

WESTERN CAPE BUDGET HIGHLIGHTS 2011

BUDGETING FOR THE FOUNDATIONS OF GROWTH

The key policy thrusts that underpin the Western Cape Provincial Government's 2011 MTEF allocations can be divided into three broad categories: economic, governance and social sector priorities.

Coming out of the economic recession in 2009, current forecasts for economic growth in the Western Cape are projected at 4.15 per cent in 2011, increasing to 4.6 per cent in 2013. This economic outlook will depend on government's efforts to encourage and facilitate an enabling environment for growth as well as promoting overall development in the Province. Government is investing more than a billion extra over the next three years to ensure that the foundations for economic growth and job creation are improved within the Western Cape. The inability to address poverty and persistently high unemployment rates have, in most instances, been the root cause of the many social ills plaguing the Province and the Country. Economic growth is considered the foundation of all successful development and is driven primarily by the business sector operating in a conducive environment. Provincial Government initiatives focus on demand-led, private sector driven growth.

The Western Cape Provincial Government believes that it will achieve greater economic growth through: increased investment in infrastructure; the development of a Western Cape Economic Development Agency, skills development; expanding export opportunities for agricultural produce and increasing economic opportunities in rural areas, improving environmental services to optimise sustainability and by reducing bureaucratic red tape that hinders investment and entrepreneurial contributions to the economy of the Province. A Provincial Spatial Plan will be developed to serve as an instrument to ensure coordinated and sustainable investment in the Province.

The Province, in enhancing the institutional capacity of the Provincial Government, has set up a range of transversal policies, service delivery improvement initiatives, systems and procedures in pursuit of institutional excellence. The focus is on a corruption-free, responsive and clean government.

The PGWC will continue to invest in education and health and other social, cultural and welfare services. The aim is to improve access to and quality of public services, address vulnerability and inequality through proper targeting of services; increase investment in communities to ensure sustainable livelihoods; and develop the skills needed for the economy through, amongst others, enhanced education and training.

ADDITIONS TO SPENDING PLANS OVER THE NEXT THREE YEARS

Total funding allocated increases by R10.904 billion which includes:

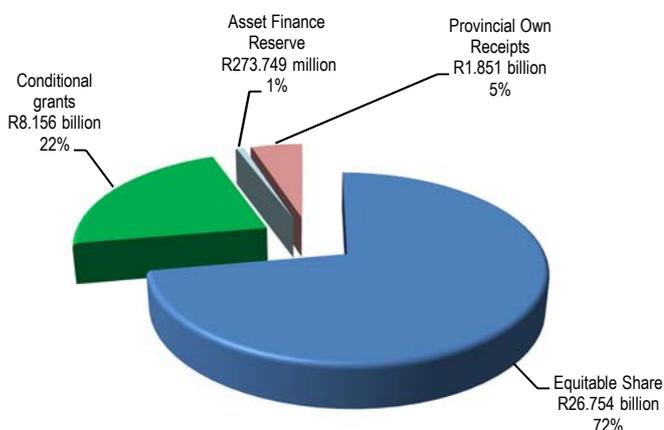
- R4.1 billion additional towards Education
- R5.1 billion additional towards Health
- R1.2 billion additional towards Transport and Public Works
- R83 million additional towards Job Creation

Total funding in reserve amounts to R1.031 billion:

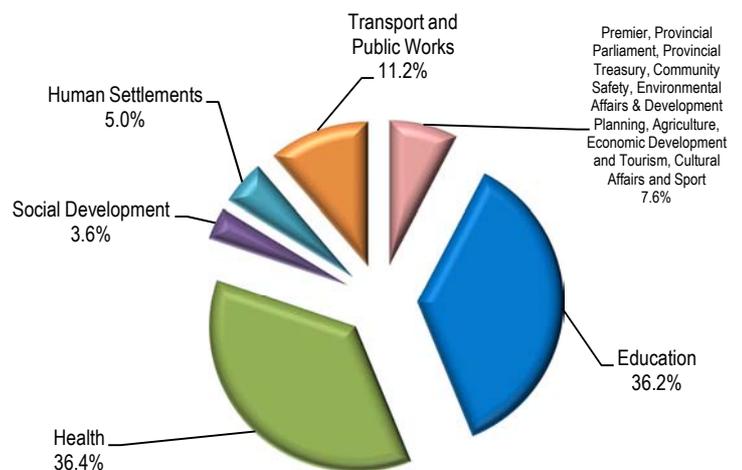
- R204 million additional towards new economic developments
- R300 million additional for Roads Infrastructure
- R400 million additional towards Inner City Regeneration
- R127 million additional for libraries in most vulnerable municipalities

THE PROVINCIAL BUDGET AT A GLANCE FOR THE 2011/12 FINANCIAL YEAR

PROVINCIAL REVENUE SOURCES



PROVINCIAL EXPENDITURE



The Western Cape Government finances its expenditure via three sources, i.e. national transfers (Provincial Equitable Share and conditional grants), Provincial Own Receipts (taxes and fees/user charges), and the Asset Financing Reserve (AFR).

The largest beneficiaries of the 2011/12 budget are Health (36.4 per cent share), Education (36.2 per cent share), Transport and Public Works (11.2 per cent share) and Human Settlements (5 per cent share).

