for Education to approximately R355-million. To respond to this pressure, the Provincial Treasury is allocating R250-million to the Western Cape Education Department from the Provincial Revenue Fund to deal with their COE pressure.

The residual spending pressure amounting to R105-million will be covered through acceleration of matching and placing of teachers which has the potential to decrease the current pressure in the system, and reprioritising slower spending items within the Department. Further, the Provincial Treasury will un-earmark R600-million in Provincial Equitable Share within the Department's infrastructure allocation to provide further manoeuvrability within the Department's vote.

Hon Speaker, what this means is we will be providing and have identified enough funding in the Department's budget to deal with its current projected pressure. We are handing over the compass and it will be up to the Department now to steer the ship.

The total additional funding, therefore, hon Speaker, allocated from the Provincial Revenue Fund of R487-million, 75% of the full amount of the provincial funding, will contribute to core frontline services in Health, Education and Social Development. This adjustment reflects our commitment to balancing service delivery needs with sustainable financial management, while keeping the Western Cape on course to weather the storm by budgeting better for our disasters.

Hon Speaker, to every official and every Government department, thank you for your teamwork in bringing our Budget Policy Statement to life. Thank you to each of my colleagues for their support throughout this Adjustment Budget process.

Hon Speaker, this budget is the product of the collective labour of our Provincial Treasury, for which I express my gratitude and thanks. The diligence, relentless efforts, and skilful leadership of our Head of Treasury, Julinda Gantana, must be commended, supported by the senior management team Analiese Pick, Taryn van de Rheede, Paul Pienaar, Michelle Nicholas, Ziyaad Majiet and Malcolm Booysen, and their respective teams must be

thanked for their essential contributions. These officials are unquestionably committed to ensuring that our Province's budget process is protected and that the best interests of the residents are advanced.

I would also like to thank my team in the Ministry: Dr Grant Caswell, Marshalle Frederiks for your key technical insights and expertise; and to Christian Marnewick, Sandra Francisco, Igshaan Davids, Edwina Herman, and Gaynor Lucas for your hard work, efficient operations, and logistical arrangements. Thank you to Team Finance's unwavering commitment to trust and transparency, fairness, value-for-money and innovation.

Hon Speaker, this Budget is not merely an accounting of revenue and expenditure, it is a roadmap to resilience. It is a declaration of our resolve to protect the vulnerable, build a stronger province, and chart a course toward a brighter future. Though the storm may rage, hon Speaker, the Western Cape will not falter. We are stewards of this province and together, we will weather this storm and emerge stronger, more resilient than ever, for storms, hon Speaker, make trees take deeper roots.

Hon Speaker, for discussion and deliberation before the Western Cape Provincial Parliament today, I accordingly table: the Western Cape Adjustments Appropriation Bill of 2024; the Western Cape Adjusted Estimates of Provincial Revenue and Expenditure, 2024; the Overview of Adjusted Provincial and Municipal Infrastructure Investment, 2024, the Western Cape 2024 Draft Notice: Additional and Amended Allocations to

Municipalities; and the 2024 Western Cape Medium Term Budget Policy Statement. I thank you. [Applause.]

The SPEAKER: Thank you very much, hon Minister Baartman. The Secretary will read the Bill for the first time.

The SECRETARY: Western Cape Adjustments Appropriation Bill.

The SPEAKER: The Bill, together with the Papers tabled, will be referred to the relevant committees for consideration. Hon members, before we adjourn, I would like to remind the hon members that the Budget Committee will commence 15 minutes after the adjournment of this Sitting.

Hon members, that concludes the business for the day. The Secretary will now end the meeting, and all the hon members will be exited from the Sitting. The House is adjourned.

The House adjourned at 11:21.