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THURSDAY, 27 MARCH 2025

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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: Please be seated. Order! Hon members, I have to announce that due to the retirement of Mr C Doman, a vacancy occurred, and that the vacancy has since been filled by the appointment of Mr Themba Nolusu with effect from 1 March 2025. I want to take this opportunity to wish Mr Nolusu all the best with his career at the WCPP. ...[Applause.]

Order. Hon members, in terms of logistics as has been our practice to date, hon members will participate in the Sitting of the House, both from here in

the Chamber with the Presiding Officer and the Table Staff, and via Microsoft Teams. Our Standing Rules have accordingly been amended to accommodate such hybrid Sittings. Hon members, quorum requirements for the Sittings of the House are provided for in the Constitution and the Standing Rules. Unless there is an indication of unanimous concurrence, voting will be confined to members present in the House and on the hybrid system, who are entitled to cast their votes as per the ATC issued on 11 August 2020.

Members present in the Chamber and via Microsoft Teams have all the privileges and immunities imparted by law. Hon members who are considered out of order by the Presiding Officer will have their microphones muted and called to order. The Serjeant-at-Arms will record all members' attendance.

Hon members, in instances where the directives do not cover a particular eventuality, the Standing Rules must apply and in instances where the Standing Rules cannot be applied, the ruling by the Presiding Officer is final. Hon members, all microphones have been muted. However, I would like to call the hon members that are participating in the Sitting of the House via Microsoft Teams to please use the raise-hand functionality if you wish to draw my attention to a point of order.

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

cameras while the Sitting is in progress.

Hon members, for this Sitting, language translation services are available in the Chamber as usual and on Microsoft Teams via the respective channels.

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

I now recognise the Chief Whip.

### **MOTION**

The CHIEF WHIP (DA): Hon Speaker, I move without notice:

That notwithstanding the provisions of Rule 18, the hours of sitting on Thursday, 27 March the 3<sup>rd</sup> and 7 April 2025, shall be 10:00 to adjournment. I so move.

The SPEAKER: Thank you very much, hon Chief Whip. Hon members, are there any objections to the motion being moved?

Hon MEMBERS: No.

The SPEAKER: No objections, agreed to.

The Secretary will read the Order of the Day.

The SECRETARY: Introduction and First Reading – Western Cape Appropriation Bill [B1 – 2025].

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

The MINISTER OF FINANCE: Hon Speaker, hon Deputy Speaker, hon Premier, hon online members of the Executive, hon Leader of the Opposition, hon members, Consul-Generals, Western Cape Children's Commissioner and Children Monitors, special guests, people of the Western Cape.

With a shared sense of purpose, I extend a sincere welcome to all of you. Today, I have the honour of tabling before this House, the 2025 Western Cape Budget documents: the Western Cape Appropriation Bill 2025, the Overview of the Provincial Revenue and Expenditure, the Overview of Provincial and Municipal Infrastructure Investment, the Estimates of Provincial Revenue and Expenditure, the Provincial Gazette of Allocations to Municipalities, and the Budget speech for discussion and deliberation in this Provincial Parliament.

As I table this Budget, we stand at the threshold of a seemingly taxing economic landscape. A framework that is not keeping pace with the increased demand for services, set against a background of increasingly

turbulent global political and economic environment, over and above the weight of sustained domestic pressures and uncertainties.

But hon Speaker, we are undeterred. A world marked by growing scarcity, demands that we act with care and purpose. Responsiveness, credibility and sustainability are non-negotiable during these uncertain times and were of critical importance during our budget process. Every line item represents a commitment to unlocking allocative efficiency, ensuring productive efficiency, and long-term sustainability, designed to deliver tangible results for the people of the Western Cape. Every programme represents the vision of the 2025 to 2030 Provincial Strategic Plan, towards helping businesses grow and create jobs, and equipping you to get those jobs.

Hon Speaker, we will step up in this defining moment and deliver for our residents. †Kaalvoet oor Tafelberg as ons moet, maar saam gaan ons daar uitkom. [Barefoot over Tafelberg if we have to, but together we will get there.]

Hon Speaker, today's global economic outlook requires a prudent approach. The global growth forecast is set to increase to approximately 3,3% in 2025, which represents a marginal improvement but certainly not to be interpreted as a surge in prosperity. South Africa's economy is deeply intertwined with international markets, while there may be modest improvement suggesting a gradual recovery, the nation continues to face substantial challenges.

The global economic conditions remain unpredictable. The United States has introduced new tariffs, increasing inflation risks and trade uncertainty that could also impact countries such as South Africa.

In the European Union, growth remains sluggish due to weak consumer demand, energy price pressures, and declining industrial output, particularly in Germany. China is battling structural challenges, including a fragile property market and low consumer confidence which is compounded by a deteriorating demographic profile, despite several government interventions aimed at recovery.

Closer to home, Nigeria is showing moderate growth driven by its finance and telecom sectors, with reforms boosting confidence. However, infrastructure weaknesses and regulatory issues remain key hurdles.

Financial conditions are tightening, and diverging monetary policies are fuelling volatility, adding another layer of complexity. As nations navigate these economic headwinds, decisive action is needed to prevent further disruptions and safeguard long-term stability for the people of the Western Cape.

Hon Speaker, our national economic performance has been lacklustre. The latest figures indicate that 2024 growth stood at a meagre 0,6 per cent, a sharp decline from earlier projections. 2025 growth has also been revised downwards to 1,9 per cent, according to the National Treasury's forecast.

Hon Speaker, the Provincial Treasury and hon Speaker, this is a new innovation, so I want everyone to listen closely. The Provincial Treasury for the first time ever, we are now able to project national growth, and we are currently projecting lower growth prospects for the national economy of 0,8 per cent in 2025 and 1,2 per cent in 2026, through our Fiscal Futures model.

When national growth falters, tax revenues inevitably shrink. With a lower tax intake, the National Government has fewer resources to distribute to provinces through the Provincial Equitable Share, a vital funding mechanism that supports service delivery.

Adding to this situation is our deteriorating public debt profile, which has been fuelled by almost two decades of continuous deficit spending as per the National budget, the public gross debt-to-GDP ratio reached 76,1 per cent in 2024/2025, with the National Treasury projections indicating a peak of 76,2 per cent this year, breaching the UN Trade and Development's representative threshold of a public debt-to-GDP ratio of 60 per cent.

Debt-service costs consume 22 per cent of the revenue we raise nationally and eclipse allocations to education, health, and social protection. This trajectory directly compresses the PES mechanism for the provinces through the MTEF.

South Africa faces further pressures as one of the most unequal societies in the world and with the withdrawal of USAID funds imposing an additional

burden on our finances to the detriment of the most vulnerable groups. These pressures are compounded by the risks and economic implications of losing the African Growth and Opportunities Act for South Africa, known as AGOA, especially for agriculture, automotive and textile industries which benefit from duty-free access to the United States market.

Consequently, the Western Cape's spending capacity has come under great pressure to fully meet our obligations.

Hon Speaker, despite national headwinds, the Western Cape continues to demonstrate economic strength, resilience, and responsible governance. While we contend with the challenges in policing, transport, and fiscal constraints, we benefit with lower levels of risk and actively step up to improve safety, efficiency, and service delivery.

Our economy, hon Speaker, has not only rebounded from the COVID-19 pandemic, but it has also strengthened. By the end of 2024, employment had grown by 12,4 per cent since pre-pandemic levels.

Growth was led by the Finance sector at 6,6 percentage points, Community Services 2,1 percentage points, and Construction at 2,3 percentage points in this period. Notably, our province accounted for 44,7 per cent of the total national employment gains over this period. Today, our narrow unemployment rate stands at 19,6 per cent, the lowest in the country.



In the fourth quarter of 2024, the provincial economy expanded by 0,8 per cent, driven by Agriculture at 17,5 per cent, the Finance and Trade sectors both at 1,2 per cent each, while Utilities and Manufacturing contracted. Impressively, the Western Cape accounted for 52,5 per cent of South Africa's agricultural exports and 62,8 per cent of the sector's national trade surplus.

Tourism has staged a full recovery. International arrivals at Cape Town International Airport rose by 8.9 per cent in 2024 compared to 2019, of which 57,2 per cent can be attributed to arrivals from the United States. The United Kingdom at 16,4 per cent, the United States at 15,0 per cent, and Germany at 14,5 per cent remain our top tourism source markets.

