
TUESDAY, 28 NOVEMBER 2023

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 Deputy Speaker took the Chair and read the prayer.

BUSINESS OF THE HOUSE

The DEPUTY SPEAKER: You may be seated. Order! A very good morning to all our guests here this morning, to our members of the Provincial Parliament and the Press, all special guests, but before we proceed I would like to remind members of some of the logistical arrangements. Just a reminder that a member of this Provincial Parliament who elects to participate virtually and not from the Chamber, and if that is the case it is the member's responsibility to ensure that he or she has good quality audio connectivity, good quality video and that there are no disturbances where they are, and please ensure that you are muted.

We do note that the hybrid system is functioning well and that any poor audio would probably be attributed to your own, for your own space.

Just to also remind any members in the gallery or of the Press that if you are online or sitting here in the Chambers this morning that you may not participate in the actual Sitting. No clapping. You may use your cameras without flash, just make sure they are muted.

Hon members are please reminded that no interjections are permitted during these hybrid Sittings and to this end I draw the hon members' attention to Rule 40 of our Standing Rules.

I will now ask the Secretary to read the first Order of the Day.

ORDER OF THE DAY

The SECRETARY: Consideration of Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the Agricultural Product Standards Amendment Bill [*B 15B-2021*] (NCOP).

The DEPUTY SPEAKER: Thank you very much, Mr Secretary. Order! The House received the Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the Agricultural Product Standards Amendment Bill, conferring authority on the Western Cape

delegation in the NCOP to support this Bill. This mandate has been sent to the NCOP.

I will now afford parties an opportunity to make a declaration if they so wish for three minutes. I recognise the ANC.

Mr P MARRAN: Thanks, Deputy Speaker. Good morning, Premier, good morning to everybody present.

Deputy Speaker, today I rise on behalf of the African National Congress who gained powers through a ballot to govern this country and not want to grab certain powers through a Powers Provincial Bill which will not stand constitutional scrutiny, to support the Agricultural Product Standards Amendment Bill.

Upon careful examination numerous deficiencies within the Act have come to light, demanding our attention and swift action. One such critical deficiency lies in the definition of the management control system. The existing definition comprising inspection or auditing in production practices has proven inadequate in capturing the essence of its intended purpose as identified by the State Law Adviser. As we navigate the complex web of agricultural regulations it becomes evident that amendments are not just a matter of legal refining but a necessity to align our legislative foundation with the evolving demands of the agricultural landscape.

Today I urge each esteemed member to lend their support to the Agriculture Product Standards Amendment Bill, ensuring that our regulatory framework remains robust, captive and steadfast in safeguarding the interests of our agricultural sector.

Deputy Speaker, we endorse the forward-thinking approach reinforcing our commitment to the growth and sustainability of our coalition in the agricultural sector. Let us collectively contribute to a legislative framework that not only addresses current deficiencies but also lays a resilient foundation for the challenges and opportunities that lies ahead.

Deputy Speaker, the ANC wishes to repeat that every effort must be made to ensure our democracy is strengthened and we therefore support any means which seeks to strengthen the State and efficiency of our people's representation and therefore democracy.

The ANC, Speaker, supports the amendments to the Agricultural Product Standards Amendment Bill. I thank you.

The DEPUTY SPEAKER: Thank you very much hon member. I recognise the EFF.

The LEADER OF THE OFFICIAL OPPOSITION: Well done, ANC, well done Pat.

The DEPUTY SPEAKER: Hon Cassiem, are you speaking to the Bill?

Ms A CASSIEM: Greetings, yes, I will be doing it. Thank you. The Economic Freedom Fighters supports the Agricultural Products Amendment Bill and also calls on the Department to build institutional capacity and institutional structures to ensure proper implementation of this Bill. Thank you, Deputy Speaker, thank you.

The DEPUTY SPEAKER: Thank you very much, hon member. I recognise GOOD. I do not see GOOD here today. I recognise the ACDP.

Mr F C CHRISTIANS: Deputy Speaker, the ACDP supports the Bill.

The DEPUTY SPEAKER: Thank you very much. I recognise the Freedom Front Plus.

Mr P J MARAIS: Deputy Speaker, thank you. The Freedom Front Plus will support this Bill but with certain reservations, because this country's Government has proven itself as incompetent. They are not immune to corruption. They still practice cadre deployment and lack in good governance, so this Bill at best can be seen as an experiment to rectify all their past mistakes. The only reservations I might have is that again they want to give the Minister the right to pass regulation. Regulations are poor law because the Minister if he can change things merely by publishing it in the *Government Gazette* as a Regulation, he bypasses Parliament.

Parliamentary scrutiny is thrown out the window if you give the Minister the power to pass Regulations. That is the only thing that I am not happy about, otherwise any attempt at better governance and what we have experienced until now is to be invited. That is why the Freedom Front will support the Amendment.

The DEPUTY SPEAKER: Thank you very much hon member. I recognise Al Jama-ah.

Mr G BRINKHUIS: Thank you very much, Deputy Speaker. No declaration, thank you.

The DEPUTY SPEAKER: Thank you very much. I now recognise the Democratic Alliance.

†Mnr A P VAN DER WESTHUIZEN: Agbare Adjunkspeaker, ek glo dat ons almal graag die versekering wil hê dat as ons landbouprodukte koop dat ons weet dat dit aan sekere minimum standarde sal voldoen. Dit is belangrik nie net vir ons binnelandse mark nie maar veral ook vir uitvoerders sodat die buitelandse kopers verseker kan wees van die gehalte en die standaard van die produk wat hulle koop, en om hierdie standarde te help verseker is die Wet op Landbouprodukstandarde in 1990 aanvaar.

Onder hierdie wet het die Minister oor die jare heen reeds talle kere

Regulasies uitgevaardig. Baie van hierdie standarde is ons nie eers baie bewus van nie. As u byvoorbeeld na die winkel gaan en u wil graad 1 groot hoendereiers koop, dan is daar 'n hele lang lys van vereistes waaraan daardie produk moet voldoen: minstens 81 gram; dit moet skoon wees; die dop mag nie gekraak wees nie; dit moet 'n egalige vorm hê; dit moet 'n egalige kleur hê.

Maar u ken ook baie ander landboustandarde soos die standaard van vrylopend, of gepasteuriseerde melk, of organiese groente, of wat van skaapvleis teenoor lamvleis, of Karoo-lam, vetvrye melk en 'n legio ander minimum standarde.

