

MINUTES OF PROCEEDINGS

OF THE

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

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THURSDAY, 22 FEBRUARY 2018

1. The House met at 14:15.
2. The Speaker took the Chair and requested Ms Siphokazi Molteno to render the National Anthem.
3. The Speaker read the prayer.
4. [14:17] The Speaker requested Members to remain standing and observe a moment of silence at the passing on of the former Premier of the Western Cape, Mr Gerald Morkel.
5. [14:18] The Premier delivered her State of the Province Address as follows:

The PREMIER: Thank you very much, Madam Speaker.

The PREMIER: Fellow citizens of the Western Cape; hon Speaker; honourable members of the Provincial Cabinet; honourable Leader of the Opposition; members of the Diplomatic Corps; honourable leaders of political parties, members of the National Assembly and National Council of Provinces; honourable members of the Provincial Legislature; Director General of the Western Cape; heads of Provincial Departments; leaders of Local Government; religious leaders; community leaders; colleagues and friends. Madam Speaker, this is my 11th State of the Province address, launching the Provincial Legislature's annual calendar. [Interjection.]

Mr Q R DYANTYI: Would the Premier be so kind to allow us just a little moment of silence for the fallen policemen this morning. Would you be so kind in your time to just allow us to do that?

The SPEAKER: Hon member Dyantyi.

The PREMIER: Madam Speaker, obviously that request must be directed to you, but I just want to say that I have no problem.

The SPEAKER: If we could - you have asked the Premier, it should have been directed to the Speaker, but we can do it now or we could do it tomorrow as part of our proceedings. I am going to ask everyone in the audience to observe a few moments of silence for the slain policemen in the Eastern Cape. If that is what you are referring to, hon member Dyantyi, we will observe a moment of silence. Could we stand please?

6. [14:19] The Speaker requested Members to rise and observe a moment of silence at the sudden passing on of Eastern Cape Policemen.

The SPEAKER: You may be seated, thank you hon member Dyantyi. Madam Premier, you may proceed.

The PREMIER: Thank you Madam Speaker. This is my 11th State of the Province Address launching the Provincial Legislature's annual calendar. It is the penultimate one before the end of this administration's second term.

Since 2009 we have been building the capable state in the Western Cape, on the pillars of the rule of law and accountability. Now in our ninth year in office, these fundamentals of a functional democracy are more crucial than ever. One of the indicators of this is the audit record of this province. [Interjection.]

The PREMIER: This week the Auditor-General Mr Kimi Makwetu personally attended the awards ceremony to congratulate the Western Cape on the country's best audit outcomes. [Applause.] 85% clean audits for provincial departments... [Interjection.]

The PREMIER: ...85% clean audits for provincial departments compared to the next province, Gauteng, with 52%. [Interjection.]

The PREMIER: Overall, financially unqualified audits were awarded to all our departments. [Interjections.]

The PREMIER: May I specifically acknowledge Minister Ivan Meyer, the Provincial Treasury and the senior staff of departments for this exceptional result. [Interjections.]

The PREMIER: We inherited a government from the party that is now in the honourable opposition that had no clean audits at all. [Interjections.]

The PREMIER: Now some of our departments are on their way to double-figures in their number of consecutive unqualified audits...

The PREMIER: ...and this year we ensured that 11 out of 11 provincial public entities received clean audits - a full house. [Applause.]

The SPEAKER: Members - sorry, Madam Premier, if I may - interjections are allowed but I am not going to allow a running commentary. Rule 41, it is my duty to maintain the dignity and decorum of this House. Let us afford the Premier to continue with her presentation. You may proceed, Madam Premier.

The PREMIER: Thank you, Madam Speaker, and we are still top of the Presidency's Performance Management assessment tool, known as MPAT.

The PREMIER: A famous rugby coach, Gary Gold, was asked to describe his main ingredient for success. He answered: "It is having the best players". Speaker, it is as simple and as complex as that. I want to thank all my cabinet colleagues - the strongest executive team in the country - backed by the ablest professional support under the leadership of the Director General, Brent Gerber. [Interjections.]

The PREMIER: And I also acknowledge the path-breaking work of the Delivery Support Unit under the leadership of Ms Jenny Cargill in delivering on our Game-Changer projects which have taken great strides in a short period of time. [Interjection.]

The PREMIER: In my own office the team lead by the Chief of Staff, Lorike Elliott has sustained an unrivalled level of excellence often in very difficult circumstances. Speaker, you will know that I normally thank my colleagues at the end. [Interjection.] This time I do so at the start so that everyone listening to or reading this speech later knows who should take credit for what we have achieved. [Interjection.]

The PREMIER: It is a pleasure working with you and also to feel part of Team South Africa again.

The PREMIER: President Ramaphosa's State of the Nation Speech recognised South Africans... [Interjection.]

The PREMIER: ...all South Africans as full citizens whose contributions are valued. We appreciate that. It also makes a big difference to the national mood. Speaker, the immense challenge of the province's longest drought on record will test our capabilities to their limits – at all levels of government. While managing a provincial state of disaster declared in May 2017, we also had to continue delivering on our core constitutional mandates. [Interjections.]

The PREMIER: This is not a normal drought. Hydrologists who are analysing rainfall records as far back as they go have calculated that a severe three-year drought in the Western Cape is a once-in-400-year event. Rare disasters such as this are the reason governments have transversal disaster management functions.

The PREMIER: In an officially declared disaster, each sphere of government contributes to the solution according to its constitutional mandate.

The PREMIER: In this case, the National Government is responsible... [Interjections.]

The PREMIER: National Government, Speaker, is responsible for Bulk Water Supply in the constitution and the law. [Interjections.] Local Government is responsible for cleaning and reticulating water as well as demand management. [Interjection.]

The PREMIER: Provincial Government is the disaster management authority, with oversight, monitoring and support functions over municipalities. Although bulk water is its mandate, the national Department of Water and Sanitation, which I will hereafter refer to as the DWS, has not made funding available for augmentation in this crisis because the national Treasury has literally turned off their funding-tap following a disastrous audit outcome. [Interjections.]

As a result, the City of Cape Town has stepped into the breach with aquifer extraction, water reuse and desalination projects to the tune of some R5.9 billion... [Interjections.]

The PREMIER: ...over the five-year Medium Term Revenue Expenditure Framework. [Interjections.]

The PREMIER: No Local Government should have to shoulder the burden of capital and operational costs for what is a National function. [Interjections.]

The SPEAKER: Hon member Dyantyi.

The PREMIER: I note that in yesterday's budget, Speaker, R6 billion was set aside for both drought relief and infrastructure for the five provinces hit by the current drought.

The PREMIER: Although R6 billion is a lot of money, divided between five provinces it will hardly touch sides if it is intended both for relief and new infrastructure. [Interjections.] The City's infrastructure build programme on its own, amounts to almost R6 billion.

The SPEAKER: We may proceed. [Interjections.] Colleagues you have a debate, tomorrow you can bring everything to the debate tomorrow. Please afford the Premier the opportunity to render her speech. Thank you.

The SPEAKER: Members, those are not points of order and I am not going to tolerate that so I am cautioning you now that I am not entertaining spurious, vexatious comments that are not points of order. You may proceed, Premier.

The PREMIER: Thank you Madam Speaker. [Interjections.]

The PREMIER: Thank you Madam Speaker. The Provincial Government, operating on a very constrained budget, has diverted over R369 million from our core functions to supplement disaster funding since 2015/16. The funds have gone to supporting municipalities with water supply projects, and to helping small-holder farmers survive this crippling drought.

A contribution of R40 million has been received from the National Disaster Management Centre for livestock feed assistance to small holders.

The PREMIER: We have committed 100% of these funds, and the money is being paid out in line with proper processes. The City of Cape Town is projecting that dams servicing the metro and surrounding municipalities will reach an average level of 13.5% by mid-winter, based on the current demand on the dams. This would be the lowest storage level ever recorded and the potential trigger for Day Zero, which is the word we use to describe Level 7 restrictions, when the City turns off the taps in residential areas to conserve the remaining water supply. That is when most people will have to queue for water instead of sourcing it from the tap in their homes.

Business districts, informal settlements, and public health facilities will remain connected to supply. During this phase the City intends to offer a lifeline supply of water to residents through Water Collection Points across the metro. These will be supplemented by the private sector that is making plans to ensure a range of complementary supply points across the City. It goes without saying, Madam Speaker, that we must do everything possible to avoid reaching this point. [Interjection.]

The PREMIER: We can do so, if every resident uses less than 50 litres of water per person per day.

The PREMIER: I want to congratulate the committed Capetonians who have worked so hard to reduce their water consumption.

The PREMIER: Your efforts have been pivotal in pushing back Day Zero to 9 July, but we cannot let up now. [Interjections.]

