

*Fellow Citizens of the Western Cape*

*Honourable Speaker*

*Honourable Members of the Provincial Cabinet*

*Honourable Mayor of Cape Town*

*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*

Speaker, this is my **11<sup>th</sup> 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. 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 – 85% clean audits for provincial departments, compared to the next province – Gauteng – with 52% clean departmental audits. Overall, financially unqualified audits were awarded to all our departments. May I specifically acknowledge Minister Ivan Meyer, the provincial Treasury and the senior staff of departments for this exceptional result.

We inherited a government that had no clean audits at all. Some of our departments are on their way to double figures in their number of consecutive unqualified audits, and this year we ensured that 11 out of 11 provincial public entities received clean audits. A full house.

And we are still top of the Presidency's Performance Management assessment – known as MPAT.

A famous rugby coach, Gary Gold, was asked to describe his main ingredient for success. He answered: "Having the best players". 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. I normally thank you at the end. This time I do so at the start, so that everyone knows who should take credit for what we have achieved.

It is a pleasure working with you, and also to feel part of Team South Africa again. President Ramaphosa's speech recognised all South Africans as equal 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.

This is not a normal drought. Hydrologists analysing rainfall records as far back as they go have calculated that a severe three-year drought in the Western Cape has a .25% chance of occurring.

This is equivalent to a “once-in-400-year event”. Black swan events such as this are the reason governments have transversal disaster management functions.

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

In this case, the national government is responsible for bulk water supply. Local government is responsible for cleaning and reticulating water, as well as demand management. Provincial government is the disaster management authority, with oversight, monitoring and support functions over municipalities.

Although bulk water supply is its mandate, the national Department of Water and Sanitation (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.

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 over the 5-year Medium Term Revenue Expenditure Framework. No local government should have to shoulder the burden of capital and operational costs for what is a national function. I note that in yesterday's budget, R6-billion was set aside for drought relief and infrastructure for the five provinces hit by the current drought. 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. The City's infrastructure-build programme, on its own, amounts to almost R6-billion.

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. 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 dams.

This would be the lowest storage level ever recorded, and the potential trigger for Day Zero – or 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 – rather than sourcing it from a 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 that we must do everything possible to avoid reaching this point. We can do so, if every resident uses less than 50 litres per person per day.

I want to congratulate the committed Capetonians who have worked so hard to reduce their water consumption. Your efforts have been pivotal in pushing day zero back to July the 9<sup>th</sup>. But we cannot let up now. If we are 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 rains 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. The growth in water management and supply technologies has been very impressive.

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, 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.

Overall, we have reduced our water consumption since 2015/16 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 3 additional boreholes, with 29 others fully functional.

The Gift of the Givers donated a further 5 boreholes, drilling deeper into the aquifer to increase the yield. The Department of Rural Development is making a R21-million contribution to equipping 5 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 – Knynsa, 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 scheme as the metro.

This is a top priority for Minister Bredell, who has been a steady hand over several disasters that we have had to manage in the past year.

The City has also done admirable work, reducing water leaks to global standards and managing demand levels down to levels lower than the late 1990's, even as Cape Town's population has grown by 1 million residents.

From dams that were overflowing in 2014, we had 3 consecutive below average rainfall seasons – despite SA Weather Service predictions of above average rainfall in 2016 and especially 2017.

Day Zero would have arrived already had restrictions not been imposed, and had Cape Town residents not put in a major water savings effort.

Many have voiced the opinion that we shouldn't be in this situation, and that new supply should have been in place. They are right.

The DWS *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.

This is known as the *Berg-River Voelvlei augmentation scheme* to pump water out of the Berg River in winter, and send it via pipeline to Cape Town for storage.

The DWS had originally intended for this project to be complete in time for the winter rain 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.

However, the *Recon Strategy's Status Update 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. But even if the department delivers, it will be too late to help us through our current crisis. This delay has cost us dearly.

The City has had to step in with Aquifer drilling projects that will cost R260-million in the 2017/18 financial year alone, on what is constitutionally, a national mandate.

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

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.

Honourable Speaker, there are two dams of critical importance to agriculture that have been top priority in our engagements with DWS.