Die Wysigingswet wat ons vandag onder oënskou neem is die gevolg van advies van die Staatsregsadviseur wat bevind het dat daar buite die oorspronklike Wet beweeg is toe daar geprobeer is om standarde vir die produknaam "organies" daar te stel. Hierdie Wetsontwerp stel daarom 'n nuwe definisie vir die term "oudit" of "bestuursbeheerstelsel" en ander verwante terme daar. Dit vereis ook dat diegene wat daardie standarde wil toepas en daarvoor moet waak, dat hulle 'n diepgaande kennis van die produk sal hê sonder dat hulle 'n persoonlike finansiële belang daarin mag hê. So aan die een kant wil ons minimum standarde handhaaf maar aan die ander kant wil ons ook nie die koste van landbouprodukte onnodig opjaag nie, en daarom bepaal die Wetsontwerp dat sulke instellings slegs hulle werklike kostes mag verhaal.

Die Staande Komitee steun die Wysigingswetsontwerp maar daar is 'n hele paar taalfoute in die Wetsontwerp en sy Memorandum aan die *NCOP* uitgewys.

Speaker, dit is met kommer dat ek hierdie Huis moet meedeel dat die lede van die Gekose Komitee van die Nasionale Raad van Provinsies andermaal nie bereid was om ernstig te kyk na Provinsies se insette nie, en dus eenvoudig slegs opgetree het as 'n rubberstempel van die Nasionale Vergadering. Baie dankie.

[Mr A P VAN DER WESTHUIZEN: Hon Deputy Speaker, I believe that we all would like the assurance that when we buy agricultural products, that we know that it will adhere to a certain number of minimum standards. It is important not only for our domestic market, but especially also for exporters so that the foreign buyers can be assured of the quality and the standard of the product they are buying, and to help assuring these standards, the Agricultural Product Standards Act was adopted in 1990.

Under this Act, the Minister has promulgated several Regulations already. Many of these standards we are not even aware of. If for instance you go to the shop and you want to buy grade one large eggs, then there is a whole long list of these requirements that product must adhere to: at least 81 gram; it must be clean; the shell must not be cracked; it must have an even form; it must have a even colour.

But you also know many other agricultural standards such as the standard of

free-range, or pasteurised milk, or organic vegetables, or what about mutton opposed to lamb, or Karoo lamb, fatfree milk and a legion of other minimum standards.

The Amendment Act we are looking at today is the result of advice of the State Legal Adviser who had found that it had been a move outside the original Act when it was attempted to set standards for the product name "organic". This Amendment Act therefore sets a new definition for the term "audit" or "management control system" and other related terms. It also requires that those who want to apply those standards and guard it, have a thorough knowledge of the product without having a personal financial interest in it. So on the one hand we want to maintain minimum standards, but on the other hand we also do not want to increase the cost of agricultural products unnecessarily, and therefore the Amendment Act stipulates that such institutions may only recoup their real costs.

The Standing Committee supports the Amendment Act, but quite a few grammatical errors have been pointed out to the NCOP in the Amendment Act and its Memorandum.

Speaker, it is with concern that I have to inform this House that the members of the Select Committee of the National Council of Provinces again were not prepared to seriously look at the Provinces' input, and therefore merely acted as a rubber stamp of the National Assembly. Thank you.]

†Die ADJUNKSPEAKER: Baie dankie, agbare lid.

[The DEPUTY SPEAKER: Thank you, hon member.] Thank you very much. I have to announce, thank you very much, Mr Secretary; I announce that there are 31 hon members present and entitled to vote this morning and the House is therefore quorate.

The question put before the House that the Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the Agricultural Product Standards Amendment Bill conferring authority on the Western Cape Delegation in the National Council of Provinces to support this Bill, be ratified and adopted.

No objections? No objections. Agreed to.

Thank you very much. The Bill – sorry, my apologies. The Report on the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the Agricultural Product Standards Amendment Bill has therefore been adopted. Thank you.

Mr Secretary. The Secretary will read the second Order of the Day.

The SECRETARY: Consideration of Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the National Veld and Forest Amendment Bill [*B 24B-2021*] (NCOP).

The DEPUTY SPEAKER: Thank you very much, Mr Secretary. The House received the Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the National Veld and Forest Amendment Bill conferring authority on the Western Cape delegation in the NCOP to support this Bill. This mandate has been sent to the NCOP.

I will now afford parties an opportunity to make a declaration if they so wish. I recognise the ANC.

Mr P MARRAN: Thank you, Deputy Speaker. Again I rise on behalf of the people's movement, the African National Congress. [Interjections.] We support the National Veld and Forests Amendment Bill.

Today I urge us to acknowledge the evolving context and commit to reassuring that the National Veld and Forest Fire Act remains responsive and adaptive to the dynamic challenges we face in safeguarding our environment. The Department bears the responsibility of crafting a comprehensive regulatory framework through policies and legislation. The framework is crucial for sustainable agriculture and forestry requiring continuous amendments to prevent legislative policy vacuums and the poor food security in the face of wildfires.

The Bill aims to amend the Act to improve administration that has technical enhancements aligned with the post-1996 constitutional framework and ensuring continued relevance in fighting veld and forest fires.

Deputy Speaker, these objectives underscore our commitment to not only fortify the administrative aspects of the Act but also to embrace advancements in technology and constitutional principles. As we deliberate on this Bill, let us remain steadfast in our dedication crafting legislation that stands resilient in the face of evolving challenges and ensures the sustainable management of the invaluable natural resources.

Deputy Speaker, the ANC supports the National Veld and Forest Amendment Bill. I thank you.

The DEPUTY SPEAKER: Thank you very much, hon member. I now recognise the EFF.

Ms A CASSIEM: Deputy Speaker, the EFF supports the National Veld and Forest Amendment Bill which aim it is to also form part of preventing and combating veld, forests and mountain fires throughout the Republic. We are in favour of this Amendment and hope that those who are responsible for its implementation will do so without fail. Thank you.

The DEPUTY SPEAKER: Thank you very much hon member. I now recognise GOOD. I recognise the ACDP.

Mr F C CHRISTIANS: Deputy Speaker, the ACDP supports the Bill.

The DEPUTY SPEAKER: Noted, thank you very much. I recognise the Freedom Front Plus.

Mr P J MARAIS: Chair, any attempt to counter what is happening on our planet should be encouraged and fully supported. If this is an attempt to counter earth-warming, deforestation, protect the environment, it will be incumbent on us to support it without reservations, so the Freedom Front would support the Amendment.

The DEPUTY SPEAKER: Thank you very much, hon member.

The LEADER OF THE OFFICIAL OPPOSITION: But the DA does not want the environmental protection... [Interjection.]