The PREMIER: If we become complacent, the date will inevitably creep forward again. We are also grateful to the Groenland Water Users Association, a group of Overberg farmers, who have generously donated 10 billion litres of water to the residents of Cape Town from a dam they built themselves to prevent water running into the sea. If sufficient rains do not come this winter an even more difficult summer lies ahead. We need enough water to see us through next summer and into the winter of 2019. We cannot take that for granted, and we cannot rely on rainfall alone. Saving water even during winter and harvesting the rain that falls remain of crucial importance. We must change our water culture permanently. Great potential exists for households and businesses to become water smart, and for a successful water economy to emerge out of this crisis, just as the energy economy emerged from the crisis of load-shedding a few years ago. [Interjections.]

The PREMIER: We are trying to secure as many jobs as possible by supporting businesses to reduce water usage, maintain productivity, and increase the water resilience of their operations in the medium-term. We are also working to ensure that, in the event of Day Zero, frontline service points remain open. This involves a major procurement and logistics operation to secure water supply, which includes the drilling of boreholes, water collection and storage systems... [Interjection.]

The PREMIER: ...water treatment works and reticulation networks. It also involves us making a distinction between potable water and water for other uses - a distinction that will become increasingly important as we seek to ensure water security into the future. The Provincial Government is playing its part in the water savings effort, with an estimated 90 000 litres saved each day in key government office facilities. [Interjections.]

Overall, we have reduced our water consumption since 2016 levels by 46%. The Province has also diligently overseen municipal spending of over R680 million in grant funding for bulk water supply projects since 2009, ensuring that all municipal infrastructure grants were fully spent. Provincial engineers and geo-hydrologists are working with municipalities on groundwater operations in all districts.

In Beaufort West, the Province has completed the equipping of three additional boreholes, with 29 others fully functional. The Gift of the Givers donated a further five boreholes... [Interjection.]

The PREMIER: ...drilling deeper into the aquifer to increase the yield. The Department of Rural Development is making a R21 million contribution to equipping five boreholes, and the Department of Science and Technology has donated a further two.

Our groundwater and maintenance projects are also on track in other municipalities at risk, such as Knysna, Kannaland, Bitou, Matzikama, Langeberg and Theewaterskloof, but our biggest concern remains the Cape metro and neighbouring municipalities in the Winelands and West Coast regions. We have diverted R82.5 million for water security measures in the Saldanha Bay, Drakenstein and Swartland Municipalities, which all rely on the same water supply as the metro. This is a top priority for Minister Bredell who has been a steady hand over several disasters - together with Mr Colin Deiner, who I see in the gallery - that we have had to manage over the past year. [Interjections.]

The PREMIER: May I also acknowledge Minister Bredell's dedicated work for supporting 71% of our Local Governments to achieve clean audits - by far the highest percentage in the country. [Interjection.]

The PREMIER: The City has also done admirable work reducing water leaks to global standards and managing demand down to levels lower than the late 1990's, even as Cape Town's population has grown by one million residents. [Interjection.] From dams that were overflowing in 2014, we had three consecutive below average rainfall seasons, despite the South African Weather Service predictions of above average rainfall in 2016 and especially in 2017. Day Zero would have arrived much earlier had restrictions not been imposed and if Cape Town residents had not put in a major water savings effort. [Interjections.]

The PREMIER: Many have voiced the opinion that we should not be in this situation, and that new supply should have been in place. They are right. The Department of Water and Sanitation Reconciliation Strategy's scenario planning for new water in the Western Cape included a major supply intervention, which the Department was meant to implement before the forecasted supply pressures. [Interjection.]

The PREMIER: This is known as the Berg-River Voëlvelei Augmentation Scheme to pump water out of the Berg River in winter, and send it via pipeline to Cape Town for storage. [Interjections.]

The DWS had originally intended for this project to be completed in time for winter rains of 2018, according to the department's official *Record of Implementation Decision* dated December 2012. This would have meant an additional supply of 230 billion litres of water per year for greater Cape Town's supply scheme going into next summer. It would have given us far greater water security. Now the Recon Strategy's *Status Update in 2016* found that there had been a two-year delay in DWS appointing consultants to undertake the Environmental Impact Assessment.

The Minister has committed the department to fast-tracking this project to be ready before the winter of 2019 and we hope she will do this, but even if the department does deliver, it will be too late to help us through our current crisis. This delay has cost us dearly. [Interjections.]

The PREMIER: The City has had to step in with Aquifer drilling that will cost R260 million in the 2017/18 financial year alone, on what is constitutionally a national mandate. The National Department has provided equipment and technical support for drilling operations, for which we are grateful. I must stress it would be a mistake to think that we will be out of the woods if we manage to avoid Day Zero this year. [Interjection.]

The PREMIER: If rainfall is low this winter, we will have to face the summer of 2018/19 in an even worse position. [Interjections.]

The PREMIER: The City is ramping up augmentation from about 120 million litres per day by July 2018, mainly from aquifers, to about 300 million litres per day by September 2020; including re-use and desalination. There are two dams of critical importance to agriculture that have been top priority in our engagements with DWS. The first of these, the Brandvlei Dam, is a quick-win for the sector and for the economy. By expanding the capacity of the feeder canal to the Brandvlei Dam - at a minimal cost of R15 million - an additional 4 400 hectares can be irrigated with the potential of creating upward of 8 000 new rural jobs.

A number of studies were completed by our Provincial Agriculture Department as part of our formal submission to DWS on this project. Minister Mokonyane recently gave us a firm commitment to expedite all necessary approvals for Brandvlei. The agricultural sector has already indicated its willingness to provide funding support for this project should DWS grant the necessary approvals - which brings me to the second dam, Madam Speaker, the Clanwilliam Dam.

The PREMIER: That had a wall raising project, which would double the capacity of this dam to 340 million cubic metres. [Interjections.]

The PREMIER: Madam Speaker, if anybody from this side of the House had been the Minister of Water Affairs, we would not be in this mess. [Applause.] [Interjections.]

The PREMIER: Madam Speaker, I was referring... [Interjections.]

The PREMIER: Madam Speaker, I was referring to the Clanwilliam Dam Wall Raising Project which would double the capacity of this dam to 340 million cubic metres by raising the dam wall 13.5 metres. [Interjections.]

The PREMIER: This would also address growing safety concerns due to structural problems in the aging dam wall. In addition it would bring greater certainty of water supply and economic relief to communities and farmers in the Lower Olifants River catchment area. The dam wall raising would also allow for the irrigation of about 6,000 additional hectares and increase the water available to existing farms. [Interjection.] This is vital to the Western Cape economy, which, in this region, is more than 80% dependent on agriculture. The more water there is, Speaker, the more jobs there are for those who need them.

Instead of expanding, agriculture and agri-processing they have regressed in the areas, the farmers we are talking about, and factories went out of business due to lack of water. This would have been averted if the dam wall raising project had started when it was scheduled to in September 2013, when the money for it was available on the national budget.

However, a sorry saga then unfolded - one of many, including a four year hiatus during which the construction personnel waited in vain in Clanwilliam for the project to begin. [Interjection.]

The PREMIER: I have detailed all this and the wasteful expenditure of about R100 million this delay incurred, in a comprehensive article. [Interjections.] Suffice to say there is now no money on the budget for this crucial project. [Interjections.]

The PREMIER: Hon members, this is - Madam Speaker, through you may I just say this is a long speech and the members are going to be here for longer than they would like... [Interjections.]

The PREMIER: There is no money on the budget now. There is no budget.

The PREMIER: Thank you, Madam Speaker. There is now no money on the national budget for this crucial project but we cannot allow it to be abandoned while the site offices, the machines, the equipment and personnel are still in the Clanwilliam area. There was no mention of Clanwilliam Dam in the Finance Minister's Budget Speech yesterday, and we will formally engage the National Government on what urgent steps they intend to take for this project to proceed, given the severe economic impact of the drought in that region. The tragedy of the Clanwilliam Dam Wall Project is unfortunately not an isolated case, as we have seen. Madam Speaker, for every high-risk municipality in the Western Cape, there is a failed, delayed or abandoned DWS Water Supply Project. [Interjection.]

The PREMIER: Hon Speaker, notwithstanding the drought, major disaster funding is also required following the devastating Southern Cape fires of June 2017. [Interjections.]

The PREMIER: The Provincial Disaster Management Centre has applied for R194 million in funding from the National Disaster Management Fund to support provincial and local interventions. The Garden Route Rebuild Initiative has been launched by the Western Cape Government to coordinate all public and private efforts to rebuild the Garden Route. I am profoundly impressed by what this initiative has achieved in bringing to life our motto: *Better Together*. The Knysna and Plettenberg Bay fires severely impacted the lives and livelihoods of various communities, in what amounted to the biggest disaster management response in South Africa's history.