Looking ahead, the Western Cape economy is projected to grow by 0,9 per cent in 2025 and 1,4 per cent in 2026. This will be driven by a recovering Agriculture sector, easing interest rates, and a robust Finance sector, which contributed 34,2 per cent to provincial GDP in 2024 and is forecast to grow by 2,5 per cent this year.

Transport, while challenged by infrastructure backlogs, is forecast to grow by 1,2 per cent in 2025 and 2,8 per cent in 2026. The rapid growth of online sales drives increased demand for transport services, alongside advancements in the 'Internet of Things'. So, it is for the youth that might be wondering what the Internet of Things are and how this is driven in terms of online sales. If you are a Checkers Sixty60, or a Woolies Dash or Takealot fan, thank you for helping us grow the Western Cape economy and create jobs!

The Agriculture sector in the Western Cape plays a key role in South Africa, producing winter rainfall crops, most of the country's wine, and supporting tourism. The 2024/2025 winter crop season shows mixed results for wheat, barley, canola, and oats. While some areas faced excessive rainfall that may impact yields, others benefited from more favourable conditions. National wheat production is estimated at 1,94 million tonnes, with the Western Cape contributing 1,1 million tonnes, an increase of 2 per cent, despite a national decline of 5 per cent.

In the wine industry, South Africa's 2024 grape harvest dropped by 7 per cent, but quality remains high, especially for our full-bodied reds and fresh whites. Lingering risks such as rolling blackouts and port delays threaten global competitiveness. But hon Speaker, I have to say that table grapes are forecast to make a comeback. The table grape production is expected to recover by 5 per cent in 2025 due to better weather and water availability.

Overall, the Western Cape's agricultural sector is projected to grow by 1,4 per cent in 2025 and by 0,8 per cent in 2026, as climate conditions improve and sustainability efforts such as increased usage of shade-netting and precision farming enhance competitiveness.

Speaker, from 2019 to 2024, total employment grew, and it grew by 11,7 per cent and unemployment rate declined by 1,3 percentage points. Our youth unemployment, though, still high at 26,9 per cent, but has improved by over 4

percentage points. A sign that the Western Cape Government's targeted interventions are working.

Population growth continues to place pressure on infrastructure. Between 2015 and 2024, the Western Cape's population increased by 19,6 per cent, while the school-going age population increased by 16,6 per cent. Stats SA's population projections reveal that our population is expected to grow a further 16,9 per cent by 2034, with our school-going age population significantly declining to 4,8 per cent.

Hon Speaker, this means that we have an aging population which will increase demand for elderly care, chronic disease management, and specialised healthcare. This raises the risk of requiring more geriatric services and trained professionals to ease pressure on public hospitals.

Hon Speaker, according to the Gini-coefficient, the Western Cape has the lowest inequality among provinces; and the Human Development Index which measures overall well-being by combining life expectancy, education, and per capita income, illustrates that the Western Cape at 0,76 maintains a consistently strong HDI, reflecting high standards in health, education, and living conditions.

While the number of people below the food poverty line has declined by 0,2 percentage points to 40,3 per cent, we still have a lot of work to do on this front and as a government we must step up.

Hon Speaker, crime shadows society with fear, fractures communities, and stifles economic growth. It diverts resources into security instead of progress, erodes trust, and disrupts daily life making individuals and businesses more focused on survival than on innovation and prosperity. Make no mistake, safety is intricately linked to economic growth and job creation.

While between 2019 and 2024, the annual cumulative growth of selected crime categories in the Western Cape over the first three quarters revealed significant declines in burglary at residential premises with negative 36,8 per cent, driving under the influence of alcohol or drugs at negative 26,0 per cent, and sexual offences at negative 10,1 per cent, we still see an increase in murder of 12,2 per cent and drug related crime at 26,6 per cent.

This is why we must step up for Safety in order to grow our economy and create jobs. †Ons kan hierdie wa deur die drif trek! [We can pull this wagon through the drift!] As provinces, we need to step up to help businesses grow to create jobs and equip our residents to get those jobs!

Hon Speaker, I turn to the National Budget process. The National Budget was originally scheduled for 19 February but was delayed due to a lack of consensus on spending priorities and revenue streams, creating significant uncertainty for provincial financial planning. Although the Budget has since been tabled, the decision to not proceed with the proposed two-percentage-

point increase in VAT forced the National Government to seek alternative measures to balance the fiscus.

As it stands, no consensus has been reached. As the national fiscal framework is being developed and the various bills are processed by the National Parliament, we hope amendments will follow.

The Western Cape Government maintains that increasing VAT is not the solution ...[Interjection.]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: ...and we are disappointed that the National Government has avoided the difficult, growth-enabling decisions. Our focus must remain on accelerating economic reforms, eliminating wasteful expenditure, and reprioritising spending, especially as provinces bearing the burden of sustaining critical frontline services like health, education, and social support without overburdening residents.

Hon Speaker, I just want to pause here because I have got a lot of questions as to what happens to the Provincial Government if the National Budget has not passed. The Western Cape Government remains open.

An HON MEMBER: Hear, hear.

The MINISTER OF FINANCE: You will still be able to access education, health. Our officials and employees will still be appointed and paid. Our Government will not stop! We will continue. ...[Applause.]

Hon Speaker, it is against this global, national and provincial fiscal framework that today's provincial budget reflects a careful calibration ...[Interjections.]

The SPEAKER: Order!

The MINISTER OF FINANCE: ...of fiscal pressures ...[Interjections.]

The SPEAKER: Order!

The MINISTER OF FINANCE: ...designed to ...[Interjection.]

The SPEAKER: Hon Minister, please take your seat. Hon Marais, is that a point of order?

Mr G P MARAIS (FFP): Hon Speaker, I just could not. There was too much commotion going on I wanted you to address that.

The SPEAKER: I take your point of order, and I have addressed that. Hon members, order! Hon members, this is the opportunity for the hon Minister to table the budget. You will have ample opportunity after the budget has

been tabled, to criticise, dissect and give your inputs. Hon Nkondlo and hon Bryant, I am on the floor! Hon Minister, my apologies. Hon members, please allow the hon Minister to table the budget or deliver her Budget Speech. You will have, as I have indicated, ample opportunity in the coming days. Hon Minister, my apologies. You may continue.

The MINISTER OF FINANCE: Hon Speaker, I am hoping that the hon member was able to hear me earlier, but if he was not. The doors of the Western Cape Government will remain open irrespective of whether National passes their budget or not. ...[Applause.] [Interjections.]

Hon Speaker, it is against this global, national and provincial fiscal framework that today's provincial budget reflects a careful calibration of fiscal pressures designed to grow our economy for job creation, and protect frontline services in a responsive, credible, and sustainable manner.

Hon Speaker, our total provincial receipts will rise by 4,7 per cent from R82,233 billion in the 2024/2025 revised estimate to R86,1 billion in 2025/2026 and are projected to grow at an annual average rate of 3,5 per cent over the MTEF, reaching R92,219 billion by 2027/2028. These funds are vital as they underpin our ability to deliver essential services, advance infrastructure projects, and support economic growth across the Western Cape.

The backbone of our 2025/2026 receipts, constitutes 75,53 per cent or

R65,376 billion, which is the Provincial Equitable Share formula, 18,9 per cent or R16,268 billion from Conditional Grants, and 5,2 per cent or R4,457 billion from Provincial Own Receipts which will get us to the full total a little bit later.

Following the 2024 Medium-term Budget Policy Statement, an additional R2,288 billion has been allocated to the PES over the 2025 MTEF period, primarily to address Compensation of Employees pressures arising from the Wage Agreement, with R1,5 billion flowing to the province over the 2025 MTEF.

Hon Speaker, Provincial Own Receipts account for 5,2 per cent of the Western Cape's total provincial revenue. Our own receipts are projected to grow at an expected annual average growth rate of 5,8 per cent, increasing from a revised estimate of R4,106 billion in 2024/2025 to R4,866 billion in 2027/2028. Anticipated revenue from own receipts is forecast at R4,456 billion in 2025/2026, R4,656 billion in 2026/2027, and R4,866 billion in 2027/2028. These provincial funds provide flexibility to address critical provincial priorities.

