
TUESDAY, 16 MARCH 2021

PROCEEDINGS OF THE WESTERN CAPE PROVINCIAL PARLIAMENT

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

[Hybrid sitting held with some members present in the House and some in virtual attendance through Microsoft Teams.]

The House met at 10:00

The Speaker took the Chair and read the prayer.

BUSINESS OF THE HOUSE

The SPEAKER: You may all be seated. Hon members, distinguished guests, ladies and gentlemen, I see we have a very generous presence here in the gallery today. I am humbled by the interest in the work that we do as this Parliament. Also, the Heads of Departments, you are all welcome, and Institutions of the State. We are not strangers to these virtual sessions, so as the Rules in terms of the Directives published by myself during the meeting of 17 April 2020 and, of course, 23 April 2020, it is important that we observe certain important Rules, one of which is, if you are connected as a

media stakeholder or you are connected as a stakeholder from civil society or even a member of the public, please do not participate in this session. Do not unmute yourself and do not activate your camera, so we want here to have a disciplined and a peaceful, but also a dignified session.

Hon members, as you know, there is only one item on the Agenda in terms of the Order Paper that is presented before us. It is for the Minister to deal with the Budget items, so I would like to indicate to the hon members, should there be any matter that you want to bring to the attention of the Presiding Officer, please use your microphone first by indicating by a show of hand. If you do not have that you can write in the chat room so that we can acknowledge you, we can recognise you, but this is an important Rule, because if we do not observe all these protocols we are going to end up with a chaotic meeting.

This sitting is available in the ICT Channels, for translation services, for interpretation services. You are welcome to listen in the language of your choice, as per the norm in the virtual sessions. This is a hybrid session, so those members who are here in the House, I can acknowledge here, for instance we have the honourable, the Minister of Finance. We have hon Baartman. We have hon Mackenzie. Thank you for joining, otherwise I would have been alone here in this House. So thank you very much, but to all the members who are connected virtually, thank you very much for your presence.

Now let us go to the Orders of the Day. The Secretary will read the first Order of the Day.

ORDERS OF THE DAY

The SECRETARY: Introduction and First Reading – Western Cape Third Adjustments Appropriation Bill, (2020/21 Financial Year) [B3 – 2021]

The SPEAKER: Thank you, Mr Secretary. Hon members, the Secretary will read the Second Order of the Day.

†Die SEKRETARIS: Indiening en Eerste Lesing – Wes-Kaapse Begrotingswetsontwerp [W4–2021]

[The SECRETARY: Introduction and First Reading – Western Cape Appropriation Bill [B4–2021]]

The SPEAKER: Thank you, Mr Secretary. Hon members, I now recognise the hon Minister of Finance.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Hon Speaker, hon Premier and Cabinet colleagues; hon Leader of the Opposition and hon leaders of Opposition parties, Executive Mayors and Deputy Mayors, hon members of the Western Cape Parliament, members of the Consular Corps, Heads of Departments, Municipal Managers, special guests and, of course, the people of the Western Cape.

Two weeks ago, Premier Alan Winde delivered his State of the Province Address in a small town, some distance from here, called Genadendal, which is a symbol of pain and strife, but also a symbol of freedom and courage.

When Premier Alan Winde delivered his State of the Province Address, he called on us to stand together and to lead from the front. He also called on us to get the job done and to provide the hope that we need in the Western Cape, which is why, today, we table *A Budget for Hope* in the Provincial Parliament.

This budget provides hope because it is a budget that supports job creation. This budget provides hope because it is a budget that builds safer communities, and this budget provides hope because it is a budget that delivers wellbeing for communities.

However, in the end, this budget provides hope because it is a budget that supports the plan to defeat COVID-19, which is destroying lives and which is destroying livelihoods in the Western Cape.

Speaker, when we gathered here a little more than a year ago for the tabling of the last Main Budget, not a single case of COVID-19 had been identified in the Western Cape, but the very next day – the very next day – the first positive case of COVID-19 was identified in our province; and a global COVID-19 pandemic was declared by the World Health Organisation.