Informal settlements throughout the Province were impacted by fires as well, something which our Smoke Alarm Project is helping to combat in various communities. There were, nevertheless, tragic deaths in various incidents and we express our very profound condolences to everyone who lost a family member or a friend.

In addition, more than 17 000 wildfires were recorded; 17 000 in one fire season. The fatalities would have been far higher had it not been for the fire-fighting professionals from all five District Municipalities, Local Municipalities, the City of Cape Town and the staff from Cape Nature as well as SANPARKS. We owe them a debt of deep gratitude. A major role is also played by the members of the Fire Protection Associations, Volunteer Wildfire Services, private contractor teams and Working on Fire.

Pilots from the South African Air Force and the private sector also contributed greatly, as did the South African National Defence Force Joint Operations Centre, and the National Disaster Management Centre.

We were deeply saddened, Madam Speaker, that three of our brave fire-fighters paid the ultimate price while engaged in fire-fighting. I will read their names today so that the gratitude and condolences of all citizens can be recorded and conveyed to the families of Ashley Kruger from The City of Cape Town Fire and Rescue Service; Bradley Richards from Plettenberg Bay and Cedric Seokoma from the Working on Fire Programme.

From droughts to storms to fires, Minister Bredell ably and admirably led the Disaster Management response, and I know he joins me today to thank the many heroes inside and outside of government and their families, who gave their all to manage these disasters, and again thank you very much to Mr Deiner.

The PREMIER: I plan to host a special event soon to thank all of these remarkable citizens for their contributions. Hon Speaker, the drought and other natural disasters run like a thread through the Province's recent economic history, but we remain a resilient economy, backed by a capable state committed to serving the interests of citizens and creating a climate for economic growth. [Interjections.]

The PREMIER: Let me provide the hon member Dyantyi with some evidence. [Interjections.]

The PREMIER: A total of 598 000 new jobs were added in the Western Cape since the fourth quarter of 2009... [Interjection.]

The PREMIER: Yes, let me repeat that, thank you. Let me repeat that. A total, Madam Speaker - let me repeat that because they seem to enjoy it so much. [Interjections.]

The PREMIER: Madam Speaker, a total of 598 000 new jobs were added in the Western Cape since the fourth quarter of 2009, the year we took office. [Interjections.] Yu can clap again! [Applause.]

The PREMIER: And Madam Speaker...

The PREMIER: Madam Speaker, this is not based on our statistics. It is based on the latest Quarterly Labour Force Survey, released this week by the National Government.

The PREMIER: Despite the slow national economic growth... [Interjections.]

The PREMIER: ...the Western Cape also recorded the country's highest year-on-year increase in jobs - that despite the disasters. [Interjections.]

The PREMIER: Madam Speaker, I do not mind interjections, I just find ignorant ones very disturbing. This year we have lost many, many jobs in seasonal work because of the drought. Despite that we have added 106 000 new jobs since the 4th Quarter of 2016... [Interjection.]

The PREMIER: ...despite the crippling drought that has decimated parts of our economy. [Interjection.] The province has also once again recorded the lowest official unemployment rate, which now stands at 19.5% against a national unemployment rate of 26.7%. [Interjections.]

The PREMIER: On the broad definition, which includes discouraged job-seekers, the Western Cape rate is 23%, compared to 36% nationally.

The PREMIER: Our employment rate is a full 10 percentage points higher than Gauteng, the next province on the broad definition of unemployment. So our unemployment is lower and our employment is a full 10 percentage points higher.

The PREMIER: Central to our resilience has been Project Khulisa, led by Minister Alan Winde, which focuses on achieving maximum jobs growth in priority sectors. [Interjections.]

The PREMIER: It was gratifying, Madam Speaker, to hear President Ramaphosa, in his SONA highlighting our two top focus sectors as key job creators in South Africa as a whole, which shows you how targeted Project Khulisa was. Thank you Minister Winde.

The first of these is agriculture and agri-processing, for which we had set ourselves a target of creating 100 000 jobs between 2014 and 2019. Madam Speaker, we had already exceeded that target by the fourth quarter of 2016. However, it is very unfortunate that this sector has been exposed to both the Avian Influenza outbreak of 2017... [Interjections.]

The PREMIER: ...and is taking the brunt of the impact of the drought. Despite this, we are still growing, showing a net gain of 37 370 agri-processing jobs since our Khulisa intervention started. We have also seen a net gain of over 60 000 primary agriculture jobs. [Interjection.]

What these stats demonstrate, is that without Khulisa we would only have had the negative effects of the drought without any gains from a focused economic strategy.

The PREMIER: Today in South Africa, 22.4% of all jobs in agriculture are located in the Western Cape, despite our comparatively barren soil and low rainfall... [Interjections.]

The PREMIER: Despite our comparatively barren soil and low rainfall, setting an example for what can be achieved in the rest of the country with proper strategy, especially the fertile Eastern Seaboard. However, the full extent of the impact of the drought has not hit us yet. Water allocation reduction is having a devastating impact on farmers. Because of the nature of the agriculture sector, the full effect in terms of both employment and Gross Value Add will be felt years after the rains return.

One of the levers we introduced to achieve economic growth and employment, Madam Speaker, was to double our wine exports to China and Angola. Wine exports to China have reached 18.2 million litres over the past four years. [Interjections] This is an astounding increase of 109% made possible by a partnership between the industry and Provincial Government. More than half of the Western Cape's exports are agri-related, with agriculture contributing 28% and food & beverages 24 %. [Interjection.]

The PREMIER: Key sectors in non-metro towns, such as retail and manufacturing, are also dependent on the growth of the agri-sectors. In many of our non-metro towns more than 50% of all employment is agri-related. Our drought assistance has serviced more than 2 000 farmers per tranche, which has taken place every second month. This has kept many small-holders in business through livestock feed for 80 000 animals.

In 2009 we were the first province to have a Climate Change Response Plan, which evolved into a plan for the Agricultural sector, *Smart Agri*, which was adopted in 2014 by a guiding coalition of farmers, government and industry stakeholders.

New partnerships have evolved, including the Climate Resilience Project funded by our provincial Agriculture Department and executed by GreenCape, our special purpose vehicle for the green economy. The project helps small-holder farmers ensure greater water and energy efficiency in their operations. Commercial farmers are making their own investments, such as netting to irrigate larger areas of crops with less water.

We have also led in Conservation Agriculture. This method, developed at our Langgewens research farm in the Swartland, is based on three principles: minimal soil disturbance, crop diversity and permanent soil cover. A full 98.8% of farmers in the region are now implementing this methodology, Madam Speaker. [Interjections.]

The PREMIER: During a previous drought in 2003, wheat production at our research farm amounted to less than one ton per hectare. In the first year of the latest drought, 2015, production went up to 2.1 tons per hectare, and after a very rare three-year drought the same farm is producing a remarkable 2.4 tons per hectare. This is not the only success story. At Tygerhoek Research farm near Riviersonderend the average wheat yield was 2.8 tons per hectare on 147 millimetres of rain and at Riversdale 1.6 tons per hectare was achieved on 126 millimetres of rain. This is technology-driven resilience at its best and I want to congratulate everyone involved in these improved yields despite the terrible drought.

Hon Speaker, water is also an essential factor for our second Khulisa priority sector, Tourism, which was also highlighted by President Ramaphosa in his SONA. Over the last 12 months tourism's gross value-add in the Western Cape grew by more than R2 billion or 11%. This is more than five times the national average GDP growth rate. More than 26 000 jobs were created in the tourism sector since the inception of Project Khulisa.

The PREMIER: This growth is incredible considering headwinds such as the unabridged birth certificate debacle, currency volatility, electricity blackouts, perceptions of crime, and now the water crisis. From the outset, we recognised the importance of direct flights to the region. Our dedicated Air Access Team has grown inbound international seats into the city by approximately 800 000 seats. This year alone, we have already introduced three new international routes and we are only into the second month of this year, Madam Speaker, three new international routes, and expanded a further seven existing routes to reach Cape Town. [Interjection.]

Hon Speaker, as far as the energy component of our economic strategy goes, our greatest success has been in the green economy. Over the last year we have enabled R1.2 billion of investment into the green economy across the waste, energy and water sectors. The Western Cape is the leading green economy hub in Africa. We intend to keep it that way, by advancing the Atlantis Greentech Special Economic Zone to its final stages.

We are also the leading province in terms of a supportive regulatory environment for small-scale embedded generation. Through our Energy Security Game-Changer, it is now legal in 19 municipalities to connect rooftop solar PV to the electricity grid. Thirteen of these municipalities have nationally approved tariffs in place, meaning users can be compensated for feeding their surplus power back into the municipal electricity grid.

We have come a long way since 2015, when this was only possible in the metro. Now there are 47 megawatts of installed rooftop PV in the Western Cape and we will continue to encourage businesses to invest in this sustainable technology, under our Switch-and-Save Campaign.