A notable share of own receipts stems from gambling taxes and liquor license fees, overseen by the Western Cape Gambling and Racing Board and the Western Cape Liquor Authority, respectively administered by the Provincial Treasury and the Department of Police Oversight and Community Safety. These revenues are then transferred into the Provincial Revenue Fund, and on



average these taxes generate R1,395 billion and R56,065 million per year, respectively, over the 2025 MTEF.

Of the R683,3 million in 2025/2026 financial year which will be collected through Departmental Specific Own Receipts, the Departments of Health and Wellness at R452,2 million and Infrastructure at R106,1 million, will contribute 81,7 per cent of total own receipts of the province, mainly for hospital patient fees and revenues related to leasing of Government buildings respectively.

The largest contributor to own-revenue tax receipts is Motor Vehicle Licence fees, collected by municipalities on behalf of the province. These fees are projected to grow from a revised estimate of R2,216 billion in 2024/2025 to R2,606 billion in 2027/2028, driven by an expanding vehicle population and tariff adjustments set by the Department of Mobility across various vehicle weight categories.

Gambling tax revenue is set to grow, mainly due to an increase in online sports betting, projected to grow at an Annual Average Growth Rate of 22,1 per cent from 2024/2025 revised estimate to 2027/2028. Casino taxes specifically, are expected to grow at an Annual Average Growth Rate of 3,0 per cent over the same period.

Our Liquor license fees, growing at an Annual Average Growth Rate of 4,5 per cent in line with inflation, is expected to increase from R51,307 million

in the 2024/2025 revised estimate to R58,550 million by 2027/2028. This increase aims to enhance liquor industry oversight, and curbing alcohol-related harms.

Hon Speaker, our total provincial receipts amount to R86,101 billion in the 2025/2026 financial year and our total provincial payments and provisions amount to R89,316 billion. So, for the youth in the audience or who are watching online, we are getting 86, but we need to spend 89.

†Dit beteken die geld wat ons kry is minder as die geld wat ons spandeer. So hoe gaan ons seker maak dat ons boeke klop? [This means that the money we receive is less than the money we spend. So how are we going to ensure that our books add up?]

Hon Speaker, in order to fund the R3,215 billion deficit we need for the 2025/2026 financial year, we will finance this budget deficit from our accumulated provincial reserves.

In order to maintain stability in service delivery while navigating fiscal pressures, the Western Cape Government will step up and will supplement our budget with R3,215 billion in 2025/2026, R1,584 billion in 2026/2027 and R796,832 million in 2027/2028 from our provincial reserves.

†Want agb Speaker, al moet ons kaalvoet oor Tafelberg, ons boeke gaan klop! [Because hon Speaker, even if we have to cross Table Mountain barefoot, our

books will add up!]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: Through these combined revenue streams, national transfers and our own efforts, we are equipping the Western Cape to meet our challenges and build a prosperous future for all residents.

We will ensure that every cent we collect and receive is spent in a responsive, credible and sustainable manner on behalf of the people of the Western Cape because it is not the Government's money, ...[Interjections.] it is the people's money!

Hon Speaker, the Western Cape Government is 'Stepping up for Growth and Jobs' and hereby tables a R269,524 billion budget over the next three years! Our vision is to help our businesses grow and create jobs and equipping you to get those jobs!

Hon Speaker, over the next three years, the 2025 MTEF, we will allocate R43,789 billion for programmes for Growth for Jobs, R3,955 billion for programmes for Safety, R194,928 billion for programmes for Educated, Healthy and Caring Society, and R23,439 billion for programmes in Innovation, Culture and Governance.

Hon Speaker, regional economies are stepping up their game and giving

national economies a run for their money. The Western Cape is no different as we can proudly boast the lowest provincial unemployment rate in the country at 19,6 per cent. But, hon Speaker, this is still too high.

†Ons gaan daardie berg klim! [We are going to climb that mountain!] As Member Kaizer-Philander has said previously in her engagement I was at, † ‘Buurvrou, ek kan nie lank praat nie, ons het ‘n projek!’ Ons het ‘n projek, Speaker! [‘Neighbour, I cannot talk too long, we have a project!’ We have a project, Speaker!] A R1 trillion economy by 2035, growing at 4 to 6 per cent per year, delivering 600 000 jobs! †Dit is die projek. [This is the project.] This is the vision of our Growth for Jobs Strategy.

It is bold, it is unapologetic, and it represents the spirit of the people of the Western Cape. †Want ons is mense wat ‘n plan maak! [Because we are people that make a plan!] Speaker, ...[Interjections.] †‘n visie kort ‘n plan, elke departement is deel van die plan, en die plan is as volg! [a vision needs a paln, every department is part of the plan, and the plan is a follows!]

Through 155 Growth for Jobs projects, we will: drive growth opportunities through investment; stimulate market growth through exports and domestic markets; become energy resilient and transition to net-zero carbon; we will become water secure and resilient; we will support technology and innovation; prepare and respond to disasters; we will prioritise strategic infrastructure investment and create a connected economy; and improve access to economic opportunities and enhance residents’ employability.

Here, hon Speaker, is how we are making this happen.

Hon Speaker, to support investment growth, we will allocate R45,382 million over the 2025 MTEF towards Red Tape Reduction initiatives for the Department of Economic Development and Tourism.

We will collaborate with Transnet to streamline the Port of Cape Town's operations, develop a digital cargo planning platform, resolve logistics bottlenecks, and encourage private sector involvement in the container logistics chain. Reducing congestion could drive R5,6 billion in economic growth and create 20 000 jobs over the 2025 MTEF.

The Freeport Saldanha IDZ will advance green hydrogen, maritime fabrication and repairs with R24 million allocated in 2025/2026 for stability and growth. The Atlantis SEZ, which will advance green tech manufacturing, is allocated R124,558 million over the 2025 MTEF.

We will streamline Environmental Impact Assessment procedures to ensure compliance and mitigate environmental risks associated with infrastructure projects, by allocating R9,516 million to the Department of Environmental Affairs and Development Planning, to strengthen their systems over the MTEF.

To support our Investment Strategies the Western Cape will leverage the G20

and B20 summit to drive growth and job creation; host the Regional Leaders Summit through the hon Premier; and through DEDAT, launch our inaugural provincial Investment Summit in November 2025 aiming to unlock R1 billion worth of investment into the Western Cape.

These investment summits will aid in attracting foreign investment, boosting the tourism sector, enhancing the Western Cape and South Africa's international reputation, and influencing global policy discussions. To support the work of the Department of the Premier and the Department of Economic Development and Tourism, we will allocate R26 million for the activities surrounding these summits in order to unlock further future investment.

Hon Speaker, in order to stimulate market growth, we need to increase goods and services exports to reach R320 billion by 2030, and our tourism needs to reach 3 million international arrivals.

In 2024/2025, the Department of Agriculture supported six promotional activities for market access, including agricultural exports. An allocation of R14,75 million over the 2025 MTEF is added for an additional 33 promotional activities for market access and exports.

Hon Speaker, Wesgro has signed export declarations reaching R2,64 billion in 2024/2025, with Wesgro aiming to sustain exports around R2 billion per annum over the MTEF period. Their investment promotion efforts, through

delegations, networking, and investor meetings, continue to generate new leads. We will thus allocate Wesgro R403,277 million over the MTEF to continue this vital work.

The Department of Economic Development and Tourism will continue its Export Accelerator Programme to support Small, Medium and Micro Enterprises with the skills and know-how to access international markets. Wesgro will continue its Air Access initiative and Cruise Cape Town programme to help us secure more airlines, more routes, more ships, more tourists, more economic growth, and more jobs to the Western Cape!

Hon Speaker, energy resilience is essential whether you are a manufacturer, a hairdresser, a restaurant owner, or a farmer. The Western Cape is stepping up to increase energy capacity by 1 400 MW by 2030. Hon Speaker, this is over and above what we have already achieved in energy. We will attract R16,4 billion in investment, and cut CO<sub>2</sub> emissions per GDP by 10 per cent.

To achieve this, we will allocate R382,874 million over three years across 17 energy programmes to ensure our Government is able to reach this target!

Hon Speaker, we are committing to a 15-Year Integrated Water Resilience Plan, tackling scarcity with augmentation, demand management, and source diversification.

