

**Provincial Government Western Cape
Provincial Treasury**

BUDGET 2011 SPEECH

**Minister of Finance, Economic Development
and Tourism**

A Winde

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Honourable Speaker

Premier and Cabinet colleagues

Leader of the Opposition

Members of the Provincial Parliament

Members of the Diplomatic Corp

Leaders of Local Government

Director-General, Heads of Department and the 76 706 public servants who will, using this budget, turn our vision into a reality

The drivers of growth – our workforce, entrepreneurs and business leaders

The Media

Special Guests

Citizens of the Western Cape

Budgeting for opportunity, growth and jobs

Just over a week ago, Premier Helen Zille presented our plan to build an open opportunity society in the Western Cape and called it, “the Western Cape of our dreams”.

Premier, you stated clearly that our purpose in government is to extend the hand of opportunity to the people of our great province so that our residents are empowered to escape poverty, shape their own destinies and live lives they value.

You also identified poverty as our biggest challenge, the obstacle that blocks our path to prosperity. And you announced our clear intention to put economic and employment growth at the front and centre of our agenda because they are the only way to blast poverty from our path and make the opportunity for a better life available to every person.

Mr Speaker, this budget does exactly that.

We have budgeted for growth and jobs in a conscious effort to open opportunity to all the people of the Western Cape.

For the entrepreneur, whose ideas and hard work will create the jobs we need, this budget funds efforts to make starting a business less difficult, and growing a business much easier.

For the foreign investor looking for a return on his capital, it funds efforts to make the Western Cape a more attractive destination.

For farmers and farm workers it funds plans to make our produce more competitive in global markets.

For every child, without exception, it funds the opportunity to get a quality education.

For those in poverty, it makes life a little easier by providing funds for food, shelter and relief from illness.

For those whose lives have been ravaged by alcohol and drug abuse, and the violence that they occasion, it funds a renewed effort to prevent abuse and rehabilitate addicts.

And for every citizen living in fear of crime, it funds a new approach to making the Western Cape a safer place.

Mr Speaker, this budget takes the fight to poverty and puts all the people of the Western Cape on the path to a better life.

And so, Mr Speaker, this address is not only directed at those present here today.

It is addressed also to Nomhle Manyati, a domestic worker from Capricorn. Her bright and bubbly daughter has just entered Grade 6 at the local school. Nomhle prays each night that Lolo will not follow in the footsteps of some of her peers, who have already fallen pregnant or turned to drugs. Nomhle is

one of millions of mothers in our province that have a bigger dream for their child, which involves finishing matric and getting a good job.

It is also addressed to Ms Ella Mouwe, a single mom from Blue Downs. For years she has struggled to earn a living that will enable her to provide decent living conditions for her children.

This budget speaks to the 2 000 people who are standing on the docks waiting for the port to give authorisation for an oil and gas vessel to come in so that they can begin to work. They are part of the 1.2 million people in our country who have lost their jobs since the recession hit us.

It also has relevance for Mr Tatham, the CEO of a small company that will save electricity by providing competitively priced Liquor Petroleum Gas to the local market, if only he could get the approvals he requires to start operating.

In devising this budget, we took the hopes and frustrations of all our people – mothers, children, the unemployed, workers and employers – into account.

The economic context

Speaker, our plans have not been devised in a vacuum. We have had to adapt them to the changing economic context within which we live and work.

We all know that the last few years have been difficult. The global financial crisis plunged most countries into a prolonged recession. Legendary financial leader Warren Buffet observed of recessions that “only when the tide goes out do you discover who's been swimming naked”. And this recession was no exception.

Many countries which for too long lived beyond their means, found their borrow-and-consume economic model to be bankrupt as the financial downturn quickly morphed into a sovereign debt crisis. Those countries that have weathered the economic storm best have over the last decade been promoting growth and job creation through the increased competitiveness of their industries. The Western Cape has internalised these lessons. We will continue to work with labour and business to enhance productivity.

Despite its prudent macro-economic management, South Africa was not spared from the economic fallout. In 2009, South Africa's GDP declined by 1.7 per cent. This resulted in a loss of jobs for almost 10 per cent of the country's workforce.