We had a plan and we were prepared, but we could not have imagined what was to come at the time. We have lost 11 363 people as a result of COVID-19 pandemic in the Western Cape. Stop and think about it for a moment: 11 363 people have lost their lives as a result of COVID-19, which means there are 11 363 families who have been left devastated by the COVID-19 pandemic in the Western Cape. We are locked in a struggle between a virus and a vaccine, and the virus is winning, for now. So, we face a choice: defeat the virus or be defeated by the virus, and, to defeat the virus, we must, above all, vaccinate as many people, as fast as possible, which is why we have mobilised a massive R2,17 billion War Chest to defeat COVID-19 in the Western Cape. Let me say that again: which is why we have mobilised a massive R2,17 billion War Chest to defeat COVID-19 in the Western Cape. [Applause.]

We have allocated R325,6 million for the rollout of vaccinations, which will be spent on rolling out up to 5,1 million vaccinations in the Western Cape. We have allocated R75 million for the procurement of vaccines, which may be spent on procuring up to 500 000 single-shot vaccines for the Western Cape. We have allocated R20 million for communication on vaccines, which will be spent on communicating the benefits of being vaccinated in the Western Cape, and we have allocated R832 million to respond to a possible third wave, which will be spent on rapidly expanding testing, providing personal protective equipment, and on ensuring a sufficient supply of oxygen and critical care capacity in the Western Cape.

However, there is significant and unprecedented uncertainty in the environment, which has major cost implications. We do not know when we will receive more vaccinations from National Government. We do not know how many vaccines we will receive from National Government. We do not know whether we will receive single-shot or double-shot vaccines. We do not know which vaccines will be approved by the Regulator. We also do not know the time, the location and the magnitude of the third wave in the Western Cape. So, to ensure that we remain sufficiently agile and flexible, we have ring-fenced a further R800 million in the provincial reserves to support the fight against COVID-19 in the Western Cape... [Interjection.]

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

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES:
...which could be utilised for a range of needs, to roll out vaccines, to procure vaccines, and to respond to additional costs arising from the fight against COVID-19 in the Western Cape. We have also, above and beyond that, allocated an additional R116 million in this financial year, to fund the costs of the second wave and to jumpstart the vaccine rollout in the Western Cape. We have, in the end, matched a R1,08 billion contribution from National Government, with a R1,09 billion contribution from Provincial Government, to mobilise a massive R2,17 billion War Chest to defeat COVID-19 in the Western Cape.

Speaker, in the end, when it comes to the struggle between the virus and the vaccine, the vaccine will win, because humankind has never been better prepared to defeat a pandemic threatening the future of the world.

But, Speaker, we must also be prepared to step up and to expand humanitarian relief for people who are struggling as National Government runs out of fiscal firepower, with the UIF TERS Relief Scheme having been terminated on 15 March 2021, and the COVID-19 Social Relief Grant being terminated on 30 April 2021. So, to respond to the needs of people who have lost jobs, who cannot make ends meet, and who are going hungry, we have also allocated an additional R50 million for public employment programmes and an additional R25 million for immediate food relief. [Interjection.]

An HON MEMBER: Great stuff! Well done! [Applause.]

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: We have, in addition, ring-fenced a further R25 million in the provincial reserves for immediate food relief in the Western Cape. [Interjection.]

An HON MEMBER: Incredible!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Speaker, we have been hit hard by the pandemic but there are signs of economic recovery. We expect economic growth to increase by 4,6% in 2021, 3,1% in

2022 and 2,8% in 2023, in the Western Cape.

However, there are significant downside risks including, most importantly, a possible third wave, a shortage of electricity and a rise in inflation, all of which could compromise economic recovery. The fact is though that, in the end, economic recovery depends on vaccinating as many people as fast as possible, because, in the end, with more jobs, there will be more jobs.

Speaker, we plan to spend R72,3 billion in 2021/22, R72,6 billion in 2022/23 and R72,7 billion in 2023/24 in the Western Cape.

However, National Government owe a lot of people a lot of money, and is cutting expenditure to reduce the fiscal deficit, to pay down staggering levels of national debt in South Africa, which means that national, provincial and municipal government budgets are being slashed.