In a province battered by droughts and climate volatility, water resilience is a

priority. With 75 per cent of the global workforce dependent on water, shortages threaten our economic future. The Western Cape Government is stepping up to secure an additional 220 million cubic meters of water annually through bold, innovative action by 2030.

The Department of Agriculture will in the medium term clear 30 000 hectares of alien vegetation in 2025/2026, boosting water availability and jobs with R132,158 million allocated over the period. The Lower Olifants River canal, vital for 840 farms and 12 000 hectares, will be allocated R23,931 million over the MTEF for maintenance, while R41,272 million will be allocated to Fruitlook, a satellite tool optimising irrigation for sustainability.

The Department of Agriculture will continue to implement this ‘Fruitlook’ programme, a satellite-based remote sensing tool, enhancing its water-use efficiency by providing real-time data on crop water consumption, growth and nitrogen levels.

The Department of Environmental Affairs and Development Planning is allocating R118,430 million over the MTEF to, among other deliverables, monitor 38 water sites annually, ensuring quality and resilience. The Department of Local Government will spend R43,49 million to support municipalities with our Municipal Water Resilience Grant.

Hon Speaker, we need to be able to respond to disasters to safeguard our residents, our infrastructure and our economy. We will thus allocate



R205,833 million over the 2025 MTEF to the Department of Local Government to strengthen disaster risk reduction strategies to proactively manage climate-related threats; enhancing our early warning systems and response capabilities to minimise human and economic impacts; invest in climate-resilient infrastructure to reduce vulnerability to extreme weather events; and support municipalities and communities in developing localised disaster resilience plans.

This allocation will include R15,911 million earmarked for Fire and Rescue Capacity Grants; R10,211 million for Disaster Risk Mitigation to support AI-driven anticipatory disaster management; R21,959 million for Disaster and Rapid Response to ensure rapid mobilisation of resources during major disasters; R37,657 million for Firefighting Response Capacity to enhance fire response services; and R10,158 million for Aerial Firefighting Support, supplementing provincial firefighting resources.

This investment will strengthen our ability to mitigate the impact of natural disasters, protect lives, and safeguard infrastructure.

Hon Speaker, technology and innovation are essential drivers of economic growth and job creation as it enhances productivity, fosters new industries and improves global competitiveness.

Our efforts will thus focus on nurturing tech start-ups, strengthening university business collaborations, and improving the regulatory environment

for innovation, particularly in areas such as climate tech, agritech, fintech, and creative industries. We will raise digital skills among school learners, graduates and SMMEs, and encourage adoption of digital tools by residents, government, and businesses.

Hon Speaker, in a world racing toward digital transformation, we are stepping up to make the Western Cape Africa's tech and innovation hub. DEDAT will drive this transformation and have been allocated R72,012 million over the MTEF for the Broadband for the Economy sub-programme, enabling six regulatory improvements and supporting 19 tech ecosystems.

Hon Speaker, economic growth demands infrastructure that delivers. Over the 2025 MTEF, we will step up to spend R30,879 billion on 924 infrastructure investments, with the biggest investments in roads and education. Of these projects, 556 are in the planning stage and 239 are in their implementation stage.

We will spend R11,098 billion on Road Infrastructure; R5,705 billion on Human Settlements Infrastructure; R2,493 billion on Public Works; R7,036 billion on Education Infrastructure, of which R3,624 billion will be for maintenance and repairs, and upgrades and additions to existing schools; R3,096 billion will be invested in New or Replaced Education Infrastructure ...[Interjections.]

The SPEAKER: Order!

The MINISTER OF FINANCE: Hon Speaker, are the hon members done? I am only on page 16. ...[Interjection.]

The SPEAKER: Order! [Interjections.] ...[Laughter.] Order! Hon Minister, please take your seat.

The MINISTER OF FINANCE: Hon Speaker, we will spend R4,415 billion on Health and Wellness Infrastructure, of which R2,811 billion will be for maintenance and repairs, and upgrades and additions, and rehabilitation, renovations and refurbishments; and R589,445 million will be invested in new or replaced Health Infrastructure, and R1,014 billion will be spent on non-Infrastructure items such as Health Technology; and R131,580 million on Environmental Affairs and Development Planning for Cape Nature Infrastructure, of which we will spend R120,661 million on maintenance and repairs, and upgrades and additions at CapeNature reserves; and R10,919 million will be spent on non-infrastructure items.

The Department of Health is implementing three catalytic and important infrastructure projects namely Tygerberg Central Hospital, which will unlock service delivery for the Helderberg, Khayelitsha and Karl Bremer ecosystems; Belhar (Tygerberg) Regional Hospital, which will strengthen the more extensive Metro East ecosystem; and Klipfontein Regional Hospital, which will strengthen the more extensive Metro West ecosystem. Other mayor projects identified are the new Helderberg Regional Hospital and the

Swartland District Hospital replacements.

Further, the Department of Economic Development will invest R125,558 million towards the ASEZ and R24 million towards the IDZ, as mentioned previously, over the MTEF.

The Department of the Premier will invest R1,575 billion over the 2025 MTEF towards the Broadband Ecosystem, and ICT Infrastructure Additions and Refresh will thus receive an allocation of R72 million, as well as R1,574 billion making up the total amount, to maintain and enhance our Broadband ecosystem in the province, including high speed broadband connectivity to more than 2 000 Western Cape Government sites of which 1 600 sites at schools, hospitals, clinics and administration offices, offer public Wi-Fi hotspot services enabling residents to access 6 GB of free data per device per month.

The Department of Agriculture will invest R132,1 million in ecological infrastructure as indicated previously with the River Protection Works and the Lower Olifants River Water User Association Preventative Maintenance programme.

The Department of Infrastructure will actively pursue further funding options to upgrade up to 50 per cent of the managed gravel road network to surfaced standards in our province, having the potential to significantly boost the agricultural economy, agri-processing, and agri-tourism sectors contributing

to our apex priority of growing the economy and creating jobs.

Hon Speaker, furthermore, the Western Cape Government will step up and through Department of Infrastructure, we will complete a R200 billion pipeline of bankable projects over the MTEF to fuel growth and jobs.

Hon Speaker, I therefore table the details of each project to this House today as part of our Overview of Provincial and Municipal Infrastructure Investment book, and which will be unpacked by each Department throughout the parliamentary budget process.

*The Chairperson takes the Chair.*

Hon Chairperson, to support a Connected Economy, the Western Cape Mobility Department will be allocated R8 million to invest over the MTEF in a Freight Rail Revitalisation Framework to ease bottlenecks and boost port efficiency, and R4 million in 2025/2026 financial year for the Intertown Rural Transport Solution, providing transport solutions between rural towns.

Further, Western Cape Mobility Department is allocated R4,035 billion from the National Public Transport Operations Grant over the MTEF to facilitate daily transport for approximately 20 000 passengers in the greater Cape Town area and subsidising 29 598 277 kilometres of travel in 2024/2025.

Finally, in collaboration with George Municipality and the National

Department of Transport, the Mobility Department will continue implementing the George Integrated Public Transport network, allocating R268,862 million over the MTEF, serving 14 000 passengers daily. The Mobility Department will be stepping up with phases 5 and 6 over the MTEF and expand connectivity to the Wilderness and George airport, placing focus also on transportation for persons with disabilities through enhancing GoGeorge and Dial-a-Ride services with wheelchair-friendly access and priority seating.

Hon Chairperson, in order to support the Growth for Jobs strategy, we want to enable 1 million residents to access at least one of five economic pathways and boost our entrepreneurship rate to 15 per cent.

The Department of Economic Development and Tourism will receive an allocation of R194,7 million over the MTEF for programmes such as Business Process Outsourcing and ICT, the Work and Skills Programme and the Artisan Development Programme to enhance youth employability through on-the-job training and skills development. This will aim to facilitate a further 10 100 employment opportunities over the MTEF.

*The Speaker takes the Chair.*

Hon Speaker, in 2024/2025, DEDAT trained an estimated 100 tourist guides and will train an additional 300 tourist guides over the 2025 MTEF.