The Western Cape fared slightly better than the rest of country, with economic activity in the province contracting by only 1.5 per cent in 2009. Nevertheless, this resulted in unemployment rising from an already unacceptably high 18 per cent in the second quarter of 2008 to 23.6 per cent in the second quarter of 2010. And we know the economic slowdown hit the poorest people in our society particularly hard. Speaker, 26.2 per cent of families in the province now live on less than R1 500 per month.

The good news is that the worst of the global recession now seems to be behind us. South Africa's GDP grew by 2.8 per cent in 2010, however, a number of risks remain. On the international front, the expected short term growth moderation in Europe and China will influence the Western Cape's ability to export as these remain two key markets. The continued strengthening of the rand is also likely to have an impact.

Growth is starting to gain momentum once again. The second half of 2010 saw global economic activity outpace expectations. The International Monetary Fund now calculates that global growth for 2010 averaged about 5 per cent and should continue to do so for the foreseeable future.

These figures belie a major structural change that has taken place in the global economy. There has been a shift in economic power with emerging markets, particularly the BRIC countries, replacing more developed ones like the U.S. and the Eurozone as the engines of growth. And so of course we welcome South Africa's invitation to join BRIC. Our challenge, however, is to show the others that we can match them for growth.

We in the Western Cape are already taking advantage of the opportunity. We are pushing our wine products into China, our processed agri-products into Argentina, and we have visited the UAE to open the gateway for trade into the Middle East and India.

Following the economic contraction of 2009, the regional economy has begun to grow again. Our province's GDP grew by 2.4 per cent in 2010 and is expected to rise to 4.1 per cent over the next five years. We in the Western Cape government will do all we can to capitalise on this growth to provide jobs and income for all our people.

But Speaker, 4.1 per cent growth is not enough. We need to do better if we are to expand opportunity and slay the dragon of poverty. And that is why growth and jobs are front and centre for this government.

Funding an economic agenda for growth and jobs

Speaker, I turn now to the expenditure estimates in this year's budget.

Our total budgeted expenditure for 2011/12 amounts to R36.95 billion, representing a 7.5 per cent increase on the 2010/11 adjusted budget.

Over the next three years, this government will be spending over R117 billion to deliver on the aspirations of our people.

However, I want to highlight that over and above the allocated budget for next year, we have created a reserve fund that demonstrates our commitment to growth and jobs. This fund will be used exclusively as seed capital to leverage national, local and private sector funded partnerships for infrastructure and economic development.

- First, R400 million has been set aside over the next three years for inner-City regeneration projects that will unlock Cape Town's potential to attract major investment. Our vision is to leverage state-owned assets for private development in an effort to make Cape Town's economy more competitive, our environment greener and friendlier, and our communities better integrated.
- Second, R300 million has been set aside for new roads with the potential to unlock economic opportunity by connecting people and products more efficiently.

- Third, we have set aside R204 million in the two outer years of the MTEF for new economic development and job creation projects. These will be approved against compelling business plans and should involve partners from other spheres of government and the private sector to maximise the impact of our contribution.

These projects will open business and job opportunities to tens of thousands of people over the next decade. They will compliment the R15 billion that we have already allocated to the economic sector departments.

Speaker, when we came into government it was immediately obvious that the Western Cape lacked a clear strategy for economic growth and that the institutions critical to a partnership between government and the private sector required a radical overhaul.

Together with our partners in the City of Cape Town, we have responded by setting out a clear set of principles to underpin an economic strategy. We believe that government's role in promoting growth and jobs has three parts:

- First, to create conditions that make it possible for businesses to flourish, because growing businesses create the jobs that make possible a better life for all;
- Second, to support businesses in their quest for growth; and
- Third, to promote the Cape as a destination for investment, skilled people and visitors from other provinces and abroad.

Our vision, in other words, is of an opportunity society, in which free citizens and the private sector drive growth, with government in an empowering and supporting role, not a "developmental state" in which government leads and directs, and citizens follow.

Speaker, a growth-friendly environment is underpinned by economic infrastructure that works. Here the Department of Transport and Public Works takes the lead, and has been allocated just over R4 billion in 2011/12 or more than R12.6 billion over the MTEF. This excludes the R300 million that has been reserved for later allocation for new road projects.

The allocations to the Department will be utilised for maintaining and constructing public works and transport infrastructure as well as the coordination, regulation and monitoring of transport operations in the Province.

The Public Works Infrastructure Programme receives R3.2 billion over the MTEF to provide balanced provincial government infrastructure that promotes integration, accessibility, sustainability, equity, environmental sensitivity and economic growth.