Our provincial equitable share has been cut by R20,7 billion over the medium term, and our conditional grants have been cut by R1,65 billion over the medium term in the Western Cape. We have also revised down own revenue estimates by R362 million over the medium term in the Western Cape, but to be fair, National Government provided an additional R832 million, in the form of an increase in the provincial equitable share, and a further R250,7 million in the form of an increase in conditional grants, to support the fight against COVID-19 in the Western Cape. However, we should be careful of fiscal spin, because what National Government gives with one hand, they

often take away with the other hand.

The fact is that while R250,7 million was added to conditional grants over the medium term for the Health Department to fight COVID-19; R1,99 billion was subtracted from other conditional grants for the Health Department over the medium term, which means the net effect for the Health Department is a cut of R1,85 billion to conditional grants over the medium term, in the Western Cape.

The fact is that Provincial Government is on the frontline of the fight against COVID-19, spending about a R1 billion per wave of the pandemic, in the Western Cape.

Now we have a fiscal strategy that aims to balance these competing forces. We have leaned in and allocated an additional R2,05 billion over the medium term to the fight against COVID-19. We have leaned in and allocated an additional R125 million over the medium term to restore the baseline of Human Settlements. We have leaned in and allocated an additional R5,04 billion over the medium term to restore the baseline of Health, and we have leaned in and allocated an additional R4,33 billion over the medium term to restore the baseline for Education in the Western Cape.

But that is not all. We have also taken the fight to National Government and we are pleased that, following our petition under Section 79 of the Constitution on the Division of Revenue Amendment Bill, we have a

commitment from President Cyril Ramaphosa in a letter dated 15 January 2021. That says, and I quote:

“...if the court orders that the last leg of the 2018 collective agreement for the public service be implemented, the National Treasury will make recommendations to Cabinet for the introduction of the required draft legislation in Parliament to provide such funding.”

We consider this commitment to be a huge win, not just for our province but for all provinces, because it mitigates a significant fiscal risk, which was transferred to provinces by National Treasury.

However, Speaker, we cannot continue to go on like this and so we have begun the work to prepare for a different fiscal future. We have launched a new Fiscal Futures Project to look over the horizon and to determine the best options available to maintain the long-term fiscal sustainability of Provincial Government in the Western Cape.

Speaker, we have been hit hard by the pandemic, but we have a Recovery Plan guided by three north stars – jobs, safety and wellbeing, which we will ensure move us forward and provide hope in the Western Cape.

We will spend R17,08 billion over the medium term to boost economic growth and create jobs in the Western Cape. We will create an enabling environment for the private sector to drive economic growth and create jobs.

We will do this by accelerating the ease of doing business; boosting private sector investment and promoting exports; increasing spending on infrastructure; scaling up work opportunities; and ensuring economic resilience.

We will, for example, spend R46,9 million over the medium term on ease-of-doing-business interventions, which will focus on eliminating systemic constraints to economic growth, such as visa regimes, port tariffs, trade barriers and planning delays, so that we make it easier to start a business or to expand a business.

We will spend R367,6 million over the medium term on boosting investment and promoting exports, which will focus on attracting investment, particularly in the Saldanha Bay Industrial Development Zone and the Atlantis Special Economic Zone, and on promoting exports to existing and, more importantly, new markets. And we will spend R559,46 million over the medium term on scaling up work opportunities, especially work opportunities for the youth, including artisan development, skills for the digital economy, financial and business sector skills so that our young people have the right skills to fill the jobs available now and in the future in the Western Cape.

We do this because people with jobs have hope.

Speaker, we will spend R2,35 billion over the medium term on improving safety in the Western Cape. We will reduce crime, especially violent crime,

in the Western Cape. We will do this by improving the effectiveness of policing, strengthening protective factors against violence and increasing safety in priority areas and public places.

We will, for example, spend R750 million over the medium term on 500 additional law enforcement officers for high crime areas, which will ensure that there are more trained law enforcement officers on the ground to fight crime, especially violent crime, and improve safety.