The Department of Infrastructure will allocate R246,2 million over the MTEF to the Community-Based Programme to enhance community and contractor empowerment, including R51,6 million for the Masakh'iSizwe Programme, R14,9 million for artisan development and construction training, and R168,6 million for structured skills and business enhancement interventions to assist emerging enterprises to effectively and independently participate in the open market beyond state intervention.

Further, DOI, through Human Settlements Development, will spend R77,637 million over the 2025 MTEF for the Expanded Public Works Programme linked skills development.

For this purpose, among other strategic allocations for Growth for Jobs, the Department of Agriculture has been allocated R169,2 million over the MTEF to invest in training 240 graduates via the Elsenburg Agricultural Training Institute, building on 80 graduates in 2024/2025. They will further be allocated R9,793 million to ease service pressures and R7,937 million for vineyard and irrigation upgrades at Elsenburg, ensuring our agricultural sector thrives as a jobs engine.

As we noted previously, hon Speaker, table grapes are making a comeback, so we need to invest in Elsenburg.

The Western Cape Education Department will align its curriculum with future skills requirements, expand career guidance and support entrepreneurship

education with an allocation R18,806 million over the MTEF to support career guidance and learner development initiatives.

Hon Speaker, to Keanan du Plessis from Dysselsdorp, who sent in a budget tip and who asked for funding for sports development. The Department of Cultural Affairs and Sport will step up and support and promote the Arts and Culture sector with an estimated 70 interventions for events and activities supported in 2024/2025 financial year. This will increase to 80 events in 2025/2026 and 80 in 2026/2027, and 85 in 2027/2028.

DCAS will fund R1,256 billion over the MTEF for Western Cape Library Service points; while 529 schools, hubs and clubs are provided with equipment and attire to enable participation in sport or recreation, and we will sustain this over the 2025 MTEF.

An estimated 80 sport events are supported during the 2024/2025 financial year and DCAS plans to increase this to support 100 events in each financial year over the 2025 MTEF.

Hon Speaker, I turn to Safety. We need to ensure the safety of the people of the Western Cape and the businesses that operate in our province. It is not just a policy commitment; it is a moral imperative. Our murder rate is still too high, and we must therefore work together as a society to address this.

We will, therefore, allocate R3,955 billion to Safety programmes over the



MTEF. These funds are directed towards reinforcing law enforcement, crime prevention, and community-based safety initiatives.

To Randell Botha from Ravensmead, who asked about our crime prevention and Gender-Based Violence programmes. To support the Safety cluster, we will strengthen law enforcement by allocating R1,311 billion for the Law Enforcement Advancement Plan (LEAP), K9 units, Law Enforcement Reaction Units, and our key safety partnerships.

The Department of Social Development will receive R235,238 million over the MTEF for the Victim Empowerment Programme to support Gender-Based Violence victims of violence, particularly women and children. They will be allocated R822,186 million over the MTEF for Child Protection Services and they will receive R353 million over the MTEF for their Family Strengthening Programme to build resilience and reduce vulnerability to violence, including evidence-based parenting initiatives, marriage counselling, family support, and shelter services for unhoused families.

To combat gangsterism, the Department of Police Oversight and Community Safety will spend R96,6 million over the 2025 MTEF to support the Provincial Joints Anti-Gang Priority Committee, which coordinates the Western Cape's response to the National Anti-Gangsterism Strategy. The Department will assess 84 Community Policing Forums, 36 Community Safety Forums and approve 600 Neighbourhood Watches over the 2025 MTEF. They will receive additional funding of R2 million for the Provincial

Safety Coordination and Intelligence Centre, bringing the total allocation to R6,274 million for the Centre over the MTEF.

We will spend more than R91 million over the MTEF for the Western Cape Education Department Safe Schools Programme. Our Western Cape Mobility Department will spend R1,568 billion over the 2025 MTEF to enhance traffic law enforcement and road safety, of which R148,3 million is dedicated to Road Safety Management, with a major portion supporting the Safely Home Campaign. They are also allocated R352,8 million for the Integrated Transport System, which includes the Integrated Transport Hub for improving systems for traffic and road safety management, public transport regulation, and freight management.

Finally, R188,290 million is allocated to the Western Cape Liquor Authority to maintain its capacity to enforce the Western Cape Liquor Act at liquor outlets across the province.

Hon Speaker, I move to the programmes in an Educated, Healthy and Caring Society. A strong economy abundant in jobs and safe communities are all dependent on the wellbeing of our people. For this reason, we need to foster an Educated, Healthy and Caring Society. Even in the face of significant budgetary pressures, we will not compromise on delivering essential services that safeguard human dignity.

We will therefore spend R194,928 billion on programmes supporting our

Educated, Healthy and Caring Society and as a policy priority. Hon Speaker, those are for the programmatic themes when we look towards the Votes within the social services and subprogrammes. We will specifically spend R215,8 billion or 80% of the total Western Cape budget over the MTEF on Social Services, comprising R101 billion for Education, R100 billion for Health, R8,4 billion for Social Protection, and R6,4 billion for Housing and Community Amenities.

Hon Speaker, a child's future begins long before they enter a classroom. So, investing in Early Childhood Development in the long-term, will improve literacy and numeracy and ensure that every young person in our province has a clear pathway from education into the workforce.

To Marita Petersen from the Cape Flats, who enquired about ECD funding, we will spend R1,395 billion in 2025/2026, R1,461 billion in 2026/2027 and R1,532 billion in 2027/2028, towards Early Childhood Development.

Hon Speaker, during the public participation period on the provincial budget, the feedback we received made one thing clear: the people of the Western Cape share our deep commitment to prioritising quality, accessible education for every child in our province; like Samantha Saib from Kuils River and Adri Wernich from Kleinmond who both highlighted the importance of prioritising education during this budget speech today.

Over the past 10 years, learners of this province have felt the benefits of the

Western Cape Government's investment in education, evident in the improved primary and high school retention rates since 2019. This not only highlights the Province's strides in keeping more learners in school, but it also indicates that more of our children are finishing their matric. We have further seen an improvement in systemic test results for Grades 3, 6 and 9, over the last three years.

This highlights that projects such as the Back-on-Track programme are reaping rewards. However, despite these inroads, there are serious challenges facing the Western Cape Education Department in our Government. Our schools are witnessing an unprecedented increase in learner enrolment, which has resulted in overcrowded classrooms and a decline in the learner-teacher ratio. This rapid increase in numbers requires us to step up to provide infrastructure enhancements in the education space and an increased need to fund the employment of teachers.

To accommodate learner growth, an additional R549,288 million over the medium term will be allocated to the ...[Interjections.] Western Cape Education Department for new educator posts with R173,2 million allocated in 2025/2026, R182,9 million allocated in 2026/2027 and R193,172 million in 2027/2028.

Additionally, this will be augmented with R113,5 million for the implementation of the Presidential Youth Employment Initiative for the 2025/2026 financial year. ...[Interjection.]

An HON MEMBER: It is tough!

The MINISTER OF FINANCE: The Western Cape Rapid Schools Build Programme will receive an allocation of R2,298 billion over the MTEF as part of the national BFI programme with R1,048 billion for 2025/2026 and R1,250 billion for 2026/2027. [Interjections.] This will assist ...[Interjection.]

The SPEAKER: Order!

The MINISTER OF FINANCE: ...the Western Cape Education Department to address the urgent need for additional classrooms and learning facilities in the province.

Over the MTEF, our largest conditional grant additions over the MTEF will be allocations to the Education Infrastructure Grant at R2,39 billion to accelerate construction, maintenance, upgrading and rehabilitation of new and existing education infrastructure. Therefore, a total of R101 billion is allocated to the Department of Education envelope, over the 2025 MTEF.

The Western Cape Government will also be stepping up to strengthen our healthcare system. Access to quality, efficient and responsive healthcare is non-negotiable. The health system has been dealt a major blow this year when the USAID and PEPFAR suspended all funding activities. This

decision has significantly impacted essential healthcare services in the Western Cape, particularly access to HIV and TB care as well as medicine distribution.

The financial implication of this decision is a R405,2 million funding shortfall for health services in the Western Cape for the 2025/2026 financial year. The Department of Health and Wellness will, however, not leave vulnerable patients in the lurch.

Measures to protect the people of the Western Cape include assessing the feasibility of absorbing critical services and seeking alternative funding sources to mitigate the financial and service delivery risks of the halting of this programme. This will also bolster our capacity to protect the Department against further external disruptions that may come.