A total of R5.6 billion is allocated towards the Transport Infrastructure Programme over the next three years. In 2011/12, the Department has allocated R701 million and R931 million, respectively, for the construction and maintenance of roads. Some funding will be made available for transport infrastructure transfers to municipalities.

Speaker, building and maintaining infrastructure is essential for growth, but for decades government in the Western Cape has failed to leverage its many existing assets as a means to attract investment and jobs into the province. We are changing that, and we are changing it for good!

That is why we have reserved, for allocation over the MTEF, R400 million for the inner-City regeneration initiative. *Regeneration* will dovetail with the biggest initiatives of the private sector, including the expansion of the CTICC, Portside and the R4 billion the new owners of the Waterfront plan to spend on its future development. These plans will be elaborated upon during the relevant departments' budget speeches.

Speaker, with the CTICC expanding dramatically, our Conventions Bureau will play an ever greater role in job creation. Every year, business tourism pumps R4 billion into the country's economy. Half that amount originates in the Western Cape.

Just last month, for instance, we secured the bid for the *International Nephrology Conference*, which will bring 5 000 kidney specialists to the province. Conference delegates spend three times more than leisure tourists. It is estimated that this conference alone will create 1 000 new jobs and have an economic impact of R65 million.

The CTICC is the perfect example of how large-scale infrastructure projects and partnerships increase our ability to grow the job market.

That is why the Department of Economic Development and Tourism, which has been allocated a budget of R254.4 million, has identified 5 projects that will become the catalysts for sustainable economic growth and job creation. We have already gone public with our proposed plans for the Saldanha Bay Industrial Development Zone and a Health Technology Park in Pinelands.

In the coming year, we will kick-start a telecommunications infrastructure project, which will increase our connectivity with the world. In her State of the Province Address, the Honourable Premier quoted a World Bank study that found that for every 10 per cent increase in broadband penetration, developing economies grow by 1.38 per cent. That is why we have to bring all the people of the Western Cape into the digital age.

In partnership with the City of Cape Town, we also intend to set up a design precinct that will facilitate the sharing of new ideas and innovations. This will boost the Western Cape's already world-class creative industries and attract investment and innovative people to the region.

Finally, in conjunction with local authorities and Transnet, we are formulating a 30-year plan to redevelop the port of Cape Town.

Our ports – Cape Town and Saldanha Bay – are among South Africa's most important. 92 per cent of the country's fish, 76 per cent of its bananas and over 90 per cent of its fruit juices go through them, into Africa and the world.

Trade has always been the lifeblood of our economy, and this project will bring our logistical capacity into the 21st century. Furthermore, it will enable us to secure labour intensive, multi-million rand contracts for the repair of West African oil and gas vessels, opening opportunities for many more jobseekers in our province.

Speaker, as part of our effort to create a job-friendly environment in the Western Cape, we are determined to cut red-tape, making it easier for those who wish to invest in the province to succeed.

I recently received a phone call from a small business owner who waited 2 years and paid in excess of R2 million in legal fees to get zoning approval for a project that would relieve the burden on our electricity grid. He felt strongly that our officials acted as gatekeepers, or at a bare minimum, lacked any interest to assist him. We tracked down the source of the blockage and found that it was easily resolved. His company, which is now operating, has already created over 100 jobs in Blackheath.

Last week, 400 men and women who are longing to work, came to me in desperation to ask why it was taking so long to register their businesses. Some had already waited years for a response to their applications. Speaker, our departments, along with Local Economic Development units of municipalities, will engage CIPRO to resolve this matter. I will do everything in my power to ensure that our emerging small companies get the service they deserve.

To ensure we play our part here in the Western Cape, the Department of Economic Development and Tourism will form a high-level Red Tape Task Force to examine our bureaucratic landscape, and recommend ideas to cut red tape or speed up approvals. The Task Force will have strong links with the private sector, which will be called upon to give inputs into specific problems they've faced.

Just as the private sector does, we must learn to treat each and every service we deliver as a project, and find the most effective and efficient way of seeing it to its conclusion. That is why the Department of Environmental Affairs and Development Planning, which this year is allocated R351.3 million, is reviewing the province's planning legislation. Over the MTEF, more than R1.1 billion is allocated to this Department to develop a Provincial Spatial Plan to guide sustainable investment in the Province, protect the environment and mitigate against climate change. This allocation will assist the Department to improve our air quality, waste, water and biodiversity management in the Province. This will be done through CapeNature.