A new area of focus for the coming year is the development of a Wheeling Framework. Wheeling occurs, Madam Speaker, when *Company A* sells power from a generation system it owns - such as a rooftop solar PV system - via the electricity grid to *Company B*, and pays a fee to the municipality or Eskom for using the network. Cape Town is again leading the energy sector with its Wheeling Pilot which is scheduled to start in October this year. [Interjection.]

According to Eskom's Transmission, three power stations - that is Arnot, Hendrina and Camden - are reaching the end of their lifespans and will be decommissioned, starting in 2020. While our country's power system is currently in surplus, economic growth, which we desperately need, will increase the demand for electricity.

The ongoing parliamentary enquiry and the release of Eskom's disastrous financial results a few weeks ago confirm the depth of the utility's crisis, which casts major doubt on whether it will be able to meet growing demand, while decommissioning power plants at the same time.

We need to do all we can to avoid another energy crisis by ensuring an enabling environment for businesses and households to invest in alternative energy sources. The Western Cape Government has also introduced energy and water saving interventions in our office buildings including the installation of rooftop solar PV. We have reduced our overall electricity consumption by nearly 6% over the past financial year to 158 kilowatt hours per metre squared per annum. This is 35% below the private sector average, which makes us one of the most energy-efficient public property portfolios in the whole country.

The PREMIER: We have also reduced our water consumption by 20%. Hon Speaker, our provincial economy has been remarkably resilient given the challenges facing our country and our province. We continue to sustain international investment and trade successes facilitated by our economic development and investment agency, Wesgro.

Since 2014, we have seen over R7.2 billion of investments in the province. We have also closed a total of 64 trade deals to the value of R11.1 billion since 2014. Our Africa Expansion Programme has committed to R691 million in deals to date. In September 2017, the Province partnered with InvestSA and Wesgro to launch the One Stop Shop: Western Cape. Based in the Cape Town CBD, this acts as a central advisory point for investors to complete local, provincial and national regulatory processes.

For Western Cape based SMMEs, assistance is available through two funding vehicles that we directly support. The SMME Contract Finance Fund and the DEDAT National Empowerment Fund Enterprise Development Fund have supported more than 280 SMME's with loan transactions to the value of more than R15 million since 2014.

The PREMIER: Our Investment Readiness Programme has also secured R12 million in funding to rural businesses. Together with Deloitte we host the annual Western Cape Funding Fair, bringing funders and entrepreneurs together. More than 3 000 businesses have attended this event since its inaugural one 2015 edition, with the next one taking place on 8 May 2018 at the Cape Town International Convention Centre.

In partnership with ABSA, our Business Skills Training Programme has assisted more than 1 800 businesses across the province since 2014. The Township Economic Revitalisation Programme with Pick n Pay is the latest corporate partnership to create jobs. The programme focuses on the upgrading of spaza shops into independently owned mini supermarkets.

Hon Speaker, we are very serious about economic growth and we are equally serious about land reform, whether urban or rural. When President Ramaphosa addressed an ANC rally in Cape Town recently, he said that “*we need to plant the seeds for a revolution in agriculture*”. [Interjection.] He stated that he would “*order a study into returned agricultural land and what we can do with that to change things for the better*”.

The PREMIER: I have good news for the President. I have good news for the President! We have already undertaken this study. [Interjections.]

The PREMIER: Madam Speaker, the good news for the citizens of the Western Cape is...

The PREMIER: ...that the study that President Ramaphosa says the whole country needs, we have already got. The Western Cape is the only province with an audit of all land reform projects to date.

The PREMIER: The audit found that our pioneering Commodity Approach has led to the success of 62% of all land reform farms in the Western Cape. [Interjections.]

The PREMIER: This is a remarkable success rate given the many challenges facing the agricultural sector. [Interjections.]

The PREMIER: One should also compare this to the estimated 90% failure rate of land reform initiatives in the rest of the country, referred to by Mr Mathews Phosa, when speaking on a national agricultural platform last year.

Our approach is based on partnerships with 11 commodity organisations, which have enabled market access, mentorship and support services for farmers since 2014 and we have facilitated over R500 million in conditional grant funding to 357 businesses operating on land reform farms. The funding is provided through the national Comprehensive Agriculture Support Programme or CASP for short.

Our agri-business entity, Casidra, directly facilitates support to farmers, for example procuring equipment on their behalf and dropping it at their doorstep, but there are two obstacles I want to place before the President’s door, if he is serious about the statements he made about land reform.

The first is National Government’s intent to cut the CASP grant by 20%, which is the tool we use to support emerging farmers and which accounts for the success of land reform projects in the Western Cape. [Interjections.]

The PREMIER: In order for this to continue, this funding must be retained. [Interjections.]

The PREMIER: Thank you very much, Madam Speaker. I was just saying that we need to retain CASP funding in order to continue the success of land reform projects. The second point that I want to raise to ensure the success of land reform projects is the issue of title to the land on which emerging farmers operate their businesses. National Government’s approach to land reform is called the Proactive Land Acquisition Strategy. This allows the state to purchase land on the open market and allocate it to beneficiaries but the National Government Policy, known as the State Land Lease and Disposal Policy, only allows for 30-year leaseholds to be obtained by black farmers with an option to renew for 20 years. Only after 50 years... [Interjections.] [Laughter.]

Only after 50 years may ownership of the land be transferred to the farmer. The implication of 50-year leases is that farmers do not have fixed collateral... [Interjection.]

The PREMIER: ...to access production capital from financial institutions. This poses a risk to the entire business as the farmer will have to seek government support to bridge the shortfall needed for input costs. The Western Cape government whole-heartedly supports the position that farmers be given title deeds, provided they can demonstrate the capacity to run a successful agri-business. But 50 years is far too long, Madam Speaker, and cuts farmers off from accessing funds through financial institutions. Most people weighing into the debate on land reform do not know that it is National Government policy to withhold title from black farmers, which is a deeply regrettable situation. Many of the solutions to the risk of farm failures can be addressed through the commodity approach we are successfully applying to assist farmers. There should be a national switch to this approach and the pace of successful land reform will gather, as it has done in this province.

The PREMIER: In an urban context, where the constitution enables us to transfer title to housing beneficiaries, our success at land reform, urban land reform, is unrivalled. There is currently a 59% national backlog in the transfer of ownership to subsidised housing beneficiaries. In the Western Cape we have brought this down to 25% - from 65% to 25%. In total, we have delivered over 82 830 title deeds to beneficiaries since 2009. Madam Speaker, it is important for us... [Applause.] [Interjections.] Good, I will clap too. [Interjections.]

The PREMIER: Hon Speaker, it is important for us to make the distinction between ownership and rental when we discuss the amorphous term “affordable housing”. This is especially important given rapid urbanisation, rising demand for well-located property and the apartheid spatial planning legacy. [Interjections.]

The PREMIER: We will continue doing what it takes to deliver affordable housing under a difficult subsidy regime. [Interjections.]

The PREMIER: I intend to go into some detail of the challenges in this most complex of portfolios...

The PREMIER: ...which is being ably led by Minister Bonginkosi Madikizela. It is important for the public to understand that affordable housing can mean either subsidised rental, called social housing, or affordable ownership.

The PREMIER: Ownership is applicable to two subsidies: the Finance Linked Individual Subsidy Programme called FLISP and the Institutional Housing subsidy. We have to work with these subsidies determined by National Government, in order to get viable affordable housing projects into the official pipeline. [Interjections.]

The PREMIER: Thank you Madam Speaker. Subsidies have not kept pace with inflation since 2009, and income bands have not always maintained a link to the housing market or the circumstances of consumers at the lower end. In the case of well-located urban projects, we are intent on promoting social rental housing, which ensures that units in high value properties can continue to benefit successive tenants instead of being sold off by beneficiaries, which means losing these units to the affordable market.

The PREMIER: It is also important, though, to make housing viable for people in an income bracket that makes it impossible for them to get access without assistance. [Interjections.]

The FLISP programme provides a subsidy to potential beneficiaries who are able to obtain mortgage finance to cover the rest of a property's purchase price. Stringent home loan criteria, however, remain a challenge for many on the lower end of the housing market. We have been exploring different options for an affordable, incremental housing unit in a densified setting that quality-assurance regulators and banks can agree qualifies for mortgage finance. Significant progress has been made, and this month we will sign a memorandum with financial institutions under the auspices of the Banking Association of South Africa.

We have also partnered with the Human Sciences Research Council on reforming the Institutional Housing subsidy. Currently less than 5% of projects in the affordable housing pipeline are linked to this subsidy. We believe this instrument can help turn subsidised rental housing into a step towards home ownership. The research project will be completed next month. Our hope with this transformative research is to catalyse affordable housing opportunities for a greater number of people.

At the start of this term of office, Speaker, we identified as a top priority for this administration, the expansion of housing opportunities in well-located affordable units, and social rental stock.