We will spend R23 million over the medium term to expand opportunities for at risk youth in high crime areas, which will give more young people, who live in tough neighbourhoods, the opportunity to attend the Chrysalis Academy, so that they will not be vulnerable to drugs and gangs.
[Interjection.]

An HON MEMBER: That is right!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: And we will spend R4,7 million over the medium term to strengthen area-based teams in high crime areas, which will consist of representatives from the Western Cape Government, from the City of Cape Town and the South African Police Service, working together – working together with external partners to implement area-based crime solutions in the Western Cape.

We do this because people who are safe have hope.

Speaker, we will spend R115,96 billion on wellbeing over the medium term in the Western Cape. We will empower people and we will create a sense of belonging for people in the Western Cape.

We will do this by ensuring that children have strong foundations; developing young people's soft skills; improving the nutrition of learners; providing support to the homeless and promoting social cohesion in communities.

We will, for example, spend R772 million over the medium term on eLearning, which will enable more learners to access free resources that support their studies and help them to continue learning even when schools are closed.

We will spend R17,5 million over the medium term to increase support services to families at risk and victims of gender-based violence, which will establish new shelters and additional gender-based violence social worker posts, to further strengthen our after-hour response, and we will spend R1,5 million over the medium term to lead an engagement to determine how to ramp up; how to significantly ramp up Early Childhood Development interventions across the Western Cape.

We will do this, Speaker, we will do this because people who feel empowered and have a sense of belonging, have hope.

Speaker, we must also accelerate investment in infrastructure, to drive

economic growth and create jobs, which is why we will spend R29,09 billion on infrastructure over the medium term in the Western Cape.

We know that investment in the identification and preparation of infrastructure projects has a significant benefit, which is today why I am pleased to announce the establishment of a new Project Preparation Facility, which will assist departments and public entities with project preparation costs, to create a clear, a visible and well-prepared pipeline of infrastructure projects.

We have allocated R23,8 million over the medium term for the first tranche of projects and will issue guidelines for further applications to the new Project Preparation Facility in 2021/22. And of course, we continue to explore options to expand private sector investment in infrastructure, including accelerating public-private partnerships and possible borrowing under the Borrowing Powers of Provincial Government Act.

Speaker, we know that load shedding costs the economy about R75 million per day per stage in the Western Cape. When it comes to the economy, COVID-19 is a left hook and load shedding is a right hook, which often results in a knockout blow that risks compromising economic recovery, which is why we will spend R48,8 million over the medium term and provide a further R20 million in the provincial reserves, for the Municipal Energy Resilience Project, which is a bold and ambitious project to support municipalities, to generate, to procure and sell their own power so that we

can beat load shedding in the Western Cape. [Interjections.]

HON MEMBERS: Hear-hear! [Applause.]

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Today I am pleased to announce the six candidate municipalities participating in the Municipal Energy Resilience Project in this financial year. They are the Drakenstein Municipality, the Mossel Bay Municipality, the Overstrand Municipality, the Saldanha Bay Municipality, the Stellenbosch Municipality and the Swartland Municipality, and we are also pleased to be collaborating with the City of Cape Town on the Municipal Energy Resilience Project. [Interjection.]

An HON MEMBER: Great stuff!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Speaker, we will spend this budget across five districts and across 30 municipalities in the Western Cape. Over the medium term, we will spend R24,95 billion in the Cape Winelands District; R10,77 billion in the West Coast District; R18,94 billion in the Garden Route District; R8,19 billion in the Overberg District; R3 billion in the Central Karoo District and R151,76 billion in the City of Cape Town.

Now, Speaker, we know that municipalities have experienced revenue shocks and have responded by protecting revenue and reducing costs. While

municipal finances are broadly in good health, a number of municipalities remain in severe financial distress. So we will continue to work closely with vulnerable municipalities to manage risks and improve their financial stability. However, we will not hesitate to take action if there are allegations of corruption in municipalities in the Western Cape... [Interjection.]

An HON MEMBER: Hear-hear!

Ms L J BOTHA: Hear-hear!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: And, for that reason, we have allocated R8,6 million to strengthen the forensic investigation capacity of the Local Government Department.