As the Premier mentioned in her reply to the State of the Province debate, this is a long term project that may result in new legislation, and will most likely require input from the Constitutional Court.

But we are committed to this process, no matter how long it takes.

In addition to protecting the environment, we will proactively work at growing the green economy. The GreenCape initiative, a multi-stakeholder partnership, will power the green revolution in our province.

Speaker, in addition to building a job-creating environment, government must play its part in supporting businesses in their quest for growth. We are convinced that the only way to build and strengthen a partnership between government and business is through an agency external to government.

That is why we have teamed up with Andrew Borraine, CEO of the Cape Town Partnership, to devise the blueprint for an Economic Development Agency in the Western Cape. Over the last few weeks, Andrew has consulted extensively with a wide range of stakeholders critical to the economic development of the province. He's told me that excitement is building around this project, and that there is a growing recognition of the potential for job creation and growth that a successful EDA could unlock. He has assured me that he is well on track to deliver the draft strategy by June.

Finally, Speaker, government can promote growth by helping to build an economic brand that attracts investment, skills and visitors to our region.

Already we have a wonderful product to sell. That is why major companies like Barclays, Amazon, Bloomberg, Steinhof and DHL, amongst others, are investing here.

The Future Cape initiative is designed to harness the competitive advantages of the province to market our products and people to the world. This project is particularly close to my heart, as all successful economic regions need a vision for growth that everybody believes in and owns.

Speaker, our economy is not just the city-region. Our rural areas also play a vital role in growth and job creation. Indeed, approximately a third of our population, 1.8 million people, live outside of the City. The Western Cape's agricultural sector is highly developed, and accounts for almost 21 per cent of South Africa's agricultural production and 45 per cent of the country's agricultural exports.

But the rural areas are also the location of greatest poverty. We know that almost half of all people in the Eden and Winelands Districts, for example, earn no income. We are committed to overcoming this poverty by creating jobs.

We have increased the Department of Agriculture and Rural Development's budget by 17 per cent to R501.7 million.

Importantly, we have allocated an additional R21.4 million in the two outer years of the MTEF to improve our research capabilities. Cutting edge intellectual property lies at the heart of our agenda to make our agricultural sector more competitive in global markets.

The medium-term key priorities for the Department of Agriculture include supporting farmers through research, extension services and training, bolstering food security through the rehabilitation and establishment of food gardens, reducing our rural skills deficit and increasing market access.

Clean government

Speaker, the foundation of a growth-friendly environment is clean, efficient government. While every department is responsible for ensuring these aims, the Department of the Premier, the Provincial Treasury and the Department of Local Government take the lead.

This year, the Department of the Premier is allocated R697 million. This will fund our new shared service centre, which is designed to streamline and improve the quality of support services to departments, and drive the implementation of our ongoing change management programme. The above projects will lead us toward becoming the best-run regional government in the world.

This department will also provide an improved IT infrastructure, a strengthened forensic investigation unit, legal services, internal audit services and risk management.

Our Provincial Treasury, of which I am very proud to be the political head, gets R145 million with which to continue its outstanding work ensuring our money is spent effectively and managed with integrity.

Funding opportunity through education and skills development

Speaker, over the past two decades much of our regional economic activity has shifted away from manufacturing that absorbed low-skill workers to service industries that depend on highly skilled employees. Indeed, in 1995, the service sector accounted for 63.2 per cent of the provincial economy, against 70.9 per cent today. Our best projections are that much of our growth over the next 5 years will come from this sector. And yet despite the growing demand for skills, we face a shortage of skilled workers in the province.

The Department of Labour estimates that South Africa needs half a million more skilled employees just to maintain current levels of growth. Ann Bernstein, executive director of the Centre for Development and Enterprise, adds that we don't even have the skilled people that we need to up-skill those who lack skills!

That is why we are in the process of establishing a Provincial Skills Development Forum. It will provide a forum in which all role players – business, government, labour, institutions of learning and SETAs – can partner to develop the skills industry needs in order to flourish.