The DEPUTY SPEAKER: I recognise – Order!

The LEADER OF THE OFFICIAL OPPOSITION: ...still refusing on the environmental... [Interjection.]

The DEPUTY SPEAKER: I recognise Al Jama-ah. Are they here? [Interjections.]

Mr G BRINKHUIS: Thank you very much, Deputy Speaker. No declaration from Al Jama-ah. Thank you.

The DEPUTY SPEAKER: Noted, thank you very much. Order members! I recognise the Democratic Alliance.

†Mnr A P VAN DER WESTHUIZEN: Agbare Adjunkspeaker, ons het almal oor die afgelope paar jaar gesien hoedat brande wêreldwyd enorme skade aanrig. In vanmore se koerante word daar gerapporteer dat slegs 3% van daardie brande deur natuurlike oorsake veroorsaak word.

[Mr A P VAN DER WESTHUIZEN: Hon Deputy Speaker, we have all seen over the past few years how fires cause enormous damage worldwide. In this morning's newspapers it is reported that only 3% of those fires is created by natural causes.]

The DEPUTY SPEAKER: Hon member, if you can just take your seat. Hon member, what is your point of order?

The LEADER OF THE OFFICIAL OPPOSITION: Thank you, Deputy Speaker. I would just like to ask whether the hon member is prepared to accept a question during his declaration? [Interjections.]

Mr A P VAN DER WESTHUIZEN: No [inaudible, speaking simultaneously]

The DEPUTY SPEAKER: I do not think that there is a Rule for that.

An HON MEMBER: No, he is not going to.

An HON MEMBER: No! He is busy with a declaration.

Ms L M MASEKO: Sit down, just sit down. [Interjections.]

The LEADER OF THE OFFICIAL OPPOSITION: Is there anything against that?

The DEPUTY SPEAKER: Order members!

The LEADER OF THE OFFICIAL OPPOSITION: Is there anything against, can you show me... [Interjection.]

The DEPUTY SPEAKER: Order, members, can I make a ruling? Thank you very much.

The LEADER OF THE OFFICIAL OPPOSITION: Is there a Rule which does not allow me to ask?

The DEPUTY SPEAKER: There is no Rule but I would I assume that the hon member was not going to take the question as he has just said.

Mr A P VAN DER WESTHUIZEN: My time is too limited.

The DEPUTY SPEAKER: Thank you very much.

†Die LEIER VAN DIE AMPTELIKE OPPOSISIE: Is jy te bang?

[The LEADER OF THE OFFICIAL OPPOSITION: Are you too scared?]

†Mnr A P VAN DER WESTHUIZEN: Nee. [Tussenwerpsels.]

[Mr A P VAN DER WESTHUIZEN: No. [Interjections.]]

†Die ADJUNKSPEAKER: Nee, ek weet nie.

[The DEPUTY SPEAKER: No, I don't know.]

Ms L M MASEKO: Sit down and switch off your mic while you are at it.

The DEPUTY SPEAKER: You may rise. Order, members! You may proceed, hon Van der Westhuizen.

†Mnr A P VAN DER WESTHUIZEN: Adjunkspeaker, alhoewel ons daarom nie brande kan verhoed nie... [Tussenwerpsels.]

[Mr A P VAN DER WESTHUIZEN: Deputy Speaker, although we can therefore not prevent fires...] [Interjections.]

The LEADER OF THE OFFICIAL OPPOSITION: Why would you not support the environmental... [indistinct, speaking simultaneously]

The DEPUTY SPEAKER: Order members!

†Mnr A P VAN DER WESTHUIZEN: ...moet ons die brande verminder. Ons

het vir weke aaneen... [Tussenwerpsels.]

[Mr A P VAN DER WESTHUIZEN: ...we have to reduce fires. For weeks on end we...] [Interjections.]

The DEPUTY SPEAKER: Order!

†Mnr A P VAN DER WESTHUIZEN: ... die afgelope jaar kennis geneem van brande wat in Noord Amerika, in Kanada, in Griekeland gewoed het. Ons weet ook van die groot brande wat gereeld in Australië woed, maar die Wes-Kaap is nie daarvan vrygestel nie, en in die Vrystaat het ons vanjaar 540 000 hektaar se weiding verloor as gevolg van veldbrande, en dit is nie net kuddes en weiding wat in die slag bly nie, brande vernietig werksgeleenthede, inkomstes, kapitaalgoedere, maar ook menselewens. Ons is baie gelukkig dat die Wes-Kaapse Provinsiale Regering jaarliks veral gedurende die warm somermaande teen aansienlike koste kapasiteit skep om brande te bestry. Dit behels grondspanne met brandslaners, maar ook lugsteun in die vorm van helikopters met waterremmers en ligte vliegtuie wat hierdie pogings koördineer. Maar soos met baie sake word die beste resultate verkry wanneer alle rolspelers en persone saamwerk.

Die konsep van brandbeskermingsverenigings is nie nuut nie maar daar is ongelukkig nog te veel areas in Suid-Afrika wat nie deur hierdie verenigings gedek word nie, en die hoofdoel van hierdie wet is om die stigting van sulke verenigings te ondersteun en uit te brei.

Hierdie Wetsontwerp skep ook 'n besondere fasiliterende rol vir Plaaslike Regerings en Tradisionele Rade ten opsigte van die stigting van Brandbeskermingsverenigings, en dit is algemene kennis dat die Staat en staatsverwante instellings die grootste grondbesitters in hierdie land is. Staatsverwante instellings moet voortaan dus ook lid word van hulle brandbestrydingsverenigings. Die Wetsontwerp verleen dan ook sterker magte aan brandbestryders en toepaslike gekwalifiseerde tradisionele leiers om sterk te kan optree en selfs arrestasies te kan uitvoer in gevalle waar die wet oortree word.

Alhoewel daar sekere aspekte van die Wetsontwerp is wat steeds pla soos dat diegene met die magte onder sekere omstandighede arrestasies kan uitvoer, nie meer 'n bewys hoef te kan lewer dat hulle as 'n brandbeskermersbeampte aangestel is nie, het die Komitee sy steun aan die Wysigingswetsontwerp verleen. Ons vra daarom dan ook hierdie Huis se steun. Dankie.