The PREMIER: I know, and so am I.

The PREMIER: May I just enlighten the hon member that both the City and the province are absolutely dedicated to the same end.

The PREMIER: We designated it a Game-Changer in fact, through the Better Living Model concept for the old Conradie Hospital site in Pinelands / Thornton. [Interjections.] The intention was to pioneer a method of transforming apartheid's spatial legacy while ensuring viable affordable housing, cross-subsidised by the state and market-based property sales. Increasingly access to housing and transforming apartheid's spatial legacy is a top priority for this government. [Interjections.]

The PREMIER: To make cross-subsidisation work, large-scale property is required, which is one of the main variables the Conradie site fulfilled. The development of the 22 hectare site in an inner-city feeder suburb is set to provide 3 600 residential units, of which 1 800 (800?) units will be subsidised units and the remainder for the open market. The total construction cost will come to R3.4 billion, which includes a mix of private sector finance and subsidies.

This is the third SOPA in which I have spoken about this project, and if you go to the site you still see an undeveloped piece of land ... [Interjection.]

The PREMIER: That does not mean nothing is happening. On the contrary, it has taken a dedicated team, working flat-out to get us to the point where we are on target to break ground this year. The intervening time has been absorbed... [Interjections.]

The PREMIER: ...in going through all the necessary legal hoops to secure the necessary development rights for the property. Besides well-located affordable housing, the development will catalyse the upgrade of the surrounding roads infrastructure and public transport, and bring new social services to the neighbouring communities. A Request for Proposals document will be released by the end of March 2018. We look forward to bidders submitting their proposals on this exciting project.

Another flagship housing project is the Belhar CBD, where we aim to create an urban context around nearby tertiary education facilities - the University of the Western Cape, Cape Peninsula University of Technology and Northlink College. The total development value is R1.8 billion in partnership with the private sector.

The Provincial Government is contributing R750 million - R400 million for bulk infrastructure and R350 million towards housing subsidies. A total of 4 188 units will be constructed over three phases, to be completed in 2022. This includes 850 social housing units, over 560 student units with over 2000 beds; 1000 FLISP bonded units for people earning up to R15 000 a month; 600 sectional title subsidised units and over 100 units for military veterans. [Applause.] [Interjections.]

The PREMIER: The development has catalysed bulk infrastructure in the Belhar area including roads, electrification, sewer and water distribution networks.

Hon Speaker, the Western Cape Cabinet has resolved to transfer the Woodstock Hospital property to the City of Cape Town, on condition that it is used for social housing. Cabinet further resolved that the transfer should occur at just 10% of a market valuation of the property. That is R5.1 million. [Interjections.]

The PREMIER: This will go down as a landmark transaction should the City agree to a further condition that Cabinet attached to the Woodstock Hospital site, that all future property transactions between the Province and the City be effected at 10% of market value, if the land in question is to be used for social infrastructure, which brings me to Helen Bowden Nurses Home. Hon Speaker, it is located on some of the City's most valuable real estate. In line with cabinet's commitment, we intend to build a minimum of 302 social housing units on that site. The Province this week submitted our responses to the City and relevant stakeholders in respect of the rezoning and consolidation approval required for us to proceed.

Adjacent to this former nurses' home, there are three further portions of land that make up what is known as the Somerset Precinct. We intend to optimise social housing on each of the three remaining sites, following a viable mixed-use, mixed income development model. Ironically, the illegal occupation of the Helen Bowden premises will result in the delay of that social housing development, unless the matter is resolved and the site vacated, but let me turn for a moment to a topic that remains under-explored in the public discourse.

In the Cape metro, there are five very well-located mega-properties that according to our rough estimates could yield over 100 000 affordable housing units in mixed-use development. These sites are far larger than any we currently have available for affordable housing developments, and would be transformative if National Government released them for this type of development. [Interjections.]

The PREMIER: The sites are:

- Culemborg in the inner city across from the Harbour;
- Ysterplaat, the sprawling military property adjacent to Century City;
- Youngsfield, a military property ideally nestled in the southern suburb of Kenilworth;
- Wingfield, located along the key transit artery of the Voortrekker Road corridor;
- Denel, a military property ideally situated along the coast linking Khayelitsha to Strand.

The PREMIER: Our plea to the National Government is: release these Game-Changing properties with the requisite funding and we will apply the Better Living Model on a scale not as yet witnessed in South Africa. [Interjections.] It will transform access to affordable housing and transform the legacy of our apartheid urban form.

Hon Speaker, while initiatives in the metro continue, our planning to accelerate affordable housing outside of Cape Town is gaining momentum. [Interjections.]

The PREMIER: Social Housing Restructuring Zones have been gazetted in 11 towns, which enable state subsidies to be used for projects in these localities. This qualitative process has led to 53 such projects being included in the pipeline, totalling over 11 000 units. We are supporting the Drakenstein Municipality to break ground on the first non-metro project within the new financial year at Dal Josefat in Paarl. We have also partnered with the Social Housing Regulatory Authority to analyse property management systems in various towns, to ensure that social rental can be efficiently managed by municipalities, with reduced risk to their balance sheets.

Hon Speaker, we are forging ahead with a set of catalytic housing projects aimed at the poorest residents that will transform the urban landscape for the better. A total of 105 201 housing opportunities are in the pipeline for completion by 2022.

We are making progress on the Southern Corridor development to upgrade informal settlements along the N2. In Forest Village, nine contractors have been appointed and are progressing well for the delivery of over 900 units and 2400 serviced sites in the 2017/18 financial year. The project will have huge transformative potential for informal settlements including Barcelona, Gxagxa, Vukuzenzele, Kanana, Kosovo, Thabo Mbeki, Tsunami, Lusaka and Europe... [Interjection.]

The PREMIER: ...all of which are in the Gugulethu, Nyanga and the Philippi areas. [Interjections.] In the George area, 15 000 units are planned, and at different stages of development. Planning is also well underway on the Transhex development in the Breede Valley, which will yield 8 000 housing opportunities. Besides our major catalytic projects, we have also allocated funding for 60 informal settlements to be upgraded across 14 municipalities.

Hon Speaker, in pursuit of a connected, high opportunity society for all, we have launched one of the biggest flagship infrastructure projects of our final term, namely the Broadband Game-Changer. [Interjections.]

The PREMIER: Our vision, when launching this project in 2014, was to rollout broadband coverage to an unprecedented footprint of sites across the province, both urban and rural. Madam Speaker, we have reached our target of full broadband coverage with a total of 1 875 sites, including over 1 200 schools; over 200 libraries and approximately 400 other public facilities. [Interjections.]

We are now leveraging our extensive broadband network to connect the central office of each District and Local Municipality to high-speed broadband. We have also launched 178 Wi-Fi hotspots across the province, benefitting over 250 000 citizens to date.

Originally, in a previous SOPA, I committed this government to providing a hotspot in every ward, which would have numbered a total of 384. We are now in a position, Speaker, to improve on that significantly.

We are in the process of converting as many as possible of the province's broadband points into free Wi-Fi sites. This will make approximately 1 600 free Wi-Fi sites available across the province at speeds of 10 megabytes per second.

The PREMIER: This roll-out will follow the process of upgrading our 1 875 sites to 100 megabytes per second and some to one gigabyte over the next two years.

The PREMIER: The hotspots will each allow for 512... [Interjections.]

The PREMIER: Madam Speaker, the hotspots will each allow for 512 concurrent users... [Interjections.]

The PREMIER: The hotspots will each allow for 512 concurrent users to have 500 megabytes of free data per month and after that they can access the cheapest data-bundle costs in the country, up to five gigabytes, for R45. My challenge today to all major mobile operators is to try and match the data rates we are providing to citizens of the Western Cape.

Libraries, Madam Speaker, remain a key way in which citizens across the province can access information. [Interjections.] Our 371 library centres account for more than 20% of all public libraries in the country. For every year in office, we have built or started an average of 4.5 new libraries. We currently have 222 rural libraries with 1 076 computer workstations with free internet access to the public. Minister Anroux Marais has been at the forefront of expanding libraries to all corners of the province.

Speaker, while I am on the topic of libraries, the written word and digital connectivity, I want to acknowledge our oral history programme. Much of our history is passed down in stories from generation to generation through oral tradition.

The PREMIER: Madam Speaker, thank goodness some things were already written down as well. This forms the local heritage of a community. We can now use modern technology to capture and store this precious heritage. Bringing together library, museum and archive services, we are documenting our oral tradition on video. So far we have travelled to small towns to conduct over 200 interviews in 11 municipalities, from Matjiesfontein to Gouda, Goedverwacht, Vredendal, Ladismith and Mount Pleasant. Soon we are coming to the villages of Cape Agulhas, Wupertal and the Worcester area, and while we are capturing local stories we are also connecting people to the farthest corners of the earth.