We already have a number of exciting skills development projects underway. Most recently, a number of insurance agencies came to us with a problem. They drew our attention to a critical shortage of business analysts, and complained that they had no other option but to source these skills from overseas. We responded immediately. Later this week, we will launch a pilot programme in partnership with the University of Cape Town, private companies and the insurance SETA, that will give 32 young people the opportunity to up-skill themselves and become business analysts, while working part time for a good wage at a host company. I am pleased to welcome those 32 students here today. I wish them well for the year ahead and for their future careers.

Speaker, by far the most important contribution to skills development is our school system, which this year is allocated R13.3 billion, an increase of 11.1 per cent on the 2010/11 adjusted estimate. Over the MTEF, more than R42 billion has been allocated to Education.

The Department of Education gets 36.2 per cent of our budget. We have to ensure we extract value from every cent in an effort to improve outcomes in our province so that more children are able to emulate the inspiring example of Asavela Rawe, the wonderful young man the Premier told us about in her State of the Province address.

I am confident that we are on the road to excellence in education. I would like to congratulate our education department on reversing a six year decline in this province's matric pass rate.

More candidates wrote, passed and achieved access to higher education than ever before in the Western Cape.

We share Nomhle's hope that her daughter completes matric, and will continue to work very hard to improve our learners' retention rates.

In maths and science, critical skills for a service-based economy, our learners' results have substantially improved, opening the doorway for study and work opportunities for our young people.

This province leads the rest of the country in the use of extensive independent testing for Grade 3, 6 and 9 learners. Yesterday, our latest literacy and numeracy test results were released and we saw pleasing improvements here.

We will continue to improve our 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, which kicked off last year.

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

Finally, we will continue to build on the foundations that we have laid in the last year.

In part, this involved an intense focus on textbook provision across all grades. Last year we increased the allocation for text books by R100 million. This year we will become the first province in South Africa to ensure that every child in grades 2 through 7 will have his or her own maths textbook.

In order to meet the ever-growing demand for school education, we are already building 10 new schools and are in the planning stage for 15 more. The Department will also be completely revamping 15 existing schools.

Funding local service delivery

Speaker, expanding opportunity in the Western Cape requires government in all three spheres to work together to build a platform for growth.

In 2010, the UHABS Index ranked the local authorities of the Western Cape first out of all nine provinces for service delivery. Word has spread that the Western Cape provides opportunities for the poor. That is one reason why many South Africans from upcountry flock to join us in the Cape. Indeed, over the next three years, we expect another 206 000 people from other provinces to move here. We welcome them all. We also recognise, Speaker, that the on-going process of urbanisation constitutes a mighty challenge.

National government has shifted 20 per cent of the Human Settlements Development Grant from provinces to metros. Our share of this money will now go directly to the City of Cape Town so that they can begin to develop urban settlements. This Province was instrumental in this decision. We fully support giving the City greater flexibility in its housing and bulk infrastructure spend because this will speed up housing delivery to the poor.

Working with all municipalities, the Department of Human Settlements remains committed to providing shelter and basic services to every qualifying person in the Western Cape. In addition to building over 11 000 homes next year, the Department will use its budget of R1.8 billion, to provide over 14 000 families with a fully serviced plot of land on which to build a home.

Municipalities are critical to government's attempt to alleviate poverty and provide a platform for growth. It is therefore crucial that they keep up the good work and strive to do even better. The Provincial Government is committed to supporting them shoulder-to-shoulder.

Speaker, local elections are an opportunity for renewal, but we recognise that new councils take time to find their feet. We will ensure that through proper orientation and training, new councils will hit the ground running after the elections. We will do our utmost to ensure that local government service delivery is not disrupted.

To support this, the budget of the Department of Local Government will increase by 32 per cent in the coming year to R135.9 million.

As part of our drive to integrate service delivery across governments, a significant portion of this budget will be used to deliver an additional two fixed and 24 mobile Thusong Centres, providing across-the-board access to government services in one location. These will be supported by hundreds of Thusong Extension Workers whose job it is to ensure that every citizen has access to government assistance. Our aim is to see the Thusong Centres become a one-stop shop for all government services, including business advice, consumer protection advice and social support.

Funding wellness

Speaker, underpinning our efforts to bring growth and jobs to the province is a commitment to increasing wellness and improving the quality of healthcare.

For every three rand we spend in this budget, more than one will go towards helping the 78 per cent of our people who do not have medical insurance against ill-health. To this end, we have allocated R13.4 billion to the Department of Health in 2011/12. Over the next three years, R43.5 billion has been allocated to improving our wellness outcomes.