Despite the financial challenges, the Department can be proud of its progress. Data from the 2024 Municipal Economic Review and Outlook highlights a general decline in neonatal mortality across the Western Cape, suggesting improvements in healthcare access and quality of care in maternal and neonatal care. The Department can be also proud of the full recovery of HIV testing to pre-pandemic levels.

To build on these achievements and to address the challenges in the system, R19,141 billion has been allocated for compensation of employees in the 2025/2026 financial year in total and the Department of Health will work on

creating additional positions to restore their staffing levels.

Finally, R295 million is provisionally ring fenced for the 2027/2028 financial year for the Tygerberg Hospital redevelopment health technology. Additionally, the Health Facility Revitalisation Grant will increase by R76,839 million in 2025/2026. Thus, hon Speaker, a total R100 billion is allocated to the Department of Health and Wellness envelope over the 2025 MTEF.

These allocations reaffirm the Province's commitment to strengthening healthcare infrastructure and ensuring quality healthcare services for the people of the Western Cape.

Hon Speaker, it would be remiss of me to not acknowledge the inroads that have been made in the province related to the quality of life of our residents. Over the past two decades, the Western Cape has made steady progress in reducing income inequality, with the Gini coefficient improving from 0,66 in 2002 to 0,59 in 2022, outperforming the national average of 0,68. At the same time, our human development remains consistently strong, with a provincial HDI of 0,76, further also well above the national average of 0,66. These gains reflect a province moving towards greater inclusivity and opportunity for all of its residents.

The Western Cape has seen a rapid increase in population growth, placing our social services under severe strain. The Western Cape Department of Social

Development will thus be stepping up to address these challenges head-on in order to safeguard the welfare of our communities.

In an ongoing effort to enhance the efficiency and effectiveness of our social welfare services, R4 million has been earmarked in the 2025/2026 financial year for the further development and enhancement of the Social Worker Integrated Management System, the SWIMS application, and its rollout to the NGO sector. This allocation will not only facilitate a more streamlined digitisation of client files, significantly reduce the administrative burdens, and free up our social worker's time to focus on the most vulnerable people of our province. ...[Applause.]

To Elize Williams from Silversands, who asked what we are doing for persons with disabilities. In addition to the services the Department of Mobility will be expanding on in transport, for Social Welfare Services, we will increase subsidies for Services to Older Persons, Services to Persons with Disabilities and Social Relief for humanitarian and disaster response, through the Department of Social Development with a total of R121,987 million or a 10,94 per cent increase from the 2024/2025 financial year.

Further, in the light of disasters over the MTEF, R15 million has been allocated to the Department of Social Development for transfers to NPOs to provide humanitarian relief. This marks a shift from a reactive approach to a more proactive strategy in responding to disasters.



Our Child and Youth Care Centres are crucial in providing alternative care, intervention services, and accommodation for children in need of protection and those in conflict with the law. Looking ahead, the Department of Social Development will continue enhancing post-statutory interventions and support for vulnerable children, with a budget allocation of R411,861 million over the MTEF.

Hon Speaker, youth unemployment remains unacceptably high. The DCAS will thus be stepping up and playing its role in order to empower communities. The Mass Participation, Opportunity and Access, and Development and Growth, or MOD, after school programme is an initiative implemented by DCAS aimed at addressing socio-economic challenges faced by children and youth, like poverty, inequality, crime and limited access to constructive extracurricular activities.

They will be allocated R35,08 million for the 2025/2026 financial year, supporting 315 MOD centres in disadvantaged areas in 2025/2025, facilitating continuous youth participation and community integration. It has played a significant role in promoting talent development and providing safe spaces for youth.

Over the 2025 MTEF, R156,5 million is allocated to DCAS to facilitate the development, preservation and promotion of arts and culture development in the Western Cape and R380,492 million is thus allocated for Sport and School Sport, to make provision for sport facilities, competitions, and talent

development.

In addition, R161,2 million is allocated to support enrichment programmes for school learners and out-of-school youth, creating pathways to employment or further studies for NEET youth.

Further, R3 million is allocated for the 2025/2026 financial year for the ‘YearBeyond 1,000 Stories’ initiative, which aims to enhance literacy and community engagement through promoting youth placements as reading champions in libraries across the Western Cape. The YearBeyond programme will sustain 3 000 opportunities for Not in Employment, Education and Training, or NEET youth as we call them, under 25 over the 2025 MTEF.

DCAS will expand its footprint through virtual tours and online exhibitions; continue to digitise the Archives to improve preservation and access to archival records. They will maintain and support library service points across the province, providing free internet access at more than 232 rural libraries and provisioning 37 mini libraries for the blind and visually impaired. DCAS will spend approximately R28 million on Broadband Library Connection and Library Services programmes to top up the respective broadband.

Hon Speaker, the 2024 Provincial Economic Review and Outlook highlighted an increase in food poverty across the province. To address this, the Government will thus fund nutrition programmes across departments. I see

the headwinds have arrived.

Hon Speaker, through its 5-year strategy, the 'Feed the Province Initiative', the Provincial Department of Social Development aims to improve food security by providing agricultural skills at their CYCCs and NPOs. This initiative is part of a broader strategy that allocates R142,3 million over the MTEF for ongoing nutritional support from DSD.

In 2024/2025, through the DSD, over 1 000 Persons with Disabilities were able to access community-based care and support services such as nutritional meals, personal care as well as 24-hour care. These initiatives will receive R476,2 million over the 2025 MTEF.

The National School Nutrition Programme Grant will benefit 1 055 schools, including special schools; and the MOD Centre Feeding Scheme, which benefits 271 public ordinary schools aims to address nutritional needs of learners, and allocated a total of R689,3 million in 2025/2026, R712,5 million in 2026/2027, and R744,2 million in 2027/2028.

Even with limited resources, every rand we spend has a clear purpose to improve the lives of the people of this province and to ensure they have access to dignified opportunities for prosperity. Our decisions will be rooted in a realistic assessment of community needs to ensure that each investment, preventative measure and intervention yield tangible benefits. By prioritising these essential areas, we are not only maintaining human dignity

but also laying the groundwork for a healthier, more equitable future for all in our province.

Hon Speaker, following the tabling of the National Budget earlier this year, the Western Cape faces a clear imperative: we must deliver more with less. This demands a shift from outdated approaches to modern, efficient systems that maximise every rand invested. The Innovation, Culture and Governance is about building ...[Interjection.]

The SPEAKER: Hon Minister, please take your seat. Hon members, is that a point of order?

An HON MEMBER: Thank you, hon Speaker. Can you protect the hon Minister from the hon DA members who are on their phones while she is presenting the budget.

The SPEAKER: Order!

An HON MEMBER: This does not mean that ...[Interjection.]

The SPEAKER: Order!

An HON MEMBER: ...the budget is not inspiring ...[Interjection.]

The SPEAKER: Hon member, that is not a point of order. Order, hon

members! Order, hon members. Hon Minister, you may continue. Hon Minister, please take your seat. Hon member, you have had an opportunity to raise your point of order. I have ruled. Can you stop your engagement across the floor. Hon Minister, you may continue.

The MINISTER OF FINANCE: Hon Speaker, while that was not a question and while I know that we do not usually do questions during the budget process, the Western Cape Government has a very good relationship with the National Treasury, but on VAT, we do not agree.

Hon Speaker, through Innovation, Culture and Governance we are building a framework, harnessing innovation, strengthening governance, and fostering a forward-thinking culture to secure sustainable progress.

To give life to our vision of an innovative government, R23,439 billion is allocated for Innovation, Culture, and Governance, to enable this Government to step up to do more with the ever-decreasing fiscal envelope.

Hon Speaker, the constrained fiscal envelope requires us to step up towards the new revenue sources, enhancing our current revenue sources, and exploring alternative and blended financing models, particularly for infrastructure projects. The Western Cape unique asset base, and proven standard for good governance and transparency, makes thus for an attractive investment portfolio to private sector financiers, commercial and development finance institutions.

On this point, I should probably look towards the Consul-Generals and the Development Banking institutions I have invited here today.