The public can also access free internet in 70 Cape Access Centres, the majority of which have been built in some of the most rural towns and villages of this province. We are averaging close to 55 000 user sessions per month in these centres and just this week in Velddrif we launched the province's eighth Youth Café where young people can access internet, career guidance and opportunities. [Interjection.]

The PREMIER: We recognise that reliable internet connection is also essential, if we want to create the foundations for an effective learning environment in our schools and prepare learners for life in the 21st Century. That is why we have put major resources behind our eLearning Game-Changer, which is one of three focused on providing opportunities for young people to succeed in life.

The PREMIER: The other two are our After-School and Apprenticeship Game-Changers. [Interjection.]

The PREMIER: The eLearning Game-Changer aims to enhance the teaching and learning experience in the Western Cape schools, predominantly in maths and languages, through the use of technology. By the end of this term of office, Madam Speaker, 350 schools will have a local area network connecting every instruction room to the internet and by the end of March almost 900 schools will have connectivity coverage at selected points in the school. We will also have installed over 6 400 smart classrooms and upgraded technology in 910 ICT labs at schools. This is an increase of just over 2 400 smart classrooms and 705 laboratories over the past two years. We have also delivered 28 808 learner devices.

In September 2015 we launched our ePortal for learners, teachers, parents, school governing bodies, members and school administrators and for service to all of those constituencies. The portal now has over 11 600 digital resources, all curriculum relevant, and there have been over 310 000 unique users to date. We were encouraged by the dramatic increase in visits to the portal during the 2017 exam period and we encourage school communities to make use of this powerful platform.

The training of school leadership and teachers in digital technology continues at an accelerated pace. Just under 2 000 teachers participated in ICT development programmes last year. We are encouraged to see the commitment of so many teachers who attend training after school hours, over weekends and during school holidays and who are embracing the use of technology in their classrooms. The number of learners attending no-fee schools has also increased by 58% in the last five years, to almost 580 000 learners.

The PREMIER: To almost 580 000! We ensure that over 473 300 learners receive, not one, but two nutritious meals a day through our feeding schemes. [Interjection.] About 60 000 Learners benefit from our transport schemes and over 13 000 learners also receive hostel subsidies, with three full meals a day.

The PREMIER: All our districts are retaining matric pass rates of over 80%, and we are establishing ourselves as the leading province in maths and science results. When we took office in 2009, the matric pass rate in Quintile 1 schools, which are the poorest of all our schools, was just 57.5%. Last year the pass rate in our poorest schools was up to 73.8%. [Applause.] [Interjections.]

The PREMIER: This amounts to pass rate rises of 12.9 percentage points in Quintile 2 and 14.8 percentage points in Quintile 3 schools.

The PREMIER: The proportion of Bachelors passes in Quintiles 1 to 3 has more than doubled.

The PREMIER: The improvement in bachelor pass rates is most significant in Quintile 1 where the proportion of bachelor's passes went from 8.7% to 22.3%. This means that almost one quarter of our learners in these very poor schools are earning a quality bachelor's pass. I want to thank Minister Debbie Schafer for her dedicated leadership in continuing this trajectory. [Interjections.] [Applause.]

The PREMIER: Hon Speaker, at the start of this term we recognised that safe, connected spaces for young people... [Interjection.]

The PREMIER: ...especially in the afternoons, are a vital gateway to opportunity. [Interjections.] Studying, learning and positive social activity after school hours keep young people away from the many social problems in our communities.

The PREMIER: That is why we have prioritised the expansion of quality after-school programming as a Game-Changer across the province. The number of learners engaged in regular and consistent after-school programming has increased to over 72 000, a 264% increase since 2014. By 2019 we aim to increase this to 112 000 learners. There are currently after-school programmes at 360 low and no-fee schools across the province, a 191% increase over the past four years.

The PREMIER: Madam Speaker, before I continue I just would like to place on record that this is called the State of the Province Address for a reason. It is not a speech looking forward. It is a speech looking at what we have done and what we have achieved so far in our term and that is absolutely critical to understand. [Interjections.] It is a speech full of statistics and full of measurements against our targets and that is precisely what we need to have in the State of the Province speech. It cannot be full of vague waffle and generalisations. [Interjections.]

The PREMIER: There are currently after-school programmes in 360 low and no-fee schools across the province. 191% increase over the past four years. This expansion would not be possible without the strong partnerships which have formed between schools, government departments, NGOs and communities. The provision of quality programmes remains a top priority and we are leading the way in developing After-Schools programming as a viable career path.

In this regard, coordinated training programmes are in place, with over 250 coaches in training towards a NQF level 6 Qualification in partnership with Stellenbosch University, Rutgers University and the Community Chest. We are also pioneering the launch of a masters and doctoral programme with Rutgers University in After-School Programming. Our After-School Programme targets learners in our poorest communities where crime and violence are prevalent.

Hon Speaker, our third youth-focused Game-Changer is expanding Apprenticeships across the province. At the start of this term, we recognised that creating skills pathways out of poverty for young people is of the utmost importance. Currently, there are thousands of learners dropping out of school or matriculating who have no study or job prospects. We believe that Apprenticeships can offer young people the key first step onto the career ladder.

We have worked with employers to identify the technical and vocational jobs most needed in our five priority sectors in the province and are now focusing on ensuring there are sufficiently skilled young people to meet this demand.

The PREMIER: Our target is to have 11 300 qualified apprentices enter the labour market by 2019. Key to the success of this Game-Changer is:

- First, ensuring that learners leave school with the qualifications that employers want – most important is a 50% or higher matric maths result. We are therefore escalating maths support to learners in our Technical High Schools and Maths, Science and Technology Schools.
- Second, changing attitudes towards technical and vocational careers: learners and parents need to see these as attractive opportunities, as they are seen in the world's best and fastest growing economies, like Germany, India and Vietnam; and
- Third, encouraging employers to commit to a “learn-and-earn” model of training and increasing the number of young people in formal apprentices and other training opportunities linked to the workplace.

The PREMIER: Madam Speaker, may I just pause to address the innate interjection of the hon Dugmore.

The PREMIER: The hon member Dugmore says that we do not look at ownership, only apprenticeships.

The PREMIER: The ANC shows us exactly what the ownership model leads to. It leads to the Gupta aligned network owning everything... [Interjections.] [Applause.] ...with nine million people unemployed - with nine million people unemployed! [Interjections.]

The PREMIER: That is the ANC's ownership network.

The PREMIER: The ANC's ownership model is ownership by the politically connected elite and unemployment for everybody else.

The PREMIER: We want employment for everyone and we want a transformed economy in which everybody has an opportunity. [Interjections.]

The PREMIER: We have partnered with our Red Tape Reduction unit to make it easier for employers to take on apprentices.

The PREMIER: As a special intervention we have worked closely with the municipalities and businesses in the Eden District to turn last year's devastating fires into an opportunity for skills development through programmes to train people for the skills needed in the rebuild programme. We have also run an extensive internship programme within Provincial Government since 2012.

The PREMIER: The Premier's Advancement of Youth Project or PAY offers deserving matriculants the opportunity of work experience in the public sector, contactable references for their CV and a set of skills to render them marketable and employable. Close to 4 300 internship opportunities have been created since PAY's inception. [Interjections.]

This includes 700 opportunities this year, which the Province is funding to the value of R31 million. Our top priority is expanding opportunity for the youth of this province, to whom I have dedicated the remainder of my term in office.

Madam Speaker, the Zuma years have taken a terrible toll on our budget. Policy uncertainty and corruption have hurt South Africa's image, deterred investors and severely dented the fiscus, as has profligacy in State-owned Enterprises; wasteful expenditure, the un-mandated wage agreement of 2015, and instability in higher education, which have all seriously eroded budgets for the core business of government. And cadre deployment has further weakened the state's capacity to use the remaining budgets optimally and efficiently.

This is the reason that the first duty of the state is to ensure that the safety of citizens is paramount, and in the absence of security it is hard to deliver on other mandates, as we have learnt. Under our constitution the criminal justice pipeline, from policing to prosecution and imprisonment, are all functions of National Government. The failure to fulfil this mandate has had a dreadful impact on our province and we have had to devote significant proportions of service-delivery budgets to a security function which is not our mandate. This is the difficult context in which we have sought to protect our frontline services of education, healthcare, social services and housing, amongst others. [Interjections.]

The PREMIER: To cope with growing demand, we have stretched infrastructure budgets to their limits. We have built on average 14 schools and 265 new classrooms, for every year in office since 2009.

The PREMIER: This amounts to 131 schools and close to 2400 classrooms. Over 130 000 learners have relocated to the Western Cape since 2014. As a result, learner-teacher ratios are rising, often worryingly so. The escalating running costs of our education system amount to R1.1 billion over the last four years, and this excludes the additional school infrastructure required to meet demand. National Treasury has not provided the funds required for this substantial upward adjustment.