This year, we will develop our Healthcare 2020 agenda, at the heart of which will be a renewed commitment to improving the quality of care we give to our patients. Speaker, this does not require a great deal of additional expenditure, but it does require a different way of going about our business. For every one of our staff members, the patient must be their first priority!

In order to ensure that every person has access to the kind of care we strive to deliver, we are also building two new hospitals, one in Mitchells Plain and one in Khayelitsha, so that people living in those areas do not have to travel far to get the treatments they need.

Speaker, we have made much over the past year of our determination to address the upstream causes of ill health in the Western Cape. This is not solely, or even primarily, the job of the Department of Health. It is the job of the whole provincial government, of all spheres of government, of the private sector and the not-for-profit sector and, critically, of each and every person in the province.

That is why this year's budget will fund programmes designed to prevent ill health, not simply treat it. These include our efforts to prevent the spread of infectious diseases and diseases of early childhood, reduce the extent of personal injury, especially by lowering the incidence of alcohol and drug abuse, make our roads safer and promote a healthier way of living in the Western Cape.

The primary downstream cause of ill-health is HIV/AIDS. To help prevent the spread of HIV, we will test 1.1 million people through the HIV Counselling and Testing Campaign this year. To improve the quality of life for people who already have HIV, we have significantly ramped up our funding for Anti-Retroviral Treatment. In 2010, we supplied ARVs to 75 000 patients. In the coming year, we will supply ARVs to 116 000 HIV-infected citizens of the Western Cape.

The second biggest downstream cause of ill-health is Tuberculosis, which is often made worse by concurrent HIV infection. We have launched a full scale war on TB, and have made significant progress in reducing our infection and cure rates. Indeed, we now have the highest TB cure rate in South Africa. We have also decreased the number of TB defaulters by putting a buddy-system in place to ensure that people take their medication every day. This TB Dots campaign has been extremely successful.

Funding initiatives that allow our people to live lives of value despite these diseases is a priority for the Department of Health.

Funding safety

Speaker, for too long, the people of South Africa have lived in fear of criminals who destroy lives with a callous disregard for the consequences of their anti-social behaviour.

It is also worth remembering that the Cape will never maximise its potential to attract skills and investment unless we make it a much safer place to live, work, play and study.

Now as we all know, Provincial governments' have no operational control of the South African Police Services. It would be easy therefore simply to throw up our hands and point to national government when asked for a response to the scourge of crime.

Speaker, we will not turn away from our commitment to the people of the Western Cape like that.

On the contrary, we are responding with an innovative alternative approach to making the Western Cape safer, which we call the "whole-of-society" approach. At its heart is the insight that people and institutions, working together, have already succeeded in developing successful safety initiatives, such as City Improvement Districts, neighbourhood watches, violence preventing urban regeneration projects and local dispute resolution mechanisms.

The Department of Community Safety has a four point plan to increase safety.

First, during the course of the year, we will be investigating how best to incentivise and support similar initiatives, especially ones that would help the most vulnerable in our community.

Second, we are also beginning a process this year to rethink the way in which we secure our own staff and assets, and intend to bring our developing whole-of-society insights to bear on this project. The idea is to extract much greater value from the almost R105 million we spent on security in 2009/10.

Third, Speaker, while we may not have operational control of the South African Police Services, the Constitution does give us the power to exercise oversight of policing. We are in the process of building an oversight model that will allow the people of the Western Cape to hold the SAPS and other law enforcement agencies accountable. As with everything we do, the citizen must always come first.

Last in our developing safety strategy is to ensure that our roads become safer and safer as each year passes. Our safely home campaign is already successful and is now underpinned by 160 000 inspections of vehicles at road blocks every single month.

Speaker, for all of this, the Department of Community Safety receives an allocation of R310.9 million in 2011/12. I am increasingly confident that this money is being spent with greater effect than has been the case for years. I look forward to enjoying the fruits of its labour in years to come.

Funding cohesion and care

Mr Speaker, we cannot create an open opportunity society for every person in the Western Cape without extending a helping hand to the poorest amongst us.

A terrible legacy of poverty and under-development has taken its toll on the people of the Western Cape. We lead South Africa in many important ways, and we rightly celebrate those achievements. But we also lead when it comes to interpersonal violence, very largely fuelled by alcohol and drug abuse.