The first of these – Brandvlei Dam – is a quick-win for the sector, and 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 Clanwilliam Dam wall raising – a project which would double the capacity of this dam to 340 million cubic metres, by raising the dam wall by 13,5 meters. This would also address growing safety concerns due to structural problems in the aging dam wall infrastructure.

This 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 about 6,000 additional hectares of land under irrigation, and increase the water available to existing farms.

This is vital to the Western Cape economy, which, in this region, is more than 80% dependent on agriculture. The more water there is, the more jobs there are for those who need them.

Instead of expanding, agriculture and agri-processing have regressed in the area as farmers 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 on the national budget.

However, a sorry saga then unfolded, including a four year hiatus during which the construction personnel waited in vain in Clanwilliam for the project to begin. I have detailed all this, and the wasteful expenditure of R100-million this incurred, in a comprehensive article. Suffice to say there is now no money on the budget for this crucial project.

We cannot allow it to be abandoned while the site offices, machines, 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 emergency 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. For every high-risk municipality in the Western Cape, there is a failed, delayed or abandoned DWS water supply project.

Honourable Speaker, notwithstanding the drought, major disaster funding is also required following the devastating Southern Cape fires of June 2017.

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, something which our smoke alarm project is helping to combat in various communities. There were, nevertheless, tragic deaths in various incidents.

In addition, more than 17 000 wild fires were recorded.

The fatalities would have been far higher, had it not been for the firefighting professionals from all five District Municipalities, Local Municipalities, City of Cape Town, and the staff from Cape Nature, as well as SANPARKS. We owe them a deep debt of 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 Defence Force Joint Operations Centre, and the National Disaster Management Centre. We were deeply saddened that three of our brave fire fighters paid the ultimate price whilst engaged in fire-fighting operations. 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 Anton Bredell 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.

I plan to hosting a special event soon to thank all of these remarkable citizens for their contributions.

Honourable 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.

A total of 598 000 new jobs were added in the Western Cape since the 4th quarter of 2009, the year we took office. This is based on the latest Quarterly Labour Force Survey, released this week.

Despite the slow national economic growth, the Western Cape also recorded the country's highest

year-on-year increase in jobs – adding 106 000 new jobs since the 4<sup>th</sup> Quarter of 2016 despite the crippling drought that has decimated parts of our economy.

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%.

On the broad definition – which includes discouraged seekers – the Western Cape rate is 23%, compared to over 36% nationally. Our employment rate is a full 10 percentage points lower than Gauteng, the next province on the broad definition.

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

It was gratifying to hear President Ramaphosa, in his SONA, highlighting our 2 top focus sectors as key job creators for South Africa as a whole.

The first of these is agriculture and agri-processing, for which we'd set ourselves a target of creating 100 000 jobs between 2014 and 2019.

We had already exceeded that target by the 4<sup>th</sup> Quarter of 2016. However, it is unfortunate that this Sector has been exposed to both the Avian Influenza outbreak of 2017 and is taking the brunt of the impact of the drought.

Despite this, we are still showing a net gain of 37 370 agri-processing jobs since our Khulisa intervention started. We've also seen a net gain of over 60 000 primary agriculture jobs.

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. 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, setting an example for what can be achieved in the rest of the country, 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 (GVA) will be felt years after the rains return.

One of the levers we introduced to achieve economic growth and employment creation was to double wine exports to China and Angola.

Wine exports to China have reached 18,2 million litres over the past four years. 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 %.



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* – adopted in 2014 by a guiding coalition of farmers, government and industry stakeholders.

New partnerships have evolved, including the Climate Resilience Project (CRP), 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 implementing this methodology.

During a previous drought in 2003, wheat production at our research farm amounted to less than 1 tonne per hectare. In the first year of the latest drought – 2015 – production went up to 2.1 tonnes per hectare. And after a very rare 3-year drought, the same farm is producing a remarkable 2.4 tonnes per hectare.

This is not the only success story. At Tygerhoek Research farm near Riviersonderend the average wheat yield was 2.8 tonnes per hectare on 147mm of rain, and at Riversdale 1.6 tonnes per hectare was achieved on 126mm of rain. This is technology-driven resilience at its best.

