

Speech by Deidré Baartman

Minister of Finance

**Medium Term Budget Policy Statement 2024/25; and
Adjustment Estimates 2024/25**

Western Cape Provincial Parliament

Cape Town

26 November 2024

“A BUDGET TO WEATHER THE STORM”

Honourable Speaker and Deputy Speaker

Honourable Premier and Cabinet Colleagues

Honourable Leader of the Opposition

Members of the Western Cape Provincial Parliament

Consul-General of Germany

Consul-General of France

Western Cape Children's Commissioner

Prof Sope Williams-Elegbe

Dr Marlene Le Roux

Special Guests

People of the Western Cape

1. INTRODUCTION

Imagine the sky as a big, protective blanket under which air is constantly in motion. When the sun heats the ground, it warms the air closest to it. Like a balloon, this warm air begins to rise, making room for cooler air to take its place. As the warm air ascends, it cools, causing the moisture within it to condense into tiny little water droplets. These droplets gather to form clouds. When the updraft of warm air persists, the clouds grow denser and darker. Within these clouds, winds swirl, and a storm begins to brew.

As the water droplets become heavier, they fall as rain, often accompanied by powerful winds, lightning, and thunder. This entire phenomenon is driven by the

interplay between warm and cool air and when this process happens rapidly, we witness the birth of a storm.

Speaker, over the years, South Africa—and particularly the Western Cape—has faced many storms, **natural and man-made alike**. We have endured **droughts, floods, and fires**. We have **weathered a global pandemic, an economic recession, persistent loadshedding, and even plagues of locusts**. These challenges have tested our resilience as a province and as a nation.

Now, as we enter a new era—a **time of healing and rebuilding**—we continue to grapple with the lingering impacts of those storms. Whether they came from **nature's fury or human blunders**, their effects remind us of the importance of preparedness, adaptability, and unity in the face of adversity. Speaker, our task today is to ensure that the lessons of the past guide us to a stronger, more resilient future.

Honourable Speaker, it is my privilege to rise today to deliver the **Western Cape Government's Medium-Term Budget Policy Statement** and the **2024 Adjustments Budget**.

Today, I share the Western Cape's priorities for the medium term, and then turn to our immediate fiscal realities. As I will make evident, our current outlook is **cautiously optimistic**, this Budget Policy Statement and Adjustment Budget is our response to an increasingly complex and challenging economic climate. It is a testament to the resilience of the Western Cape and our steadfast commitment to the people we serve.

We will need to chart a course to overcome turbulent waters - grounded in the values of trust and transparency, fairness, value-for-money, and innovation.

It will be driven through fiscal sustainability, allocative efficiency, and enhancing productive efficiency; to improve the livelihoods of our people despite the current fiscal climate.

2. GLOBAL AND NATIONAL ECONOMIC OUTLOOK

Honourable Speaker, we have put together a Budget Policy Statement within the context of a precarious global and economic landscape.

Globally, growth is projected to **slow** to **3.2% in 2024**, with South Africa forecasted to **grow** by a **modest 0.9%**.

Economies around the world face headwinds from inflation while domestically, our growth forecast remains constrained by the continued impact of the energy crisis, logistical constraints, and structural inefficiencies.

The **national growth outlook** can therefore be characterised as **cautiously optimistic**, anchored in targeted sectoral interventions:

- The **Finance sector** is set to lead our growth, with a projected 2.5% expansion in 2024;
- **Tourism** is recovering spectacularly – in the western Cape, we've seen a 53% increase in international arrivals in 2023; and
- The **Transport** sector was 1.2 per cent larger by the first two quarters in 2024 compared to the same period the previous year.

The **GNU formation** will be charting a path of (1) fostering inclusive economic growth and job creation, (2) reducing poverty and tacking the high cost of living, and (3) building a capable, ethical and developmental state.

This National MTBPS aims to stabilise our economy amid fiscal constraints. Nationally, debt is expected to peak at 75.5% of GDP by 2025/26, and spending pressures remain high.