In order to grow into happy and healthy adults, children need parents that care for them. But too many families in the Western Cape are too dysfunctional to help their children, and harm them instead.

We are shaken to our cores, for instance, when we read about a mother who goes home to poison her children after meeting with their father, who has refused to pay maintenance.

And about a mother who, herself abandoned by the father of their child, dumps her baby in a refuse bag.

Speaker, when we sat down to determine how to allocate our budget, we remembered those who need our help to pick up the pieces when things fall apart and who need our assistance in accessing the developmental opportunities they need to better their lives.

For this purpose, the Department of Social Development's budget has been increased by R112.3 million to R1.3 billion. This will be spent on programmes that assist those afflicted by substance abuse, as well as on early childhood development programmes and feeding schemes for the most impoverished. We will continue with our special project to ensure that fathers pay for their children, and that mothers collect these payments. When we piloted the project during the 16 Days of Activism campaign, we saw what a difference it made to our mothers.

We tracked down Ella Mouwe, a mom from Blue Downs, to inform her that she had maintenance money waiting for her at the magistrate's court. She told us that she will use the money to construct extra living space for her family. That, Mr Speaker, is making a difference.

But Speaker, to do real good with the public money we spend, we cannot simply focus on responding to the reality of violence and dysfunction. We must intervene to prevent problems long before they occur. That is one of the primary purposes of the Department of Cultural Affairs and Sport, which is allocated R313 million in this year's budget.

In particular, the department will harness the power of school sport to create opportunities and keep youngsters off the streets. We will continue to fund our flagship sports participation project, creating new youth sports development hubs in the most disadvantaged areas. Last year we started 98 such centres at our schools, and we will add another 50 in the coming year.

Speaker, a second significant new intervention this year is the decision to reserve an additional R31.7 million to be appropriated later on building and improving libraries in our most vulnerable municipalities. Over the next three years, we will spend a total of R126.7 million on this project.

How will we fund all of this?

The Province will finance its proposed expenditure via three sources. The vast majority, 94.3 per cent, has been funded through the Provincial Equitable Share and conditional grants from the national government. Five per cent is sourced from provincial own receipts and the remainder from the Asset Financing Reserve.

Our total estimated income for this coming year is R37.036 billion, which is R2.1 billion, or 5.9 per cent up on last year's revised estimate.

Conditional grants amount to R8.156 billion in 2011/12. This allocation is marginally down from the 2010/11 revised estimate of R8.189 billion due to changes in the housing grant.

This province receives R915.359 million in infrastructure grants, which must be split three ways, 45 per cent to roads, 42 per cent to education and 13 per cent to health.

This year, the conditional grant for FET colleges increased by R53 million to cater for higher enrolment figures and the cost of wage agreements. The National Tertiary Services Grant increased by R78 million to address norms and standards for public hospitals.

Provincial Own Receipts are expected to increase to R1.852 billion this year, of which the main contributors are Motor Vehicle Licence Fees, revenue from casino and horse racing taxes and hospital fees.

Conclusion

Speaker, before I conclude I would like to thank the Premier and my Cabinet Colleagues for their clarity and strength of leadership.

Putting together a budget that both gives expression to a vision and ensures that no detail is ignored is a monumental achievement of intellect and leadership. For this we owe our thanks to the Head of the Provincial Treasury, Dr JC Stegmann, without whom the Western Cape would quite literally be a poorer place. He and his team have surpassed their own elevated standards

this year. They, along with our HODs, CFOs and their teams have constructed this excellent budget. To each and every one of them, my thanks.

My thanks also to my staff in the Ministry who support me every day. They work around the clock to ensure the smooth running of my office, and deliver an excellent service not only to me, but to the public as well.

Finally, my sincere thanks to my wife and children, who see much less of me than they should, but for whom, in compensation, I hope I am doing my bit to provide a better future!

Speaker, it gives me great pleasure to table the 2011 Provincial Overview of Revenue and Expenditure, Estimates of Provincial Revenue and Expenditure, the Western Cape Appropriation Bill, the Western Cape Gazette of Allocations to municipalities, and this Speech, for discussion and consideration by this House.

Speaker, the budget tabled here today takes the fight to poverty. It puts growth and jobs front and centre. It expands opportunity. And it puts the Western Cape on the path to prosperity.

It is possible, Speaker, with determined leadership and collaborative effort, to deliver on dreams. With this budget, we have begun to do just that.