Honourable Speaker, water is also an essential factor for our second Khulisa priority sector – Tourism also highlighted by President Ramaphosa in his SONA.

Over the last 12 months, tourism GVA in the Western Cape grew by more than R2-billion or 11%. This is more than 5 times the national average GDP growth rate.

More than 26 000 jobs were created in the tourism sector since the inception of Project Khulisa.

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 3 new international routes and expanded a further 7 existing routes to Cape Town.

Honourable 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 application to its final stages.

We are also the leading province in terms of a supportive regulatory environment for small-scale embedded generation (SSEG). 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.

There are now 47 MW 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 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 use of the network.

Cape Town is again leading the energy sector with its wheeling pilot which is scheduled to start in October this year.

According to Eskom's Transmission Development Plan, three power stations (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. This casts major doubt on whether it will be able to meet growing demand, while decommissioning power plants.

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 kWh/m<sup>2</sup> per annum. This is 35% below the private sector average, which makes us one of the most energy-efficient public property portfolios in the country. We have also reduced our water consumption by 46% since 2015/16.

Honourable Speaker, our provincial economy has been remarkably resilient given the challenges facing our country. 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 African 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/NEF Enterprise Development Fund have supported more than 280 SMME's with loan transactions to the value of more than R15-million since 2014.

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 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.

Honourable Speaker, we are serious about land reform, whether urban or rural.

When President Cyril Ramaphosa addressed an ANC rally in Cape Town recently, he said that we need to “plant the seeds for a revolution in agriculture”.

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*”.

I have good news for President Ramaphosa – we have already undertaken this study. The Western Cape is the only province with an audit of all land reform projects to date.

The audit found that our pioneering Commodity Approach has led to the success of 62% of all land reform farms in the Western Cape. This is a remarkable success rate given the many challenges facing the agricultural sector.

One should also compare this to the estimated 90% failure rate of land reform initiatives in the rest of the country, referred to by Matthews 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, 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.

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. In order for this to continue, this funding must be retained.

Second 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 national government policy – known as the *State Land Lease and Disposal Policy* – only allows for 30-year leases to be obtained by black farmers, with an option to renew for 20 years. 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 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 a 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, 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.

In an urban context – where the constitution enables us to transfer title to housing beneficiaries, our success 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%. In total, we have delivered over 82 830 title deeds to beneficiaries since 2009.

Honourable 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.

We will continue doing what it takes to deliver affordable housing under a difficult subsidy regime. I intend to go into some detail on the challenges facing this most complex of portfolios, 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. Ownership is applicable to two subsidies: the Financial Linked Individual Subsidy programme – or 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. 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.

It is also important, though, to make housing viable for people who fall in an income bracket where financial assistance is essential to access housing.

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, remains a challenge for many at 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 we identified, as a top priority for this administration, the expansion of housing opportunities in well-located affordable units, and social rental stock.

We designated it as a game-changer, through the Better Living Model concept for the old Conradie hospital site in Pinelands/Thornton. The intention was to pioneer a method of transforming apartheid's spatial legacy while ensuring viable affordable housing, cross-subsidised by state subsidies and market-based property sales.

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 22ha site in an inner city feeder suburb is set to provide 3 600 residential units, of which 1 800 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 there, you still see an undeveloped site. 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 in going through all the necessary legal hoops to secure the necessary development rights for the site.

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 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 3 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.

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

Honourable Speaker, the Western Cape Cabinet has resolved to transfer the Woodstock Hospital property to the City of Cape Town, on condition that it be used for social housing.

Cabinet further resolved that the transfer should occur at just 10% of a market valuation of the property – R5.1 million.

This will go down as a landmark transaction should the City agree to a further condition Cabinet attached to the Woodstock Hospital sale – that all future property transactions between the Province and 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, Honourable 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 at the 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 3 further portions of land that make up what is known as the Somerset Precinct.

We intend to optimise social housing on each of the 3 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 Honourable Speaker, let me turn for a moment to a topic that remains under-explored in the public discourse.