Speaker, we will, looking ahead, have to do much more, with much less, in the Western Cape. To achieve fiscal sustainability, we will explore opportunities to increase own revenue; protect frontline services, especially Health and Education, from further budget cuts; maintain strong, very strong downward pressure on expenditure; and support new ways of work in the Western Cape.

To put it simply, we will have to find ways to be leaner, ways to be smarter and ways to be more innovative, which is why we have established the Fiscal Transition Support Facility to find new, smarter ways of delivering services in the Western Cape. We have drawn down a total of R142,8 million

over the medium term from the provincial reserves to enable the Fiscal Transition Support Facility, and today I am pleased to announce the funding of a number of innovative projects, including spending R99 million over the medium term for the home delivery of chronic medication, which will decongest our clinics and will decrease waiting times for sick patients.

We will spend R10 million over the medium term to provide tele-health services, which will use technology to support the remote delivery of healthcare services, which will empower people to better manage their own health.

We will spend R2 million for the launch of a new e-procurement solution, which will make it easier for businesses, especially for small businesses, to become Government suppliers; and we will spend R1,35 million over the medium term to digitise the Western Cape Archives, which will move the Archives online, making it easier for researchers to access the archives, while decreasing physical space requirements and, of course, rental costs.

The scope of innovation in Provincial Government includes many other projects as well, such as a new demand database where beneficiaries can view their status in respect of housing on their mobile phones; and a new Blue Dot taxi transportation service, which aims to ensure safe and efficient taxi services in the Western Cape.

Speaker, we have been forced to draw down on our provincial reserves to

fight the COVID-19 pandemic in the Western Cape. However, we also have to be prepared for future risks. So we have made provision for unforeseeable and unavoidable expenditure in the amount of R250 million in 2021/22, R350 million in 2022/23, and R432,8 million in 2023/24; and we have made provision for additional COVID-19 related cost pressures in the amount of R800 million in 2021/22. We will, however, looking ahead, have to replenish our provincial reserves over the medium term in the Western Cape.

Speaker, we are committed to clean government in the Western Cape. We were the first province, the first province, to disclose detailed information on COVID-19 related expenditure. We now publish a detailed monthly Procurement Disclosure Report. We publish a detailed quarterly Procurement Disclosure Report; and we will publish a detailed annual Procurement Disclosure Report on all COVID-19 related expenditure in the Western Cape, and we will expand the contents of the monthly, quarterly and annual reports to include detailed expenditure in relation to the Vaccine Programme.

Speaker, we have also outperformed all other provinces in the 2019/20 audit results with 25 departments and public entities receiving unqualified audits, and 19 departments and public entities receiving clean audits in the Western Cape. [Interjection.]

An HON MEMBER: Good governance!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES:

However, Speaker, the highlight is the Health Department, which was the first Provincial Health Department to receive a clean audit, ever...

[Interjection.]

An HON MEMBER: Ja!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: And they have done it again... [Interjection.]

Ms L J BOTHA: Hear-hear!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...even while being the lead department in the fight against COVID-19 in the Western Cape. It is an extraordinary achievement. [Interjection.]

Ms L J BOTHA: Hear-hear!

The SPEAKER: Order! Order, hon Minister, will you please take your seat. Hon members, I indicated when we started off with the session, that we have a responsibility to manage this meeting and ensure that we observe the decorum of the House, in terms of the Directives issued by me on 17 April 2020 and, of course, the subsequent Directives on 23 April 2020 in line with Rule 40. I would like to request that we really desist from the temptation to participate without following the Rules otherwise we are going to have a chaotic meeting. This session has been going quite well and we are going to

disrupt it ourselves. Let us allow the hon Minister to proceed without any disruptions, and on that note, I recognise the hon Minister.

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Thank you, Speaker. I obviously respect your ruling, but I am indebted to the member who could not resist interrupting, because I must concede, I was starting to run out of steam. [Laughter.] So whoever the member is, thank you.

Speaker, tucked away under the budget books is the Western Cape Third Adjustments Appropriation Bill, 2021, which we table today to enable an additional allocation of R150 million to the Human Settlements Development Grant for Housing; and an additional allocation of R70,8 million to the Provincial Emergency Housing Grant to support the victims of the terrible fire in Masiphumelele, which broke out on 17 December 2020.