Speaker, the National MTBPS aims to **reduce debt** over the medium-term, but **debt has increased** and is projected to reach **R6.8 trillion by 2027/28**. It aims to **grow our economy** but our economic outlook has been **revised downwards -0.2 points**. The budget deficit will **decrease from 5% of GDP in 2024/25 to only 3.2% in 2027/28**.

It aims to protect frontline services, but **did not increase the provincial envelopes**. To put this into context, the **Provincial Equitable Share and conditional grants** make up **more than 95% of the Western Cape government's revenue**, which we use to anchor our spending priorities.

The implication of not increasing the provincial envelopes of provinces thus means, that **budget cuts are forced down onto provinces** as the country attempts to stabilise its debt. This is in addition to provinces already having to face a carry-through impact of **fiscal consolidation from the 2021 and 2024 MTEF years**. In the Western Cape

specifically, this **carry-through effect amounted to a R8.4 billion cut to our equitable share since the 2021 MTEF.**

Speaker, many will ask, 'How did we end up here?'

We ended up here because the **National Government cut R590 Billion nationally from Health, Education and Police in order to fund bailouts for State-Owned Enterprises.**

Speaker, the impact of this on provinces is **man-made disasters.** The National Government **prioritised SOE bailouts over teachers, nurses, doctors and the police;** and as a country, we are now facing the consequences of these decisions.

Provinces we will have to **stand together**, to chart a course to ensure the Health, Education and Social Development sectors are not only protected but that our funding from the National Government increase in line with the increasing demand for service delivery.

We no longer need to ask, '**which province** is able to deliver better'; but '**which sphere of government** is the better at delivering services directly to our people'.

3. WESTERN CAPE ECONOMIC OUTLOOK

Speaker, every storm leaves behind damage – communities are displaced, people are wounded and infrastructure is destroyed. And while our wounds may not be our fault, our healing is still our responsibility.

In the Western Cape, we are charting a course toward **1.0% growth in 2024** and **2.2%** in **2025.** Our province stands as a lighthouse in a turbulent ocean.

More people are finding a job in the Western Cape than any other province in South Africa, with the **official unemployment rate** in the Western Cape now standing at **19.6% for the 3rd quarter of 2024.** Similarly, **international tourist arrivals** surged by **53%** last year, a testament to the resilience of our people and the appeal of our province as a global destination.

This resilience is no accident—it is the result of deliberate planning, sound governance, and the collective efforts of our people. However, there is still much more work to do and the path to economic recovery is a long one.

We continue to face significant challenges in key sectors such as agriculture and construction, which face ongoing headwinds from climate shocks and

underinvestment. Similarly, we continue to navigate the persistent inequalities that continue to shape our society. Unemployment, particularly among the youth, remains unacceptably high.

This economic context informs our fiscal framework, and it is because of this that we have been driven to ensure that every allocation aligns with our goal of driving inclusive growth and providing opportunities for all. This MTBPS is designed to confront these realities head-on.

4. BUDGET PRIORITIES – BUILDING A RESILIENT FUTURE

Speaker, the priorities of this MTBPS reflect the urgent and long-term needs of our residents. It is more than just an allocation of resources; it is a blueprint for resilience and a map for the course that lies ahead. It is a strategy to overcome the formidable challenges we face in turbulent times, and a testament to our shared commitment to building a thriving Western Cape.

4.1 GROWTH FOR JOBS

Our Growth for Jobs strategy sets an ambitious but necessary target: **a R1-trillion economy by 2035, creating over 600,000 new jobs**. This will be achieved through focused initiatives that include investments in small businesses; improving the ease of doing business; boosting exports and investments; reviving our tourism industry; and advancing skills programmes – particularly those focused on the youth.

While the Western Cape narrow unemployment rate sits at 19.6%, our youth unemployment rate still remains unacceptably high at 31.2%. As our Premier would often say, *'Nothing stops a bullet like a job'*; and therefore we will thus have a **Youth Development** focus as a budget policy priority.

Further, we have seen as part of our Growth for Jobs strategy, that a key driver for growth is Infrastructure investment; and therefore we will have a **Infrastructure Pipeline and Spatial Planning** focus as a budget policy priority, to ensure that we not only prepare for the future, but that we Build Back Better after disasters.