To Lonwabo Ntaba from Knysna, who asked whether the Western Cape Government could receive donations for relief for provincial governments. We have so far through Department of Social Development, signed a Memorandum of Agreement with the Health Foundation South Africa, a non-profit company, to establish the Cape Care Fund which will strengthen support for and link donors to well-functioning, registered non-profit organisations with a proven track record for delivering effective social services.

They have partnered with the United Nations Development Fund to strengthen social services in the Western Cape in order to develop and implement innovative programmes, build capacity, enhance communications strategies, and mobilise resources through partnerships with the private sector for social impact initiatives.

The Western Cape Education Department, in collaboration with Wesgro, has launched previously the Edu Invest, a groundbreaking public-private partnership initiative, targeting investment in education with a focus on affordable independent school development and education resources and services.

Through Department of Local Government partnering with the Sustainable Infrastructure Development and Finance Facility programme or SIDAFF, we have secured R73 million from the Swiss State Secretariat for Economic Affairs and R33 million from the Infrastructure Finance Unit, that is in Denmark, which will contribute towards R154 million needed to take 17 water and wastewater projects, valued at more than R3 billion, from feasibility to bankability.

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: In order to ensure the successful rollout of this programme, we will allocate the Department of Local Government R13,3 million to fund the dedicated project management support of the programme. ...[Interjection.]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: Hon Speaker, in order to explore the Alternative and Blended Financing models, the Western Cape Government through the Department of Infrastructure, will develop a R200 billion pipeline of bankable projects by 2030. Through Provincial Treasury, we will establish our Alternative and Blended Finance policy framework for our Government. We will establish a panel of experts to evaluate Infrastructure project proposals, and we will collaborate with the National Treasury and the World Bank to establish a Blended Finance Risk Sharing Platform,

...[Applause.] a Credit Guarantee Vehicle which will aim to mobilise private capital by de-risking critical projects in the energy, transport and water sectors, before expanding to areas within the social sector.

So, hon Speaker, as you can see, as earlier we said we work with National Government on some things, but where we disagree, we will open our mouths and say so.

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: To enhance our revenue sources, we will work with the National Treasury to make use of the Budget Facility for Infrastructure and technical assistance from Infrastructure South Africa for provincial departments and municipalities.

Speaker, Anja de Nobrega from Vredenburg asked, ‘we want less red tape for innovative PPPs.’ We would like to let her know that we will leverage the amended Public-Private Partnership regulations from National Treasury, which is effective 1 June 2025, to accelerate infrastructure delivery, attract private investment and ensure financial sustainability of infrastructure projects and we will work hard to ensure less red tape for innovative PPPs.

Through the Department of Economic Development and Tourism, we will undertake research on the impact of tourism on our province, and possible related revenue sources. With the rapid increase of online sports betting, we



will capacitate with R25,4 million over the MTEF, our Western Cape Gambling and Racing Board to be able to collect more than R3 billion in taxes over the MTEF for the province.

We will lobby the Department of Trade Industry and Competition and the National Parliament to expedite the Remote Gambling Bill to regulate illegal online gambling, protect our residents against the harms of the industry, and for the corresponding taxation to flow to provinces, and support departments and municipalities with researching additional and enhancing revenue streams.

Hon Speaker, in a world of rapid technological growth, automation and artificial intelligence, we need to step up and find innovative ways to solve our problems. The Western Cape Government will therefore leverage technology for innovation.

The Department of the Premier thus will develop an AI Governance Framework and AI Strategy, strengthening through our partnerships with the Council for Scientific and Industrial Research and the Cape Higher Education Consortium, and explore high-impact Artificial Intelligence use cases to enhance service delivery and governance.

Our Government, through the Provincial Treasury, will deploy our Fiscal Futures Model, a tool for planning future expenditures based on revenue expectations and different economic scenarios over a 10-year period. Hon

Speaker, we can now go toe-to-toe with the National Treasury econometrics.

Through the Department of Infrastructure, we will allocate R75,9 million over the MTEF for the their Emerge platform, a digital solution aimed at integrating key asset information into a single asset register, R87,6 million over MTEF for Building Information Modelling and deployment of drones for road and facility condition assessments, and they will mainstream Artificial Intelligence and its associated computational power for advanced data analysis, predictive scenario planning, and the transformative management of a dynamic digital twin asset register.

Hon Speaker, in the Western Cape Government, our people are our biggest strength, and we have reaped the rewards of this strength by being recognised as a Top Employer. To put this into context, the Western Cape Government's Compensation of Employees will account for 57% of the total provincial budget, growing our revised estimate from R45,4 billion in 2024/2025 to R52,9 billion by 2027/2028, increasing our Government staff component by 2 580 positions in 2025/2026 and amounting to R48,438 billion for 202520/26.

80% of the increase in the staff component will stem from the Departments of Health and Wellness, Western Cape Education Department and the Western Cape Department of Mobility. To support our officials, we will step up to offer 38 588 training opportunities. We will offer 2 223 bursaries and appoint 1 891 interns and offer 181 learnerships across the Western Cape

Government for the 2025/2026 financial year.

We will empower and support our hard-working officials, through our Department of the Premier, by reconfiguring the Provincial Training Institute into an innovation hub and learning centre of excellence. We will strengthen our staff capacity with AI Skills development, including development for AI implementation, policy and ethical governance.

Speaker, in the Western Cape we take pride in our good governance brand and here, I should probably look again towards the Banking Institutions, because you need clean audits, a positive balance sheet, and quality and transparent financial statements if you want financial institutions to take you seriously for alternative and blended financing. The Western Cape Government boasts with 100% unqualified audits!

Hon Speaker, a clean audit means that you are spending your money on what you said you are spending your money on. We are not perfect, but we are proud of our progress and honest about our areas for improvement.

Over the years, hon Speaker, we have completed 14 expenditure reviews across departments and in addition to assessing the progress of implementation of these expenditure reviews, we are completing an additional 2 expenditure reviews in the 2025/2026 financial year, evaluating the efficiency in utilisation of Government vehicles and the optimal utilisation of Government buildings.

These expenditure reviews will assist in finding ways to stretch the peoples' money we have, a little bit further and to be more innovative in our approach.

In an effort to do more with less and now for more people, we will spend R57,981 billion over the MTEF on procurement for Goods and Services across Government, comprising of the Department of Health and Wellness at 50,9 per cent of all of our procurement in the Province, the Western Cape Education Department at 18,6 per cent, the Department of Infrastructure at 13,3 per cent, the Department of the Premier at 6,4 per cent and the Western Cape Mobility Department at 4,9 per cent.

Our top five procurement items will make up 58,35% of our procurement spend, comprising of: R3,884 billion on property payments, primarily for security services, municipal services and property maintenance; R2,257 billion on medical supplies; R1,925 billion on medicine; R1,601 billion for contractors, mainly for contracting medical services, and road and general building infrastructure maintenance; and R1,463 billion on computer services.

The Western Cape Government will continue to utilise strategic sourcing in order to increase our spending power and by focussing on value-for-money, helping to stretch the people's money as far as possible for our services. Just to note, hon Speaker, Government also pays VAT. So, if you had to pay an increase of VAT, your procurement spending power comes down and you are

able to buy less with what you have.

Hon Speaker, in the 2023/2024 financial year, 59% of all Western Cape Government procurement flowed to black-owned businesses. We did this without set asides or mandatory sub-contracting. This is against a National Treasury target of 30 per cent for provinces.

In simple terms, we do not dictate who gets a contract and we do not dictate who gets to participate in our provincial economy.

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE: We focus on having a diverse pool of suppliers, multiple opportunities for training and information sessions, with an emphasis on value-for-money. We have thus shown through data and evidence, there is no reason to exclude anyone from participating in our economy on arbitrary terms. We have proven that both transformation and economic growth can co-exist. It is not a zero-sum game.

Because the Western Cape budget is not Government's money, it is the people's money, we must spend the people's money in the most responsible manner on the people of the Western Cape.

Hon Speaker, the national Public Procurement Act seeks to centralise procurement with the National Treasury and the Office of the Procurement

Officer and strips provinces from drafting our own procurement policies, as indicated in our National Constitution. The Western Cape Government will not accept this and will be pursuing legal action in this regard.

Hon Speaker, if we want growth and jobs, we will need strong, well-functioning municipalities with healthy finances. We will thus spend a total of R9,731 billion over the MTEF to capacitate, support and strengthen our municipalities.