There has been a concomitant growth in public healthcare demand. We have spent over R5.6 billion on capital infrastructure since 2009, R3.8 billion on new and replacement infrastructure and R1.8 billion on maintenance. Over the last year, we have built the province's greenest clinic in Beaufort West, replaced clinics in Napier and Prince Alfred Hamlet, added new ward and CT scan capacity at Khayelitsha Hospital, continued the R55 million renovation of Knysna hospital, expanded Emergency Centres in Tygerberg and Stellenbosch Hospitals, and officially opened the new R104 million District-Six Community Day Centre. [Interjections.]

Minister Mbombo has taken an active stance to increasing access to healthcare and it is remarkable how, under immense pressure, our healthcare system continues to expand its reach in innovative ways. Thank you Minister Mbombo.

To ensure rural access to healthcare, our HealthNet patient transport system operates at around 230 pick-up points across the province. Every year over 150 000 patients are transported to healthcare facilities, through this R90 million service. In the past, patients paid large amounts of money to reach these facilities across the province. This is income they can now use for their household purposes.

In the Cape metro, the Provincial Health Department operates around 1 200 points for patients to collect chronic medication, known as chronic dispensing units. Approximately 18 million chronic medicine parcels have been dispensed across the entire Western Cape to date, so that patients can easily and conveniently collect them.

We also operate one of the busiest ambulance services in South Africa, transporting between 45 000 and 50 000 patients each month. Technology is helping to coordinate our Emergency Medical Services with all of our other facilities. We have partnered with global IT group, Dimension Data to link personnel in six Emergency Control Centres, 52 ambulance stations and crew in 519 vehicles. Our EMS system happens in real-time. [Interjections.]

The PREMIER: Data relating to incidents, GPS and response logistics need to be coordinated by our teams with speed. This is especially important for the safety of our dedicated EMS personnel who are saving lives day and night in the red zones of our city, where criminals have targeted these committed professionals. Coordination with law enforcement, vehicle tracking and capturing patient data are a priority for us. [Interjections.]

The PREMIER: Although attacks cannot be directly prevented, our response to them is greatly improved as a result of both technology and coordination with law enforcement. We are heartened by the tough sentence of a combined 36 years for perpetrators of an attack in Manenberg and we will support the police in every possible way to ensure that attacks on our personnel result in convictions.

The PREMIER: Hon Speaker, technology has become a bedrock of the public healthcare system through our e-Vision for Healthcare. At the heart of this approach, is digital patient data. With patients relocating from one town to another for employment purposes, especially those working on farms in the harvest seasons, their data can be easily accessed in any facility across the province. Whether you visit a clinic or a hospital your folder number remains the same, and your health record follows you wherever you go.

This is made possible by integrating all radiology, pharmacy, laboratory and patient administration data - a first for public healthcare system.

The tradition of surgical firsts also continued at our flagship facilities over the last year. Groote Schuur Hospital celebrated the 50th anniversary of the world's first heart transplant, by successfully treating a brain tumour through the patient's eye socket - another world first. [Interjections.]

The PREMIER: Red Cross Children's Hospital was certified as a Duchenne Care Centre for muscular dystrophy...

The PREMIER: ...the first certification of its kind outside of the United States. Hon Speaker, we have also kept expanding the reach of our various social services, despite the difficult fiscal environment. The number of persons with disabilities who are accessing developmental social welfare services has increased from almost 60 000 in 2014, to close on 100 000 in 2017.

The PREMIER: This expansion would not have been possible, were it not for the innovation of our Social Development department under the passionate leadership of Minister Albert Fritz. Referral pathways have been strengthened, as has the relationship between disability services, schools and day-care centres.

The PREMIER: Our Child Protection services have also had to find ways to adapt to growing demand, given the many social problems in our communities. Nationally, there is a backlog of 43 985 children whose foster care orders must be reviewed and, if necessary, renewed. [Interjection.]

The PREMIER: This is an untenable situation for our most vulnerable citizens. [Interjections.]

The PREMIER: In contrast, there were only 44 cases that required renewing in the Western Cape as at December 2017. This has been achieved through prioritisation of the Foster Care System in terms of budgets, personnel and governance mechanisms and strong co-ordination under a dedicated manager and Foster Care Management Plan. There are close to 30 000 children in foster care in this province, which is indicative of the many social problems in our communities.

It has also been tragic to witness just how many child-abuse and murder cases involve a perpetrator who is known or trusted by the victim or their families. We have asked the Western Cape universities to help us review all available research and data on child murder cases, and assist with recommendations that all stakeholders can take forward to address this terrible scourge. [Interjection.]

The PREMIER: So much of the interpersonal violence in our society takes place in the intimacy of the home environment, outside of the reach of police.

The PREMIER: However, we do reach over 22 000 families each year... [Interjection.]

The PREMIER: ...through a range of services including counselling, mediation, therapy, parenting skills training, marriage and fatherhood programmes.

The PREMIER: The family is the basic unit of society, and breakdowns in this environment give rise to many negative consequences, including children being drawn into detrimental social influences and crime.

The PREMIER: Our child and youth care centres are the first in the country to have full registration in terms of the Child Justice Act. Substance-abuse treatment programmes are run in all government-managed youth care centres, and in ten high-risk schools. Overall, we have tripled the number of treatment centres for substance abuse, reaching 35 500 clients in the last three years.

The drug problem in many Western Cape communities remains a source of grave concern to us, and a whole-of-society response is required from government, police, and civil society. Parents have a specific responsibility in this regard; no government can compensate for absent or poor parenting. Hon Speaker, if we want to break the cycle of poverty and violence in our province we also need to tackle the alcohol abuse problem head-on. Reducing alcohol-abuse-related harms has been prioritised as a Game-Changer by our government.

The PREMIER: We are focusing on three key levers: firstly, reducing access to alcohol by improving enforcement of liquor trading laws and promoting a legalised trading environment with fewer illegal outlets. We are working closely with the City of Cape Town to test a new licensing approach aimed at improving the rule of law in selected areas. We are also strengthening law enforcement in and around alcohol outlets to increase safety. [Interjection.]

The PREMIER: Secondly we are introducing alternative recreational activities that will divert high risk users from abusing alcohol and, if possible, offer business opportunities to entrepreneurs... [Interjections.] Thirdly, we are improving alcohol-harms related social and health services to communities. Interventions under these levers are focused on three target areas: Khayelitsha Town 2, Gunya and Paarl East, where we are working in close cooperation with community organisations. There has been good progress with a range of partners that would take too long to enumerate here, except to thank them all.

When it comes to increasing safety, eight high-mast security cameras, linked to the City of Cape Town's control room, have been installed in Khayelitsha Town 2 and 12 new law enforcement officers have been deployed in the area. We are confident these interventions will assist us in clamping down on liquor traders who are breaking the law and will help reduce crime in the community. We are stepping up enforcement measures against illegal outlets by appointing more liquor inspectors, and increasing the value of fines to R100 000 for outlets found operating beyond their licence conditions. [Interjections.]

The PREMIER: Western Cape liquor inspectors have also recently been certified with National Liquor Authority rights, a first for any province in South Africa. This allows them to inspect major liquor distributors with a national liquor registration.

It means every outlet in the province that sells liquor is now open to scrutiny by the Western Cape Liquor Authority. As part of our coordination efforts, over 140 SAPS officers have been trained on new regulations and relevant legislation. Enforcement on our roads has also received a major boost from the introduction of Random Breathalyser Testing. After just four months of operations, suspected alcohol-related motorist fatalities in the province declined by 14.4%...

The PREMIER: ...compared to 2016 figures, and 23.8% since 2015. I must commend Provincial Traffic Services and our Transport and Public Works Department under the leadership of Minister Donald Grant for this progress, which includes the reintroduction of evidentiary breath alcohol testing, commonly known as the Dräger device.

Hon Speaker, our safety partnerships are growing across the province, coordinated by our Community Safety Department and led from the front by Minister Dan Plato. We have accredited 165 Neighbourhood watches since the Community Safety Act came into effect in October 2016. Resources and training are steadily being rolled out to these organisations. We also facilitate grants for Community Policing Forums that present viable safety project proposals.

The Walking Bus project - a volunteer effort to accompany learners on their journeys to and from school - has now taken root in 197 schools, with 68 communities participating in this project. May this initiative continue to spread, as communities play their part in the safety of our learners.

Our long-standing partnership with the religious sector known as the Youth Safety Religion Partnership, held programmes in 36 communities during the most recent school holidays, involving over 9000 young people in positive social activity. We have also continued to push the boundaries of policing oversight within our constitutional mandate. Each year we conduct extensive oversight over resourcing at police stations and engagements with communities on their safety priorities.