[Mr A P VAN DER WESTHUIZEN: ... over the past year noted the fires that ravaged North America, in Canada, in Greece. We also know about the great fires regularly raging in Australia, but the Western Cape is not exempted from that, and in the Free State we lost 540 000 hectares of grazing this year as a result of veld fires, and it is not only flocks and grazing that are being destroyed, but fires also destroy work opportunities, incomes, capital goods, but also human lives. We are very fortunate that the Western Cape Provincial Government annually especially during the hot summer months creates capacity at great cost to counter fires. It involves teams on the ground with firefigthers, but also air support in the form of helicopters with

water buckets and light aircraft coordinating these efforts. But as with many matters, the best results are attained when all role players and persons work together.

The concept of fire protection associations is not new, but unfortunately there are still too many areas in South Africa that are not covered by these associations, and the main goal of this Act is to support the establishment of such associations and to expand it.

This Bill also creates a special facilitating role for Local Governments and Traditional Councils with regard to the establishment of Fire Protection Associations, and it is common knowledge that the State and State-related institutions are the largest landowners in this country. State-related institutions should in future also become members of their firefighting associations. The Bill also provides stronger powers to firefighters and suitably qualified traditional leaders to act decisively and even effect arrests in cases where the law is transgressed.

Although there are still bothering aspects of the Bill such as that those with powers may effect arrests under certain circumstances, do not have to provide proof any longer that they have been appointed as a firefighting official, the Committee gave its support to the Bill. We therefore also ask the support of this House. Thank you.]

†Die ADJUNKSPEAKER: Baie dankie agbare lid.

[The DEPUTY SPEAKER: Thank you hon member.]

The LEADER OF THE OFFICIAL OPPOSITION: The support of the ANC...

[Interjection.]

The DEPUTY SPEAKER: I have to announce that there are currently 31 hon members present ...[Interjection.]

The LEADER OF THE OFFICIAL OPPOSITION: They support the ANC.

The DEPUTY SPEAKER: ...and entitled to vote, and the House is therefore quorate. The question put before the House...

The LEADER OF THE OFFICIAL OPPOSITION: It's a fault that ...[Interjection.]

The DEPUTY SPEAKER: I have to announce that there are currently 31 hon members present and ...[Interjection.] entitled to vote, and the House is therefore quorate.

The question put before the House that the Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the National Veld and Forest Amendment Bill conferring authority on the Western Cape delegation in the NCOP to support this Bill, be ratified and adopted. No objections? No objections, agreed to.

The Report of the Standing Committee on Agriculture, Environmental Affairs and Development Planning on the National Veld and Forest Amendment Bill has therefore been adopted. The Secretary will now read the third Order of the Day.

The SECRETARY: Introduction and First Reading – Western Cape Adjustments Appropriation Bill [B7-2023] and the Medium-Term Budget Policy Statement.

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

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Thank you, hon Deputy Speaker, hon Premier and Cabinet colleagues, hon Leader of the Opposition, hon members of the Western Cape Provincial Parliament, special guests, and people of the Western Cape.

Today I stand before this House to deliver the 2023 Western Cape Medium-Term Budget Policy Statement and 2023 Adjustments Budget. To dispense with the formalities before I share the Western Cape's priorities for the medium-term and then, our immediate fiscal realities, I hereby table before the Western Cape Provincial Parliament today a Budget to Build your Future as contained in the Western Cape Adjustments Appropriation Bill 2023, the Western Cape Adjusted Estimates of Provincial Revenue And Expenditure 2023, the Western Cape 2023 Draft Notice Additional and Amended

Allocations to Municipalities, the Overview of Adjusted Provincial and Municipal Infrastructure Investment 2023, and the 2023 Western Cape Medium-Term Budget Policy Statement, for discussion and deliberation in this august House.

Let me start by saying none of this would have been possible without the passion and sheer determination of our hardworking Budget Office in the Provincial Treasury led by Ms Analiese Pick and under the leadership of Acting Head Official, Ms Julinda Gantana. I would like to express my deep appreciation and heartfelt thanks to Ms Pick, Ms Gantana, and to the entire team behind them – Taryn van der Rheede, Paul Pienaar, Michelle Nicholas, Shirley Robinson, Malcolm Booysen, Katlego Nkgudi, Sharon van Breda and Philippus Prinsloo – for every vital contribution and their meticulous work to safeguarding our Province’s robust budget process that enables us to do the best for the future of the people of this province.

An HON MEMBER: Hear, hear! [Applause.]

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: I would also like to take this opportunity to thank my team, a small, but truly excellent and committed team of caring people: Lauren Kent, for so strategically ensuring that things work; to Georgie Maree, for being the most beautiful wordsmith; to Susan Smit, for expertly reviewing reports and endless legislation, to Rushka Brenner for being the most efficient and contemplated person I know, and to Gaynor Lucas, Andrew Russels and

Igshaan Davis for their invaluable support.

An HON MEMBER: Hear, hear! [Applause.]

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Hon Deputy Speaker, one of the core requirements for an effective, stable and citizen-centric service delivery orientated government at any level is knowing how much funding is available over a three-year cycle, so that we are able to plan properly and allocate efficiently for maximum benefit of the residents that we have been elected to serve. Each year, the Western Cape Government starts the budget process in June and between June and September, which we call Phase 1, we prepare for the years to come, based on the national fiscal status and the various revenue projections by applying scenario-based, risk-aware and an evidence-led approach.

We then head into Phase 2 of our budget cycle, which encompasses two short- and medium-term approaches. The first is the Budget Adjustment, which I have tabled today, in which we strive to create certainty and in-year fiscal sustainability in terms of the promises and priorities that we have already made. The second and medium-term approach is addressed through the Medium-Term Budget Policy Statement which sets out the budget policy framework within which the 2024 budget will be formulated for the years from April 2024 and until 2027.

Phase 3 of our budget process then provides certainty over the next three

years, vital for any government serious about governing and delivering vital services to its citizens in the form of the Main Budget, which I will deliver in March of next year. This Main Budget is what gives life and funding to the very purposes of Government to deliver what is required to enable economic growth and job creation, while protecting the most vulnerable in society until they can be brought into the economy and empowered with the skills and opportunities they need to succeed.

And each year, this cycle repeats so that at any given time we should know what we will be allocated, where and for what purpose, over a three-year cycle setting the scene for timely and proper planning. This planning is critical for big projects like infrastructure investments and upgrades that can take many years to complete. Which is why having a clear and certain budget over three years or more, is vital for Government to execute our mandate for the people of this Province.

So today, in our Budget to Build Your Future, I provide the economic fiscal and budget policy context that will inform the 2024 budget, setting out our priority to put the people of this province first by protecting our frontline services of Education, Health and Social Development while also ensuring that we continue to build on our strong foundations and build a collective future of prosperity and hope.