4.2 SAFETY

Safety is a fundamental enabler of growth and well-being. Our Western Cape Safety Plan integrates enforcement, community engagement, and violence prevention.

The Western Cape Safety Plan is a data-driven and evidence-based initiative launched in February 2020 with the goal of **halving the province's murder rate by 2030**.

Key elements of the Safety Plan include training and deploying law enforcement officers, enhancing police oversight, expanding the Chrysalis Academy for youth, and working to mitigate harms from alcohol abuse. Additionally, the WCG uses a Safety Dashboard to monitor emergency centre admissions across 34 health facilities in the Province.

Significant progress has been achieved since 2019 and our MTBPS is a step towards advancing our key initiatives that include increasing community policing by 2025, scaling our violence prevention initiatives, and bolstering GBV Support Services.

Speaker, it is encouraging to note that the Western Cape murder rate, as published yesterday, has **decreased by 8.7% to 16.2% as a contribution to South Africa**, bringing it down to the **4th largest contribution by a province in the country** – with **Gauteng** now with the highest murder rate at **24.1%**, **KwaZulu-Natal** at **21.8%** and **Eastern Cape** at **20.1%**.

But Speaker, every murder is one too many; and in order to address the root causes of our safety challenges in the province, we will have a **Violence Prevention and Community Safety** focus as a budget policy priority.

4.3 WELLBEING AND DIGNITY

Through Wellbeing and Dignity, we are ensuring that every resident has the opportunity to thrive. Key efforts include significantly scaling our capacity to provide housing opportunities, advance Early Childhood Development programmes, and ensure greater food security for the most vulnerable, and increase health-care resilience.

Frontline services are part of the bread and butter of our mandate – particularly Health, Education and Social Development, and in order to mitigate the impact of pressures on our frontline services, we will have to apply a **risk-lens** to the budgetary process, with a particular focus on the cost of **Compensation of Employees** across all departments within the budget process going forward.

Further, we have seen the devastating impact the increase in disasters has had on our province. Climate Change is a reality and cannot be denied. We are increasingly seeing risks emerging in Water and Energy security. Speaker, Water is life. And Water insecurity directly affects the wellbeing and dignity of the people of our province. We will therefore have a Climate Change, Disaster Management, Water and Energy focus as a budget policy priority.

4.4 INNOVATION, CULTURE AND GOVERNANCE

Good governance underpins all our efforts. Our Innovation, Culture, and Governance portfolio drives impactful service delivery and fosters a culture of accountability.

The Western Cape Government is actively exploring alternative financing solutions in collaboration with partners such as the World Bank. This partnership aims to secure concessional finance for climate change investments while leveraging resources from both local and international private capital markets.

Similarly, we are driving greater coordination and governance to address climate change and, through the Department of the Premier, we are exploring the implementation of Artificial intelligence (AI) through strategic programmes, aligning with the Growth for Jobs priority, including an AI-driven predictive analytics platform while our Digital Government Strategy drives transformation by empowering residents with digital tools, enhancing integrated, resident-centric services, and ensuring data-driven delivery through advanced technologies

Further, our Fiscal Futures Model is already addressing fiscal challenges, forecasting revenue needs, identifying risks, and proposing strategies to mitigate the Province's reliance on national transfers and economic vulnerabilities.

A key focus includes building integrated data ecosystems, fostering collaboration, and improving decision-making via the WCG Data Portal's continuous updates.

Speaker, as we face economic uncertainty and social challenges, it is evident that this budget reflects our unwavering commitment to building a Western Cape that is safer, inclusive, and economically strong.

5. THE BUDGET PROCESS

Honourable Speaker,

One of the core tenets of good governance is meticulous planning, especially in the turbulent waters we currently find ourselves in.

It was Louisa May Alcott who famously said, *"I am not afraid of storms, for I am learning how to sail my ship."*

That is exactly what is required of us now. Our ability to sail our ship is paramount.

Crafting a robust budget in these conditions demands that we manage the dual task of addressing the immediate in-year fiscal risks we face, while remaining focused on the opportunities for the future that we must be prepared to seize to make this province a better place for all its residents.