Since 2014, our Court Watching Brief programme has monitored over 3 100 cases that would otherwise have fallen out of the broken criminal justice pipeline in the cracks between police, prosecutors and the courts.

The legacy of the Khayelitsha Commission of Inquiry into police inefficiency - still the first of its kind in South Africa - has seen its recommendations advanced by various task teams with the support of our Department, civil society groups, national departments and the provincial SAPS, under the able leadership of Lieutenant-General Khombinkosi Jula.

The office of the Western Cape Police Ombudsman is another unique initiative, introduced by provincial legislation and led by Advocate Vusi Pikoli. An important investigation currently underway is the impact of declining police reservist numbers in the province. The number of reservists in the Western Cape has declined dramatically from 4 400 in 2009 to just 660 in active service in 2017. Reservists must be urgently recruited, trained and appointed to support the visible policing capacity of the SAPS.

Due to changes in national policy beyond our control, no reservists were recruited or trained in 2016 or 2017. We are working hard behind the scenes for this policy stricture to be relaxed so that we can recruit reservists again.

A source of constant frustration during our time in office has been the lack of a direct operational mandate over policing. South Africa's provinces are amongst the few elected regional governments in the world without this direct mandate. We feel this most acutely in the lack of responsiveness by National Government to properly resource the police.

The National Ministry of Police plans to cut the Western Cape's police force by 3 000 officers over the next two years, at a time when SAPS are severely under-resourced. This is nothing short of disastrous. Most crime in the Cape metro is concentrated in just 7% of all precincts - the same communities where police to population ratios are far higher than the national average. We have pointed this out year after year that there is such a high population to police ratio and we have requested that it be addressed in our formal Policing Needs and Priorities submissions, to no avail.

Current statistics show that the national average police to population ratio is one officer to 328 people, while the ratio in Khayelitsha is one to 556. In the neighbouring Harare it is one to 878, in Nyanga one to 777 and in Mitchell's Plain it is one to 427. [Interjections.]

The PREMIER: Mr Deputy Speaker, the allocation of police in terms of the ratio of population is the National Government's job and we have complained about this allocation time and again. We want it to be improved.

The PREMIER: Gangsterism and related drug and gun peddling in particular, requires a concerted, well-resourced response from law enforcement authorities. Last year, the Western Cape Cabinet resolved that the army should be brought in as a short-term emergency measure to support policing in gang hotspots. This is entirely justified, as gangs have in some areas effectively usurped the authority of the state and the conventional law enforcement agencies.

Despite promises from Police Minister Fikile Mbalula, this has not materialised, nor has the specialised gang and drug units promised by former President Jacob Zuma in 2016. Minister Mbalula recently offered the astounding excuse that the SANDF would not be deployed in the short-term because SAPS are in fact on top of the gang crisis. [Interjections.]

I wrote to Minister Mbalula on 8 February requesting him to substantiate this statement that gangsterism has been neutralised, as this is at odds with the views of communities and our own experience. I have not had a reply from the hon Minister. [Interjections.]

Hon Speaker, let me turn to Manenberg. We are working with our Community SteerCom on an ambitious programme to bring a Regional Hospital and Schools Upgrade to the area, including a School of Skills. [Interjections.]

The PREMIER: The City of Cape Town is also investing in various upgrades to public infrastructure in the community... [Interjection.]

The PREMIER: ...including lighting, roads and parks. Our Department of Health's planning indicates that a Regional Hospital, a necessity for future healthcare demand... [Interjection.]

The PREMIER: ...will require seven hectares of land, as it will comprise 550 beds - much larger than each of our recently built hospitals in Mitchell's Plain and Khayelitsha. As there is limited available land in Manenberg, we have been engaged in constructive and robust discussions with the Community SteerCom and local education structures on how best to effect the overall upgrade.

Various proposals have been discussed and our discussions are very close to conclusion, subject to final budgetary allocations. Once we have reported back to the Community SteerCom, further details will be announced.

The long-term vision for the Manenberg Upgrade is the construction of a Youth Lifestyle Campus in Manenberg - a network of education and after-schools facilities linked by safe promenades and upgraded lighting and infrastructure. The entire ethos of the upgrade is based on the Violence Prevention through Urban Upgrading methodology, which has been embedded in many path-breaking projects.

We are now expanding this to small towns through our Regional Socio-economic Programme. The Province has committed R165 million for the RSEP Programme over a four-year period. In addition, a grant of R70 million has been received for the VPUU Programme from the German Development Bank for spending over the same period and we are very, very grateful to the German Development Bank for the enormous amount of funding they have put into this path-breaking project.

The PREMIER: To highlight just some of the progress to date, RSEP has undertaken:

- Two major recreational parks in the Wesbank and Ilinglethu communities of Malmesbury;
- Upgrades to community and informal trading facilities in Vredenburg;
- Planning for the Zwelethemba Commercial Corridor in Worcester.

This year the RSEP Programme is being rolled out to an additional seven municipalities and 13 new projects have been approved in consultation with communities and Local Governments in Touws River, Mossel Bay and Berg River.

The PREMIER: Hon Speaker, rail services in Cape Town are in crisis and the situation is growing more serious with each passing week.

The PREMIER: Although the central line through our poorest communities started operating again this week, after long down-time due to criminality, we have to face the fact that the total collapse of the rail services is a real possibility. This is another crucial public service, under the competence of National Government, which has failed this province spectacularly.

The PREMIER: Almost 700 000 passengers or 48% of all commuter traffic make use of rail across this province. [Interjections.] Unreliable services for an increasing number of passengers impacts heavily on the City's economy. [Interjections.]

In just two years, over 100 train coaches were lost to fire - usually arson. There is substantial evidence of coordinated economic sabotage, with the full picture yet to be uncovered by investigating authorities.

We welcome some of the emergency steps agreed to during a summit with City, Provincial Government, PRASA and other stakeholders two weeks ago. These include fire and bullet resistant walls to seal off a 15 kilometre stretch of the central line, a 100 strong dedicated rail security unit, drones to monitor criminal activity as well as the effective training and deployment of 1 500 PRASA security staff across the network. The cost, excluding the construction of the wall, will exceed R50 million for just one year.

There could be no stronger case for army patrols than the need to defend and protect the transport infrastructure on which hundreds of thousands of commuters depend daily and which is beyond the state's normal capacity to protect.

The PREMIER: White collar crime also severely impacts the system, one of the most obscene examples being the Gupta network that purportedly benefitted from over R5 billion in kickbacks on train contracts...

The PREMIER: ...for locomotives that do not fit the tracks. Traffic congestion in Cape Town is directly linked to a dysfunctional rail system, driven by grand corruption and incompetence in another failed State Owned Enterprise. We strongly support a greater role for Provincial and Local Government as well as the private sector in improving and managing the commuter rail service.

We are preparing legislation aimed at enabling Provincial government to better exercise its role in public transport, including rail, in an effort to ensure that services improve to the required standard.

It is instructive to look at what is possible by comparing the chaos of Metrorail with the public transport services that fall within the Province's mandate.

We have pioneered South Africa's first non-metro conventional bus system designed as an integrated Public Transport Network. *Go George* has grown from 47 000 monthly passenger trips in its first year of operation, to 381 000 monthly trips as of December 2017 and it is well worth congratulating all involved. [Interjections.]

The PREMIER: As for our roads, a full 95% of kilometres travelled by our road users are on roads with a fair to very good grade condition, based on a comprehensive survey. In total, we have spent over R11 billion on road infrastructure since 2014 - half on maintaining the good network we have and half on construction. We are keeping our communities connected and economically active through this crucial work.

And you will be relieved to hear, at the start of the next paragraph, let me conclude today by thanking Western Cape residents for partnering with us for nine years of building the open, opportunity society for all. Mr Deputy Speaker, I think... [Interjections.]

The PREMIER: Thank you very much. Mr Deputy Speaker, I must just pause to suggest that there is some capacity building on the side of the hon the opposition. We offer the vision and the plan at the start of a term of office. We are entering the final year of our term of office and we are reporting progress on the plan we announced at the beginning of our term.

The PREMIER: What part of that does the hon the opposition not understand?

The PREMIER: Thank you very much, Mr Deputy Speaker.

The PREMIER: This speech was timed to be 1.5 hours. This speech was timed to be 1.5 hours and it became two hours because of the interjections and interruptions of the hon the opposition. [Interjections.]

The PREMIER: Mr Deputy Speaker... [Interjections.]

The PREMIER: Mr Deputy Speaker, we will never take the voters mandate for granted. When the stories of this extraordinary time in our nation's history are told, let it be said that we did not fail to fulfil our responsibilities and that we were indeed *Better Together*. I thank you.

[Applause.]

[Full text in English to be printed in *Announcements, Tablings and Committee Reports*.]

7. The House adjourned at 16:15.

Dr G A LAWRENCE
Secretary to Provincial Parliament