The Western Cape Third Adjustments Appropriation Bill 2021 also enables an additional allocation of R116 million for the response to the second wave of the pandemic and to jumpstart the rollout of vaccinations in the Western Cape.

Speaker, in conclusion, we must not forget that 263 846 people have recovered from COVID-19 in the Western Cape. However, the fact is that we remain locked in a struggle between a virus and a vaccine, and we must not let the virus win, and so, today, we table *A Budget for Hope* in the Provincial

Parliament.

We have mobilised a massive R2,17 billion War Chest to defeat COVID-19, which will give hope to all of us in the Western Cape. We have mobilised R100 million to provide humanitarian relief, which will give hope to people who are struggling in the Western Cape.

We will spend R17,08 billion to boost economic growth and create jobs, which will provide hope to people without jobs in the Western Cape. We will spend R2,35 billion on improving safety, which will give hope to people who feel unsafe in the Western Cape. We will spend R115,96 billion on the wellbeing of communities, which will give hope to people who feel disempowered in the Western Cape.

In the end, this budget gives hope, because it is a budget that supports the plan to defeat COVID-19, which is destroying lives and which is destroying livelihoods in the Western Cape.

Speaker, I would, in closing, like to thank Premier Alan Winde, and my Cabinet colleagues for their support during the finalisation of the Provincial Budget; David Savage, and Team Finance, for all their hard work developing and finalising the Provincial Budget; the hon Mireille Wenger and all the members of the Programming Committee, for accommodating a delayed tabling of the Provincial Budget; and Cayley Green, Fran Higham and Robert Botha for their grace under pressure as we finalised the Provincial Budget

speech.

So it gives me great pleasure to table the Overview of Provincial Revenue and Expenditure; the Overview of Provincial and Municipal Infrastructure Investment; the Estimates of Provincial Revenue and Expenditure; the Western Cape 2021 Appropriations Bill; the Provincial Gazette of Allocations to Municipalities; the Western Cape Third Adjustments Appropriation Bill; and, of course, my speech for discussion and deliberation by members of the Provincial Parliament.

Speaker, we must not forget that, in the end, every one of us must continue to play our part by wearing our masks, by sanitising regularly and by practicing social distancing, so that together we can defeat COVID-19, which is destroying lives and which is destroying livelihoods in the Western Cape.

I thank you.

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

The SPEAKER: Thank you. Thank you, hon members. Hon Minister, thank you very much. I did not know that the hon Minister enjoys interjections! [Laughter.]

Hon members, I request the Secretary to read the Third Adjustments Appropriation Bill the first time.

†Die SEKRETARIS: Wes-Kaapse Derde Aansuiweringsbegrotingswetsontwerp (2020/21 Finansiële Jaar) [W3–2021]

[The SECRETARY: Western Cape Adjustments Appropriation Bill (2020/21 Financial Year) [B3-2021].]

The SPEAKER: Thank you, Mr Secretary. Hon members, in accordance with Rule 188(1) the introductory speech by the Minister, the Bill and the Papers laid upon the table will be referred to the relevant committees for consideration and report. The Secretary will now read the Appropriation Bill the first time.

The SECRETARY: Western Cape Appropriation Bill. [B4-2021].]

The SPEAKER: Thank you, Mr Secretary. I thought you are rising on a point of order. Hon members, in accordance with Rule 188(1) the introductory speech, the Bill, the Papers laid upon the table will be referred to the relevant committees for consideration and report.

Before we adjourn the meeting, I just want to remind the hon members who are part of the Budget Committee that the Standing Committee on Budget will sit immediately as we adjourn.

To the guests who joined us, virtually and otherwise, thank you very much for your presence and thanks for your interest in the work that we do as the

Western Cape Provincial Parliament.

To our guests of the day, the first guest of the day, the Minister of Finance, thank you very much, the Premier, the hon members. This is the end of the meeting and I hereby adjourn the session. Have a lovely day. Thank you.

The House adjourned at 10:55.