This framework is based on the information and data tabled in the Provincial Economic Review and Outlook – PERO – and the MERO, which combined to

give us the evidence we need to fully realise the many opportunities for jobs, growth and hope across the Western Cape.

Hon Deputy Speaker, sustained and adequate economic growth does not come out of nowhere. It requires proper enablement in the short-, medium-, and especially, the long-term. The Western Cape Government's economic action plan, Growth for Jobs, sets out our map to achieve R1-trillion jobs-rich, inclusive, resilient, thriving, and diverse provincial economy that is growing at between 4% and 6% in real terms by 2035. Because the only way we will effectively address the challenges we face is by enabling what we call breakout economic growth that will create jobs.

And, hon Deputy Speaker, we are starting to see the positive impact of our action plan signalling that we are effectively building on our established foundations to go even further and create more jobs and hope in the Western Cape and into the future. The evidence is seen plainly in the most recent quarterly labour force survey which confirmed that not only did we create more jobs between Quarter 3 of 2022 and Quarter 3 of this year than any other province with more than 300 000 new jobs, but we also have the lowest unemployment rate, the lowest expanded unemployment rate, the highest absorption rate, and the highest labour force participation rate in South Africa. We are a province that works and is at work ...[Interjection.]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...for Building Your Future. [Applause] So, encouraged by the progress with jobs and in the face of challenges and grave uncertainty because of national failings, we do what we in the Western Cape do best: we protect, we strategically prioritise, and we boost.

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: We do this so that we can continue to deliver on our core priorities of jobs, safety, and wellbeing. We do this to invest in and build on our growth and prosperity by leveraging and maintaining our vital growth infrastructure and networks. We do this so that we can continue to Build Your Future.

Hon Deputy Speaker, looking at the global and national challenges we face, the economic growth forecast for the 2024 Medium-Term Expenditure Framework is compromised by the ongoing energy catastrophe, which has seen the country plunged back into Stages 6 loadshedding over the weekend. Compared to the 2023 National Budget, gross tax revenue for 2023/2024 is estimated to be down by an astonishing R56,8-billion due to weaker corporate tax collections and net VAT collections. Debt servicing costs are projected to grow by R14,1-billion to R354,5-billion in 2023/2024 and are expected to increase further to R455,9-billion or 5,4% of GDP in 2026/2027. Gross loan debt is projected to increase from R5,2-trillion in 2023/2024 to R6,5-trillion in 2026/2027, an increase of R1,2-trillion.

With the national economic growth expected to expand by a mere 0,6% in 2023 and 1,1% in 2024, combined with the devastated rail infrastructure, inefficiencies at ports which continue to strangle economic growth, put plainly: the national fiscus is at breaking point. But despite significant hand-breaks on economic growth brought on by far too many years of corruption, mismanagement, and blatant neglect of critical economic infrastructure, the Western Cape has made remarkable progress since the fourth Quarter of 2021. A 7,8-percentage point reduction in the unemployment rate, standing at 20,2% in the third Quarter of 2023, shows we are on the right track for more jobs and to build a better future in the Western Cape.

But, hon Deputy Speaker, the current national fiscal environment has major implications for the allocation of resources to provinces. Over the 2024 Medium-Term, allocations to provinces are projected to increase at an average annual growth rate of 4,4% from 2024/2025 to 2026/2027, but this supposed growth rate is lower than the expected average inflation rate of 4,6% over the same period, resulting in a real decrease of approximately 2% in funding to provinces.

At 12% of South Africa's population, the Western Cape now has the third largest population in South Africa, but we receive the fifth largest budget in terms of the Provincial Equitable Share. This highlights the significant disjuncture between the population size and the equitable share. Hon Deputy

Speaker, we are actively engaging with the National Treasury to understand and to correct this plainly unequitable allocation to ensure that residents receive their fair share.

It is important to note that the PES formula will only be updated with the 2022 population estimate data for the 2024 MTEF period meaning that the Western Cape's proportion of the horizontal share is set to decrease. This, despite the fact that the latest census data recorded a surge in the Western Cape's population of 1,6-million people between 2011 and 2022.

While we anticipate the 2024 MTEF PES calculations to contemplate population dynamics more accurately, we face the pressure of an increased population today. Overall, the 2024 MTEF period, a total of R61,5-billion is being cut from the Provincial Equitable Share, the vertical share. Hon Deputy Speaker, the implication of this is a net reduction to the 2023 Western Cape baseline of R6,7-billion or 3,5% over the 2024 MTEF. This reduction is comprised of R379,6-million as a result of technical changes to the PES formula over the 2024 MTEF and a further R6,4-billion due to fiscal consolidation reductions imposed by National Government.

The provincial baseline is thus reduced by R2,2-billion or 3,64% in 2024/2025, R2,2-billion or 3,48% in 2025/2026, and R2,3-billion or 3,48% in 2026/2027. In terms of the wage cost, the National Treasury has committed to providing 78% of the cost of the wage increase for only Education and Health, leaving a significant shortfall for these departments, our largest

departments, while no allocation has been made to any other vote to cushion the blow of these increases. ...[Interjection.]

An HON MEMBER: Shocking!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: Because we are a province that plans and prioritises, we are able to soften the blow somewhat and provide a thin cushion against the severe slashing of our budgets to the amount of R1,9-billion. This is allocated from the fiscal stabilisation reserve over the 2024 MTEF, as well as a reallocation from the Provincial Revenue Fund from across the MTEF. But, hon Deputy Speaker, the fact remains that there is no way that we can fully shield our budgets and will have a significant shortfall of R2,6-billion over the MTEF that needs to be funded from departments over the 2024 MTEF, amounting to R855,7-million in 2024/2025, R846,7-million in 2025/2026, and R943,5-million in 2026/2027.

Exacerbating the situation is the significant uncertainty around cuts to Conditional Grants which have been reduced by R642,3-million in-year, but which are not yet clear over the 2024 MTEF. We are most concerned that these Conditional Grants will be cut significantly and will affect children and the sick most acutely.

Although I am not pleased that we are being forced to do so, I am exceptionally proud of the hardworking public servants within our Provincial

Treasury and within our departments who are working so diligently and together to figure out this impossible balancing act with the mission of achieving the very best outcomes for the people of our province, even though there is much, much less available.