Summary of payments and estimates for Provincial Departments and Provincial Parliament

Vote R'000	Revised estimate 2010/11	Medium-term estimate				Average Annual growth 2010/11 - 2013/14	Overall 3 year changes
		2011/12	Changes 2010/11 - 2011/12	2012/13	2013/14		
1. Department of the Premier	623 369	697 197	73 828	695 601	751 117	6.41%	459 137
2. Provincial Parliament	74 982	88 242	13 260	93 036	98 647	9.57%	29 026
3. Provincial Treasury	131 504	144 976	13 472	153 356	163 455	7.52%	(52 555)
4. Community Safety	288 911	310 978	22 067	348 864	367 743	8.37%	106 262
5. Education	11 998 212	13 331 843	1 333 631	14 074 353	14 898 037	7.48%	4 079 604
6. Health	12 376 883	13 395 060	1 018 177	14 390 940	15 666 204	8.17%	5 139 596
7. Social Development	1 233 817	1 331 611	97 794	1 399 686	1 477 118	6.18%	265 607
8. Human Settlements	2 192 395	1 836 006	(356 389)	1 897 019	1 997 605	(3.05)%	(865 715)
9. Environmental Affairs and Development Planning	301 425	351 262	49 837	369 851	387 033	8.69%	134 847
10. Transport and Public Works	3 897 827	4 116 260	218 433	4 154 026	4 358 668	3.80%	1 166 907
11. Agriculture	483 987	501 718	17 731	547 781	583 764	6.45%	194 624
12. Economic Development and Tourism	237 544	254 414	16 870	266 862	281 200	5.78%	32 321
13. Cultural Affairs and Sport	294 705	313 158	18 453	336 923	354 255	6.33%	98 237
14. Local Government	113 009	135 974	22 965	146 398	154 533	10.99%	116 429
Total provincial payments and estimates by vote	34 248 570	36 808 699	2 560 129	38 874 696	41 539 379	6.64%	10 904 327

The total Budget 2011 for the Western Cape Provincial Government is R36.809 billion in the 2011/12 financial year. The budgets for most departments are growing between 2010/11 and 2013/14. The allocation to the Department of Human Settlements declines as funding previously allocated to this Department has shifted to flow directly to the City of Cape Town for developing urban settlements.

TOWARDS AN OPEN OPPORTUNITY SOCIETY FOR ALL

The Western Cape Government has identified 12 Provincial Strategic Objectives, as listed below, to give effect to Government's development goals. These objectives find expression in departmental strategies over the medium-term.

- **Creating opportunities for growth and jobs**

The Department of Economic Development and Tourism will be accelerating the trajectory of the provincial economy through creating and maintaining an enabling environment for business e.g. economic infrastructure support, reducing red tape, establishing the Economic Development Agency. The Department will support the tourism industry with strong links to the creative and cultural sectors. The focus will shift to demand driven skills development.

The Inner City Regeneration programme of the Department of Transport and Public Works will leverage the Provincial Government's inner city properties to act as a catalyst for economic growth and spatial integration.

- **Improving education outcomes**

The Western Cape Education Department will improve literacy and numeracy outcomes by directing maximum resources, both human and financial, to the first three years of schooling. This will be coupled with universal and compulsory testing of learners from Grades 1 to 6 from 2010.

The Department will also focus on improving National Senior Certificate Results and reducing the number of under-performing high schools.

- **Increasing access to safe and efficient transport**

Transport infrastructure projects amount to R5.6 billion over the three years. Additional funds towards construction and maintenance of roads will reduce the number of kilometers of the road network that are in a poor or very poor condition.

- **Increasing wellness**

A priority for the Department of Health is on the quality of care, and specifically to improve the patient experience level in public clinics, community health centres and hospitals. The Department will implement the integrated TB/HIV prevention plan to reduce the spread of HIV and Aids and TB. The Saving-mothers-and-children plan will focus on reducing child and maternal mortality.

- **Increasing safety**

The Department of Community Safety will focus on increasing safety in the Western Cape through effective civilian oversight of Law Enforcement Agencies such as SAPS. Additional funding has been provided to enhance Traffic Law Enforcement to increase road safety.

- **Developing integrated and sustainable human settlements**

The Department of Human Settlements plans to upscale the provision of service sites through upgrading informal settlements. The Department will also engage the private sector to stimulate the delivery of GAP market housing.

- **Mainstreaming sustainability and optimising resource-use efficiency**

The Department of Environmental Affairs and Development Planning will develop a Provincial Spatial Plan to guide sustainable investment in the Province. To protect the environment and mitigate against climate change, the Department will focus on improving air quality, waste and water management and biodiversity management in the Province.

- **Increasing social cohesion**

The Department of Cultural Affairs and Sport aims to increase social cohesion through spending on Sport and Recreation, Arts and Culture, Libraries, Museums and Heritage and Archives. Museum Services receives additional funding amounting to R4.15 million over the three years to attract visitors and provide educational and other programmes at museums.

- **Reducing poverty**

The focus of poverty alleviation programmes in the Department of Social Development will be to link food security to real job opportunities, income generation, and to link the poor with other government services.

300 opportunities for youth as Social Auxiliary Workers and Community Development Practitioners within the social sector will be created in 2011/12.

- **Integrating service delivery for maximum impact**

The Department of Local Government will focus its efforts on supporting municipalities to be institutionally functional, increasing access to government services through Community Development Workers (CDW) and expanding the Thusong Centres to one centre in each municipality.

- **Creating opportunities for growth and development in rural areas**

The Department of Agriculture will support farmers to become successful business enterprises through research, extension services and training. Additional resources of R21.354 million have been provided to Agriculture over the medium term to support and expand research and development efforts to increase agricultural production. The aim is to increase agricultural production by at least 10 per cent over the next 10 years.

- **Building the best-run regional government in the world**

The departments of the Premier, Provincial Treasury and Local Government have prioritised strengthening provincial government internally. Initiatives include strengthening Information Communication Technology (ICT) capacity, Intergovernmental Relations (IGR) structures and ensuring greater interdepartmental co-operation and collaboration. The ultimate aim is to improve government's capacity to deliver goods and services to the public more efficiently.