In the Cape metro, there are 5 very well-located mega-properties that according to our rough estimates could yield over 100 000 affordable housing units in a mixed-use development context.

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.

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; and
- Denel – another military property ideally situated along the coast linking Khayelitsha to Strand.

Our plea to the national government is: release these game changing properties and the requisite funding – and we will apply the Better Living Model on a scale as yet unwitnessed in South Africa. It will transform access to affordable housing, and transform the legacy of our apartheid urban form.

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

Social Housing Restructuring Zones have been gazetted in 11 towns, which enables 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 Josefats 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.

Honourable 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 2 400 serviced sites in the 2017/18 financial year.

The project will have huge transformative potential for informal settlements including Barcelona, Gxa Gxa, Vukuzenzela, Kanana, Kosovo, Thabo Mbeki, Tsunami, Lusaka, and Europe, all of which are in the Gugulethu, Nyanga and Phillippi areas.

In the George area, 15 000 units are planned, and at different stages of development.

Planning is also well under-way on the Trans Hex 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. This forms part of our Upgrading of Informal Settlements Programme, which continues apace.

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

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.

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 WIFI 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 to improve that offer significantly. We are in the process of converting as many as possible of the province's broadband points into free WIFI sites. This will make approximately 1 600 free WIFI sites available across the province at speeds of 10 megabytes per second. This roll-out will follow the process of upgrading our 1 875 sites to 100 megs per second and some to one Gigabyte over the next two years.

The hotspots will each allow for 512 concurrent users to have 500 megs of free data per month, and after that they can access the cheapest data-bundle costs in the country, up to 5 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 remain a key way in which citizens access information. Our 371 library centres account for more than 20% of all public libraries in the country.

For every year in office, we've 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 in 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, generation to generation through oral tradition. 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're coming to the villages of Cape Agulhas, Wuppertal 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 the province. We are averaging close to 55 000 user sessions per month in these centres.

And just this week in Veldrif, we launched the province's 8<sup>th</sup> Youth Café where young people can access internet, career guidance and opportunities.

We recognise that reliable internet connection is also essential, if we want to create the foundation for an effective learning environment in our schools and prepare learners for life in the 21<sup>st</sup> 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 other two are our “After School” and “Apprenticeship” game changers.

The eLearning game-changer aims to enhance the teaching and learning experience in Western Cape schools, predominantly in maths and languages, through the use of technology.

By the end of this term of office, 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 labs over the past two years. We have also delivered 28 808 learner devices.

In September 2015 we launched our ePortal for learners, teachers, parents, SGB members and school administrators.

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 2000 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 increased by 58% in the last 5 years, to almost 580 000 learners.

We ensure that over 473 300 learners receive not one, but two nutritious meals a day through our feeding schemes.

About 60 000 Learners benefit from our transport scheme and over 13 000 learners also receive hostel subsidies, with 3 meals a day.

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 (the poorest) was 57.5% - in 2017 it was 73.8%. Pass rate rises of 12.9 percentage points in Quintile 2 and 14.8 percentage points in Quintile 3 schools were also recorded.

The proportion of Bachelors passes in Quintiles 1 – 3 has more than doubled. This is most significant in Quintile 1, where the bachelors proportion went from 8.7% to 22.3%.

This means that close to one quarter of our learners are earning a quality bachelor's pass in schools serving our poorest communities. I want to thank Minister Debbie Schäfer for her dedicated leadership in continuing this trajectory.

Honourable Speaker, at the start of this term we recognised that safe, connected spaces for young people – especially in the afternoons – are a vital gateway to opportunity. Studying, learning and positive social activity after school hours keeps young people away from the many social problems in our communities.

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.

This expansion would not be possible without the strong partnerships that 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.

Our After-School Programme targets learners in our poorest communities where crime and violence are prevalent.

Honourable Speaker, our third youth-focused game changer is expanding Apprenticeships across the province.

At the start of this term, we recognised that creating skills pathway opportunities 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.

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.

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

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’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. 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.

The Zuma years have taken a terrible toll on our budgets. Policy uncertainty and corruption have hurt South Africa’s image, deterred investment 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 have 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.