Hon Deputy Speaker, our duty is to ensure that the choices we make now will have not only an immediate impact on lives and livelihoods today but have a lasting positive impact on our children's futures and the generations to come. The choices that we make are becoming increasingly difficult as our fiscal environment becomes unimaginably tough. To guide our choices, we have our established budget principles which we will diligently apply to decision making in preparing for the 2024 budget. These include responding to fiscal consolidation by applying effective compensation of employee strategies that align to service delivery strategies while identifying opportunities for alternative financing, exploring innovation for greater efficiencies and impact, and identifying those areas that would need to be downscaled or terminated because of drastic cuts imposed by National Government enabling long run fiscal sustainability with a focus on rebuilding reserves over the medium-term to maintain a sustainable fiscal base for this province.

In support of this objective, the Government will continue to implement its COE strategy to effectively manage headcount unlocking allocated efficiency through budget repositioning and programme trade-offs to maximise spending outcomes. This principle signifies the strategic repositioning of existing plans and budgets to align with this Government's policy priorities. Fiscal

constraints mean that departments and entities are reprioritising within their baselines and strategically repositioning their plans and budgets to fulfil service delivery requirements in accordance with their mandates.

And finally, we are enhancing productive efficiency through a comprehensive reassessment of input allocations across major expenditure items such as compensation, goods and services, transfer payments and infrastructure investment and renewal. To further enhance productive efficiency, tough choices, such as reprioritisation, implementing hard stops on programmes lacking impact and identifying areas for downscaling, are imperative. In the prevailing economic context, productive efficiency should particularly emphasise enhancing growth, especially focused on areas such as infrastructure, ports and energy.

Overall, then, the Western Cape Government's fiscal and budget approach revolves around two primary objectives. The first, departments are mitigating the impact of baseline reductions. And second, is implementing programmes aligned with our key provincial priorities of Growth for Jobs, Safety and Wellbeing, and their enablers of innovation, culture, and governance to Build Your Future.

In addition, we will act and strategically protect infrastructure maintenance across certain departments as we understand that by maintaining key infrastructure, we are protecting our future economic success and the enablers of growth, which is the very basis for Building Your Future. This

includes outlining critical priority areas of delivery, as well as the priority areas that would need to be downscaled or terminated, while placing significant emphasis on identifying strategic interdependencies between departments that require co-decision making.

So, what we have done is to make sure that we have resources available should the unavoidable or unforeseen occur. This strategic accumulation of provincial reserves is aimed at ensuring there is a sufficient pool of financial resources to tackle sudden and unforeseen fiscal, economic or adverse events that could potentially disrupt service delivery. As we have learnt, increased Government expenditure, particularly in frontline service delivery, stands to be affected by unforeseen and unavoidable events like pandemics and disasters. Using provincial reserves enables the Province to stabilise key components of our service delivery despite external pressure on our public finances.

Hon Deputy Speaker, I must stress that the current external pressures will impact and reduce our ability to respond to all service delivery demands. In response to the unprecedented fiscal constraints at the national level, the Western Cape is proactively drawing down on provincial reserves to safeguard against fiscal consolidation measures which impact service delivery.

In stark contrast to previous years, we are now only able to give broad estimates for allocations by cluster, as a direct result of the uncertainties

created by the chaotic budget process. The preliminary 2024 MTEF allocations for the Social Cluster amounts to R198-billion. Our focus on improving the wellbeing of our residents remains a priority so that we can ensure that children in every district in our province can learn, and grow, and build their future careers and interests so that we can help our residents to be healthy and active in society, and so that together we can build communities for the future.

And so, preliminary 2024 MTEF allocations for the Economic Cluster amounts to R44,8-billion and we will continue to prioritise according to our Growth for Jobs strategy because we know that by investing and creating the conditions in which the private sector can thrive, we are building your future by growing an economy that delivers sustainable job creation.

Underpinning all of this is, of course, a focus on Safety. We are building a safe and secure future, not only by tackling crime in the most violent hotspots head-on by increasing law enforcement, but also using data-led violence prevention to stop crime before it happens.

For the Governance Cluster, the total preliminary 2024 MTEF allocation amounts to R8,1-billion. The provincial priorities continue to be supported by the enablers of innovation, culture, and governance. We are building your future by focusing on sound decision making and institutionalising good governance.

Hon Deputy Speaker, given the fiscal emergency we face in South Africa and as much as the Western Cape has a stable, forward-looking budget built on years of austerity, it was prudent to include in this year's MTBPS a fiscal risk statement which serves as a comprehensive, yet streamlined proactive approach to navigating the challenges and risks set out in the 2023 national Medium-Term Budget Policy Statement. By acknowledging and setting out the national risks and articulating additional provincial concerns, the statement demonstrates a key awareness of the intricate interplay between the broader economic landscape and the specific fiscal dynamics within the Western Cape.

The Fiscal Risk Statement also sets out our targeted provincial responses, highlighting our commitment in mitigating potential disruptions, while safeguarding the stability of the Western Cape's fiscal framework in the face of evolving economic uncertainties. Ultimately, it is only by being transparent and mindful of risks, that we can tackle them head-on.

Hon Deputy Speaker, the people of South Africa and the Western Cape deserves a government that thinks twice before it commits to the impossible and faces challenges with data-led policy choices that enable economic growth and job creation so that it can also deliver frontline services for the benefits of all residents, especially the most vulnerable.

And so, this Western Cape Government will continue to fight for you, and we will protect our frontline services for you. We will prioritise so that we are

able to boost the programmes that have the biggest and positive impact on the lives and futures of all those who call this province their home. We will continue to deliver on our core priorities of jobs, safety and wellbeing and we will invest in and build on our growth and prosperity by leveraging and maintaining our vital growth infrastructure and networks so that together, we build your future.

Hon Deputy Speaker, I will now turn to the impact of the national fiscal crisis on our budgetary allocations in-year, and the Adjusted Estimates of 2023. Let me just have a quick...

Hon Deputy Speaker, allow me to speak plainly. I have shared that the Western Cape is facing potentially disastrous budget cuts over the Medium-Term Expenditure Framework or MTEF. We are now also confronted with unprecedented in-year pressures because of a Wage Bill determined by National Government that after this Parliament approved the annual budget, decided it would not fully fund.

This shortfall amounts to R1,1-billion and in a double whammy, also comes with R642,3-million in cuts to Conditional Grants. The fact is that our national budget process has come apart. There is no certainty over the next three years of the MTEF and now, there is no certainty in the current financial year with cuts being made in an unprecedented way, in-year. ...[Interjection.]

An HON MEMBER: Shocking!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: The failings of the national budget process mean that we are not budgeting for three years, we are not even budgeting for one year anymore. Hon Deputy Speaker, we are working on pay-as-you-go budgeting. [Interjections.]

