

Western Cape Government
Provincial Treasury

2022/23 ADDITIONAL ADJUSTED ESTIMATES

Speech

“A Budget of Action”

Minister of Finance and Economic Opportunities

Ms M Wenger

14 March 2023

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Speech by Mireille Wenger
Minister of Finance and Economic Opportunities
Western Cape Government
Tabling of Additional Adjustment Appropriation Bill 2022/23 [B1 2023]
Western Cape Provincial Parliament
Cape Town
14 March 2023

Speaker,

I table today the Additional Adjustment Appropriation Bill 2022/23 [B1 2023] to first, attribute emergency funding to Vote 14: Local Government to assist in the provision of basic services in municipalities as a result of the unforeseen and unavoidable severe load-shedding; and second, for the appropriation of an additional allocation to Vote 5: Education as part of the Education Infrastructure Grant.

On 25 January 2023, I authorised the use of R88.815 million from the Provincial Unforeseen and Unavoidable Reserve Fund to the Department of Local Government (Vote 14), as per Section 25 of the PFMA, to meet the Province's responsibilities to support our municipalities in responding to the effects of loadshedding on the continuity of treatment and supply of water and sanitation services, through the provision of alternative energy supply.

At a municipal level, electricity is used for the pumping and treatment of raw water, for the distribution of potable water, and for the collection and treatment of wastewater and water discharge. Reservoirs, water purification plants, and wastewater plants all need large pumps to operate. Consistent and severe loadshedding has made it very difficult for these facilities to continue to operate as needed. Municipalities have expressed that one of their most critical emergency needs is assistance with once-off funding to acquire backup energy supply, such as generators, for the operation of this critical infrastructure.

The devastating impact of sustained high levels of loadshedding on basic service delivery across many municipalities in the province affects the fundamental rights of citizens. There is no reasonable prospect that it will end any time soon, and the knock-on effects on our water services could not have been foreseen. Which is why we need to urgently stabilise energy requirements and ensure municipalities can provide essential and basic water and sanitation services. This funding will also help mitigate against the real risk of spillage of raw sewerage into watercourses and interruptions of potable water supply, both of which have potential adverse health implications for citizens.

Strict conditions have been attached to this expenditure and each of the municipalities are required to sign a Transfer Payment Agreement as an internal control mechanism to ensure compliance with the conditions of the grant framework.

Further note that:

- The authorised amount was reported to the Western Cape Provincial Parliament and Auditor-General within 14 days;
- Expenditure in this regard is included in this Additional Adjustment Appropriation Bill for the current 2022/23 financial year;
- The allocations to municipalities have been published in a notice, and will also be formally gazetted as per the requirements of the Division of Revenue Act, 2022; and
- The Department of Local Government will publish regular reports on progress with associated expenditures by all beneficiary municipalities.

Speaker,

The National Treasury, in the Government Gazette, published on 21 February 2023, allocated an additional R115.462 million to Vote 5: Education in the 2022/23 financial year as part of the Education Infrastructure Grant. It has thus become necessary that an additional allocation be appropriated as part of this Bill.

This comes as a result of the national Department of Basic Education stopping the transfer of funds to the Provinces of the Eastern Cape, in the amount of R100 million, and Mpumalanga in the amount of R311.949 million and re-allocating these funds to Gauteng, in the amount of R296.487 million, and to the Western Cape, in the amount of R115.462 million.

The R115.462 million allocated to Vote 5: Education for the Education Infrastructure Grant will inter alia assist to accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education, including district and circuit accommodation; to address the achievement of the targets set out in the minimum norms and standards for school infrastructure; to address damages to infrastructure, and to enhance capacity to deliver infrastructure in education.

Speaker and Honourable Members, I herewith read in for the first time the Additional Adjustment Appropriation Bill [B1 2023] for the 2022/23 financial year.