We will review and enhance the Local Government Support Strategy, establish a Help Desk to provide legal guidance on governance matters, development and distribution of circulars offering administrative support, and targeted assistance.

We will develop a Western Cape Municipal Framework for Senior Management Appointments to standardise and streamline recruitment processes; and we have already published our first ever Western Cape Local Government Budget Performance Review, in which we will also update post-municipal audit outcomes.

We will allocate R12,6 million for capacity building and support to municipalities in the execution of their roles and responsibilities; R19,3 million to strengthen municipal support interventions.

We will allocate an additional R3,9 million for our Thusong Programmes,

including Service Centres and Satellite; R4,6 million for the Thusong Services Centres Grant for operational support; R9,180 million for the Community Development Worker Operational Support Grant; and R12,2 million for the Municipal Service Delivery and Capacity Building Grant. We will allocate, via the Provincial Treasury, R63 million over the MTEF for the Western Cape Financial Management Capability Grant, supporting municipalities with water, energy, and financial planning programmes.

The RSEP Programme implemented by the Department of Environmental Affairs and Development Planning, promotes spatial transformation, economic development and urban renewal through targeted interventions in underdeveloped communities. The programme integrates a whole-of-society approach to development planning, supporting local municipalities in improving infrastructure and community services.

An allocation thus of R49,755 million toward the Regional Planning and Management and Special Programme will enable the implementation of RSEP for an average of 13 municipalities over the 2025 MTEF. By stepping up, we must therefore ensure that our municipalities are bright shining lights on the hill. The Western Cape Government must enable them in this regard to capacitate them to drive economic growth and job creation in the Western Cape.

In terms of populations, 65,8% of all Western Cape residents reside in the City of Cape Town, 13,4% in the Cape Winelands District, 8,9% in the

Garden Route District, 6,5% in the Western Coast District, 4,3% in the Overberg District and 1% in the Central Karoo District.

When thus analysing our budgetary items in terms of Spatial Distribution of our provincial expenditure for 2025/2026, with an average of R11 634 per capita spending across the province, we will find the Western Cape spending R10 086 per capita in the West Coast District; R10 670 per capita in the Garden Route District; R10 706 per capita in the Overberg District; R10 946 per capita in the Cape Winelands District; R11 866 per capita in the City of Cape Town; and R15 609 per capita in the Central Karoo District, the highest per capita provincial expenditure in the province. ...[Applause.]

To Clarissa Smith from Matjiesfontein who asked us to ‘focus on education system in the rural area’. I can confirm that Education, Health and Infrastructure spending will dominate the sectoral spending in each of our regions, including the 35,5% of the provincial spending for Education in Laingsburg Municipality.

Hon Speaker, as we navigate these testing times, let us step up to realise our apex objective for the Western Cape: helping businesses grow and create jobs and equipping you to get those jobs. We will do this through our policy priorities of driving Growth for Jobs, enhancing Safety, fostering an Educated, Healthy and Caring Society, and promoting Innovation, Culture and effective Governance.



We face undeniable hardships. The economy faces global headwinds and national economic stagnation remains. But, this budget, hon Speaker, is not just numbers; it is the exact opposite. It is a resolute response for a vision. It stands as an enabler of growth, clearing the path for the market to unleash its potential and push us forward.

Hon Speaker,

† “Al gaan [ons] ook in 'n dal van doodskaduwee, [ons] sal geen onheil vrees nie; want U is met [ons]: U stok en U staf dié vertroos [ons]. U berei die tafel voor [ons] aangesig teenoor [ons] teëstanders; U maak [ons howe] vet met olie; [ons] beker[s] loop oor. Net goedheid en guns sal [ons] volg al die dae van [ons] lewe; en [ons] sal in die huis van die Here bly in lengte van dae.”

Psalm van Dawid, Psalm 23: 4-6

[ Even though I walk  
through the darkest valley,  
I will fear no evil,  
for you are with me;  
your rod and your staff,  
they comfort me.  
You prepare a table before me  
in the presence of my enemies.  
You anoint my head with oil;  
my cup overflows.

Surely your goodness and love will follow me  
all the days of my life,  
and I will dwell in the house of the Lord  
forever.

Psalm of David, Psalm 23: 4-6]

I extend my deepest gratitude, hon Speaker, for an unwavering dedication and hard work for the Provincial Treasury team. Our tireless efforts have made this moment possible. My special acknowledgment goes to our Head of Treasury, Ms Julinda Gantana, along with our senior management team Analiese Pick, Taryn van de Rheede, Paul Pienaar, Michelle Nicholas, Ziyaad Majiet, Malcolm Booysen, Steven Kenyon, Isaac Tsie and Elizabeth Wenn, together with your respective teams for your invaluable contributions. Your steadfast commitment to safeguarding our provincial budget process and prioritising the best interests of our residents does not go unnoticed.

Hon Speaker, the current fiscal environment has not made balancing economic growth with protecting frontline services easy; and despite our Government stepping up and stretching our rands a little bit further as we do more, with less, for more people.

To my Finance Ministry team, Dr Grant Caswell, Marshallé Frederiks, and Lenku-Vince Oosthuizen, I am grateful for your technical expertise, professionalism, innovative ideas and insightful contributions; and to Sandra Francisco, Gaynor Lucas, Igshaan Davids, and Edwina Herman, thank you for

your dedication to ensuring seamless administration, operations, and logistical efficiency. Your collective efforts are the backbone of our work.

To the Children's Monitors through the Office of the Children's Commissioner, thank you for your budget and drawings, budget tips, the youthful insights to make the budget process more accessible for youth.

Thank you to our hon Premier, our Cabinet, our Heads of Department as led by the Director General and our team Finance colleagues across Government, including National Treasury and Local Government accounting officers, for your unwavering commitment to trust and transparency, fairness, value-for-money and innovation.

To my friends, thank you for your support and motivation; and to my parents and sister, thank you for laying a strong foundation for my success.

To the people of the Western Cape, your trust and support inspires us to serve with honesty and excellence. We remain committed to building a stronger, more prosperous province where every resident can live lives they value.

Hon Speaker, to every girl-child who has ever wondered whether they have what it takes to table an R89 billion budget, the answer is: yes! You do.

Hon Speaker, we will Step Up! †Kaalvoet oor Tafelberg as ons moet. Buurvrou Kaizer-Philander, ek kan nie lank praat nie, ons het 'n projek!

Agb Speaker, vir bespreking en beraadslaging vandag voor die Wes-Kaapse Provinsiale Parlement, lê ek ter tafel:

die Wes-Kaapse Begrotingswetsontwerp [W2 - 2025] (Minister van Finansies)

die 2025 Oorsig van Provinsiale Inkomste en Uitgawes;

die 2025 Oorsig van Provinsiale en Munisipale Infrastruktuur beleggings;

die 2025 Beramings van Provinsiale Inkomste en Uitgawes;

Die 2025 Provinsiale Staatskoerant: Munisipale Toekennings, en die 2025 Begrotingsrede.

[Barefoot over Table Mountain if we must. Neighbour Kaizer-Philander, I cannot talk too long, we have a project!]

Hon Speaker, for discussion and consultation today before the Western Cape Provincial Parliament, I table:

the Western Cape Appropriation Bill [B2 - 2025] (Minister of Finance)

the 2025 Review of Provincial Income and Expenditure;

the 2025 Review of Provincial and Municipal Infrastructure Investments;

the 2025 Estimates of Provincial Income and Expenditure;

the 2025 Provincial Gazette: Municipal Grants, and the 2025 Budget Address.]

Hon Speaker, let us get to work. I thank you. ...[Applause.]

†Die SPEAKER: Baie dankie aan die agb Minister. [The SPEAKER: Thank you to the hon Minister.] The Secretary will read the Bill for the first time.

The SECRETARY: Western Cape Appropriation Bill [B 1 –2025].

The SPEAKER: In accordance with Rule 188 subsection 1, the Introductory Speech, the Bill and papers laid upon the table will be referred to the relevant committees for consideration and report.

Before we adjourn, I would like to remind the hon members that the Budget Committee will commence at 1 PM. That concludes the business for the day. The Secretary will now end the meeting, and all hon members will be exited from this Sitting. Hon members, hon guests, the House is adjourned.

The House adjourned at 11:35.