The unconscionable consequence for provinces means that deep cuts are putting committed budgets on the line and our frontline services, and Education, Health, and Social Development, the very forefront of our Constitutional obligations to the people of our province, are at risk.

But, hon Deputy Speaker, I stand before the people of this wonderful province this morning together with hon Premier Alan Winde and all of my Cabinet colleagues, with one clear message: we will not give up, we will not give in ...[Interjection.]

An HON MEMBER: Hear, hear!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...and we will stand up and fight ...[Applause.] for every single resident ...[Audio distorted.]

In the face of these budget cuts, we are utterly determined to protect our frontline services, our children's education and our people's health and

wellbeing. And while we protect our children and our vulnerable people, we will continue to invest in this province's future economic success and the ability of our people to get a job, grow a business and achieve breakout economic growth that pulls people out of poverty and into prosperity by maintaining and building our province to be a strong and sustainable ...[Interjection.]

The LEADER OF THE OFFICIAL OPPOSITION: And for the wealthy and the privileged.

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...for a strong and sustainable ...[Interjections.] of hope. [Interjections.] And so, hon Deputy Speaker, I turn ...[Interjections.]

The DEPUTY SPEAKER: Order, hon members!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...to one of the main reasons ...[Interjection.]

The LEADER OF THE OFFICIAL OPPOSITION: [Interjection.]... fight for the rich ...[Interjection.]

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...while we are in this impossible situation in the first place. In March 2023, an unfunded two year wage ...[Interjection.]

The DEPUTY SPEAKER: Order!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...agreement was centrally negotiated and concluded by the National Government. This was followed by National Treasury advising provinces that despite this agreement being agreed to centrally by the National Government obligating the same National Government to cover the costs of the above inflation increases, it is provinces that are now expected to foot this bill of billions of rands.

For the Western Cape, the expectation that we can absorb the wage deal increases means that critical services will be under threat. This pressure is especially pronounced in a central service delivery department, such as Education, Health and Wellness, and Social Development, which are inherently reliant on human resources – doctors, nurses, teachers, and social workers – and have already experienced significant baseline reductions over the years while all contending with the growing population and therefore, growing demands on service delivery.

National Treasury has committed to provide an additional R1,7-billion from

the national fiscus in terms of the Provincial Equitable Share for the 2023 Wage Agreement and these increases are a partial supplement and only for Education and Health. I must stress this point. National Government has committed to allocate 78% of the cost of living adjustment for only the Department of Education and Health.

For our Province in this financial year, it means we have a R1,1-billion in-year shortfall on the cost of the Wage Agreement. ...[Interjection.]

Hon MEMBERS: *Joh!* Geesh!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: But, hon Deputy Speaker, it gets worse. In addition to the significant shortfall, National Government has also slashed vital Conditional Grants. Our Conditional Grants have been reduced by R642,3-million which constitutes an average of 4,4% reduction on conditional grants in this current financial year.

I promised when I started speaking that our undertaking as a provincial government remained to do the very best we can for the people that we serve, especially for our young and vulnerable people, and for the vital businesses that make up our diverse and growing economy. When I delivered the Municipal Economic Review and Outlook in this House last Thursday, we heard how many opportunities there are to build on our Growth for more Jobs and a Better Future. And today, I remain resolute in that quest, despite the

hand that National Government wants to deal us.

In terms of Section 31(2)(e) of the Public Finance Management Act, the Adjustment Budget tabled today also provides for the shifting of funds between and within votes, which will have a zero effect on the budget. Due to the drastic in-year cuts, departments have been forced to reprioritise internally, realign funding over the financial year through rescheduling of projects inclusive of earmarked allocations for energy, and to request the un-earmarking of key projects such as infrastructure for schools and roads, as well as Child Protection Services, mental healthcare facilities, to ensure that we can protect our very core functions.

And so, hon Deputy Speaker, to protect our people, the 2023 Western Cape Adjustments Budget makes provision for a net addition of R1,4-billion in expenditure for the 2023/2024 financial year. This will provide additional funds in the main through rollover and revenue retention from the previous financial year, the opportunity of realigning funds to the 2024 MTEF, as well as additional allocations made mainly for Energy, the Wage Agreement of Health and Wellness, and Education, and service delivery pressures. This is carefully comprised of R834,3-million for Education, R931,4-million for Health and Wellness, R18,5-million for Social Development and additional funding for Energy and jobs.

Hon Deputy Speaker, our commitment to protect our frontline services upon which our residents rely to get quality education, healthcare, and support for

those who need it most, remains the cornerstone of this Government.

And so, to deliver an enabling environment in which the private sector is able to grow and create jobs, we have allocated funding to support energy efficiency through R37,6-million for solar photovoltaic PV for schools to make sure learning can continue, despite crippling loadshedding, R64-million for a renewable energy solution pilot programme for municipalities, and R1,9-million for exploring the potential of gas power. The provision of other Energy projects including emergency loadshedding packs, grid and transmission infrastructure upgrading planning, green hydrogen development and alternative energy support to SMMEs have had to be realigned over the medium-term.

And as further proof of doing more with less, funding has also been allocated for the acquisition of properties for Health and Education purposes to the value of R42,4-million.

Despite our determination to keep residents and communities safe, the priority of Safety could not totally escape fiscal consolidation and we see reductions here to the amount of R22-million, bringing the total in-year allocation to just under R328-million. Doing even more for the safety of every person with even less, remains a significant and urgent outcome that we are all vested in achieving.

In Education, our children's future has been compromised by unconscionable

cuts in the National Conditional Grants amounting to R179,4-million which includes cuts to the Education Infrastructure Grant of R156,8-million and R14-million to Early Childhood Development ...[Interjections.]

An HON MEMBER: Shocking!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES: ...as well as other cuts to the HIV and Aids Grant of R3-million, the Maths, Science and Technology Grant, R4,2-million, the EPWP Integrated Grant for Provinces, R0,2-million and the Social Sector EPWP and Central Grant for Provinces at R0,9-million.

But we are determined to do all we can to protect our children from this national fiscal cliff and so in this financial year, we have allocated R56,4-million to alleviate the in-year cuts the Education Infrastructure Grant so that we can at the very least, keep building classrooms. R4-million in rollover approvals from the 2022/2023 of the National Conditional Grant for Learners with a Profound Intellectual Disabilities Grant and R13,9-million in rollover approvals from 2022/2023 for various projects related to eLearning programmes, such as Smart Classrooms, Coding and Robotics.