There is a reason that the first duty of the state is to ensure the safety of citizens. 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 a national 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.

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. 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. 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 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 R1.8bn 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 at Tygerberg and Stellenbosch Hospitals, and officially opened the new R104 million District-Six Community Day Centre.

Minister Mbombo has taken an activist 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.

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 (EMS).

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. 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.

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 will support the police in every possible way to ensure that attacks on our personnel result in convictions. Honourable 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 – 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.

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

The tradition of surgical firsts also continued at our flagship facilities over the last year. Groote

Schuur celebrated the 50<sup>th</sup> anniversary of the world's first heart transplant, by successfully treating a brain tumour through the eye socket – another world first.

Red Cross Children's Hospital was certified as a Duchenne Care Centre for muscular dystrophy, the first certification of its kind outside of the United States.

Honourable 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 to 100 000 in 2017.

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.

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. This is an untenable situation for our most vulnerable citizens. 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 the province currently.

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 scourge.

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

However, we do reach over 22 000 families each year through a range of services including counselling, mediation, therapy, parenting skills training, marriage and fatherhood programmes.

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.



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 3 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.

Honourable 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 related harms has been prioritised as a Game Changer by our government.

We are focusing on three key levers:

1. 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;
2. Introducing alternative recreational activities that will divert high risk users from abusing alcohol and if possible, offer business opportunities to entrepreneurs; and
3. 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, 8 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.

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 WCLA.

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 (RBT). After just four months of operations, suspected alcohol-related motorist fatalities in the province declined by 14.4% 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 Draeger device.

Honourable Speaker, our safety partnerships are growing across the province, coordinated by our Community Safety Department and led from the front by Minister Plato.

We have accredited 165 Neighbourhood watches since the Community Safety Act regulations 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 (YSRP) – held programmes in 36 communities during the most recent school holidays, involving over 9 000 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 Lt Gen 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 4400 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 strictures 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 2 years, at a time when SAPS are severely under-resourced as it is. 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, and requested that it be addressed in our formal Policing Needs and Priorities submissions, to no avail.

Current stats show that the national average police to population ratio is 1 officer to 328 people, while the ratio in Khayelitsha is 1:556. In the neighbouring Harare precinct it's 1:878, in Nyanga 1:777, and in Mitchell's Plain 1:427.

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 materialized, nor has the specialized 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.

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

Honourable Speaker, let me turn to Manenberg, where 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.

The City of Cape Town is also investing in various upgrades to public infrastructure in the community, including lighting, roads and parks.

Our Department of Health's planning indicates that a Regional Hospital, a necessity for future healthcare demand, will require 7 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 budget 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 (VPUU) methodology, which has been embedded in many path-breaking projects.

We are now expanding this to smaller 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.

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

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

This year, the RSEP Programme is being rolled out to an additional 7 municipalities and 13 new projects have been approved in consultation with communities and local governments in Touwsrivier, Mosselbay and Bergrivier.

Honourable Speaker, rail services in Cape Town are in crisis and the situation is growing more serious with each passing week. 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 now a real possibility. This is another crucial public service, under the competence of national government, which has failed this province spectacularly.

Almost 700 000 passengers – or 48% of all commuter traffic – make use of Rail across the province. Unreliable services for an increasing number of passengers impacts heavily on the City's economy.

In just two years, over 100 train coaches were lost due 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 15km 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 1500 PRASA security staff across the network. The cost, excluding the construction of the wall, will exceed R50 million for a 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.

White collar crime also severely impacts the system – one of the most obscene examples being the Gupta network, that reportedly benefitted from over R5-billion in kickbacks on train contracts, 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 PRASA, 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 over 381 000 monthly trips as of December 2017. And it is working well. Congratulations to all involved.

As for our roads infrastructure, a full 95 % of kilometres travelled by our road users, are on roads in a Fair to Very Good Condition, based on a comprehensive survey.

In total, we've 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.

Let me conclude today by thanking Western Cape residents for partnering with us for 9 years of building the open, opportunity society for all.

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 our public mandate, and that we were Better Together.

I thank you