Hon Deputy Speaker, to our Healthcare system, despite the slashes made to National Conditional Grants of R121,9-million including the District Health Programme Grant for comprehensive HIV Aids component, R66,5-million; Health Facility Revitalisation Grant, R54,6-million; the EPWP Integrated

Grant for Provinces, R0,2-million; and the Social Sector EPWP Incentive Grant for Provinces to continue our provision of services to the sick and the vulnerable, the Western Cape has approved a R14,5-million rollover from the 2022/2023 National Conditional Grant for the Health Facility Revitalisation Grant, for the Health Technology Project and R102,2-million in rollover approvals from the 2022/2023 to alleviate in-year service pressures to fully recover service delivery after COVID-19, including addressing the backlog of surgery lists.

We are also pleased that the quality services provided by our Health workers means that we have increased own revenue from 2022/2023 which will alleviate some current in-year service delivery pressures by R52,3-million.

In the current year, we have increased own revenue of R51,6-million which will be used for the creation of posts at Valkenberg Hospital funded from guaranteed revenue received from the Department of Justice and Constitutional Development for Forensic Psychiatric Observation services provided of R5,4-million. At the Western Cape College of Nursing for the increased and operational costs linked to additional academic programmes, including student numbers, an additional R16-million and the balance is dedicated to alleviating in-year service pressures of R29,5-million.

An additional allocation for service delivery pressures in the amount of R103-million has been made to partially fund pressures related to an increased and more complex service load addressing backlogs, the impact of

increasing fuel prices on most commodity prices, increased municipal services tariffs, as well as mitigating the impact of loadshedding and medical inflation.

To protect the most vulnerable and especially, our children despite decreases in National Conditional Grants for the Social Sector Expanded Public Works Programme Incentive Grant for Provinces, we have allocated an additional R18,5-million to priorities including: rollover approvals from 2022/2023, modification of specialised vehicles for the transport of children with intellectual disabilities of R1,2-million. Increased own revenue from 2022/2023 for the transfer of funds to drop [Inaudible.] services for the rollout of the intervention plan of R723 000 and shifting of funds from infrastructure for provision of additional bed spaces shelters in the amount of R16,9-million.

In terms of Infrastructure, although the Provincial Infrastructure Budget is decreasing by 6,62% including catalytic and agricultural infrastructure, we are offsetting the decreases in the budget with maintenance and repairs of R568,4-million and upgrades and additions with R49,1- or R49,3-million so that we can keep building and maintaining your future.

The impact of the in-year and MTEF national fiscal consolidation cuts, as well as the cuts to our Conditional Grants, has had a compound effect on service delivery. And, hon Deputy Speaker, these cuts are made much more difficult or have made it much more difficult to address the impact of the

floods that we had in May and June, and September of this year. Initial costing from the Department of Infrastructure and Agriculture amounts to R845-million and R500-million respectively.

I regret to inform this House that we have not and will not receive funding this year from the National Disaster Management Centre as their funds set aside specifically to respond to disasters, are depleted. ...[Interjections.]

An HON MEMBER: Sjoe!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES:
However, this Government has prioritised for growth and jobs, and so we have managed to allocate some funds to rebuild when disaster strikes, as it increasingly does due to the impact of climate change. And so, this Adjustment Budget draws down R193-million from the Unforeseen and Unavoidable Reserve for flood damage, which includes R150-million in 2024/2025 for roads infrastructure and R43-million for repairs to agricultural infrastructure damaged by floods.

Hon Deputy Speaker, it is abundantly clear that what National Government is trying to foist on the people of the Western Cape because of the unfunded and centrally negotiated Wage Deal, is unconscionable. I promised when I started speaking that we will not give up and we will not give in. In fact, we believe that the National Government did not act in good faith when it concluded a Wage Deal that South Africa could very clearly not afford and which post

facto, provinces were left to fund.

To put it into context, the R1,1-billion shortfall is at current estimate the equivalent of 2 750 personnel, which would be the equivalent of 1 120 teachers in Education, 755 nurses within Health and 875 other posts, including social workers across other departments. [Interjections.] The National Government has a constitutional duty when allocating revenue to act in the best interests of all spheres of government. In wage negotiations, the National Government owes a particular duty to provinces to avoid making ...[Interjections.]

The DEPUTY SPEAKER: Order, hon members!

The MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES:
...decisions that harm their fiscal capacity and efficiency, developmental and other needs, and/or detract from their ability to meet their obligations in terms of national legislation. Decisions must be informed by the desirability of stable and predictable allocations of revenue shares.

And so, we are standing up and fighting for every single resident who we have sworn to serve, and I announce today that the Western Cape Government has declared a formal dispute with the National Government ...[Applause.] represented ...[Interjections.] by the Minister of Finance, Minister Godongwana and the Minister for Public Service and Administration, Ms Kiviet in terms of Section 41 and 42 of the Intergovernmental Relations

Framework Act which provides a framework for the establishment of intergovernmental forums and mechanisms to facilitate the settlement of intergovernmental disputes.

This Government has repeatedly and consistently raised formal objections to how centrally negotiated wage deals that impact provinces are concluded by National Government, and these objections and calls to engage on a constructive solution, have gone unheeded. We are seeing the impact now.

And so, hon Deputy Speaker, we are taking this fight to the highest levels so that the people of the Western Cape receive what is right and, frankly, what they should lawfully receive as people of South Africa.

To conclude, hon Deputy Speaker, I have set out quite plainly the fiscal challenges forced onto the Western Cape, mainly due to the Public Sector Wage Bill, but also the fiscal cliff brought on by years of economic mismanagement and failure to stimulate economic growth that this country needs to thrive.

In the face of these in-year cuts, this Government is taking decisive action to protect frontline services of children, those who depend on the public healthcare system and the most vulnerable in society while we strive to invest in the Western Cape's future, our economic successes, by maintaining and building our province to be strong and sustainable for a future that is full of jobs, growth, hope and prosperity. And so, to ensure stability and hope, we

will continue to stand up for every resident now and always, to deliver a budget for your future. I thank you. [Applause.]

An HON MEMBER: Hear, hear!

The DEPUTY SPEAKER: Thank you very much, hon Minister. [Applause.]

The Secretary will read the Bill a first time. Order!

The SECRETARY: Western Cape Adjustments Appropriation Bill.

The DEPUTY SPEAKER: Thank you very much. [Interjections.] Order! The Bill, together with the papers tabled, will be referred to the relevant committees for consideration and report.

Before I conclude the business, hon members, the Budget Committee will start at 12-noon. This concludes the business for the day. The Secretary will now end the meeting for all the members. The House is adjourned.

The House adjourned at 11:03.