This is not a task we undertake lightly - it requires foresight, teamwork, trust, innovation, and diligent adherence to the principles of good financial governance that this province holds as its hallmark.

It follows the journey of the **2025-2030 Provincial Strategic Plan** completion – with its key focus on –

- **Growth for Jobs,**
- **Safety,**
- **Wellbeing and Dignity, and**
- **Innovation, Culture and Governance.**

It takes into account **provincial service delivery risks** – mainly, **Water Security, Energy Security, Safety, Jobs, Climate Change, and Investment in provincial infrastructure.**

We use the data and evidence as tabled in the Provincial Economic Review and Outlook (PERO) as well as the Municipal Economic Review and Outlook (MERO) to inform our decision-making.

With increasing service delivery demands for government services – we face two big storms. Having to deliver more with less and the impact this will have on our officials, having to do more with not enough hands.

We will conduct rigorous evaluations of current spending, reallocate resources where necessary, and prioritise interventions that drive growth and sustainability.

By maintaining a clear and strategic focus, the Western Cape Government is demonstrating its unwavering commitment to the residents of this province - protecting frontline services while enabling economic growth and opportunity for all.

6. WESTERN CAPE ADJUSTMENTS BUDGET

The **2024 Adjusted Estimates** are a critical part of our approach to fiscal sustainability and resilience for the remainder of the financial year. These adjustments aim to address in-year fiscal risks and prepare for the **2025 Budget**.

6.1 PROVINCIAL EQUITABLE SHARE

Speaker, we welcome the data updates to the Provincial Equitable Share formula, however a further implication of not increasing the share allocated to provinces means that provinces are continuously fighting over the same pie, instead of fighting for National Government to increase the overall size of the pie in line with the demonstrated service delivery demands in provinces.

This relief is tempered by a critical concern: the population of the Western Cape continues to grow, which inevitably increases the demand for provincial services.

The challenge for the Western Cape government will be to navigate these competing priorities - managing fiscal constraints, meeting the rising demands of a growing population, and ensuring that provincial governance remains responsive and effective in the face of increasing responsibilities.

The combined impact of the new data updates in the PES formula phased in from 2025/26 of 2024 Medium-Term Expenditure Framework amounts to an adjustment of **R674.059 million over the 2025 period**. This will however be **phased in over 3 years**, meaning that the **current funding for the 2024 data updates will only be received fully in the 2027/28 financial year**.

The **2024 technical data updates** will result in the Western Cape receiving an additional –

- **R65.2 million** in the 2025/26 financial year;
- **R252.4 million** in the 2026/27 financial year; and

- **R356.3 million** in the 2027/28 financial year.

The **Western Cape's PES** will stand at **10.34 per cent** of the **total provincial portion nationally** – marginally increasing to **10.37 per cent** over the **2025 Medium-Term Expenditure Framework**.

No changes has been made to the PES formula for the 2025 MTEF.

According to the current design, Gauteng and KwaZulu-Natal, consistently emerge as the top two recipients of the PES. Meanwhile, the Western Cape, which is the third most populous province, receives the fifth-largest allocation. The structure of the PES formula has remained static over time and reactive to the prevailing socio-economic conditions. The review of the PES formula will be completed with the implementation of the revised education component scheduled for the **2026 MTEF**. This creates an opportunity to strengthen the PES formula and enhance its robustness to support positive outcomes.

6.2 CONDITIONAL GRANTS

Speaker,

The Western Cape government's applications for disaster and infrastructure funding from National Government has been approved and we will be receiving **R1.198 billion** flowing through various provincial conditional grants, including –

- **R947 million** for disaster-related infrastructure reconstruction and rehabilitation of infrastructure damaged between December 2023 and July 2024; and
- **R251 million** for the Western Cape Rapid Schools Build Programme, which forms part of R2.5 billion approval for school infrastructure over the 2024 MTEF.

In particular, the disaster-related funding will be allocated to the Comprehensive Agricultural Support Programme Grant (CASP), Education Infrastructure Grant (EIG), Health Facility Revitalisation Grant, and Provincial Roads Maintenance Grant (PRMG).

The extent of the damages caused by these floods and the high likelihood of more, extreme weather events, occurring over the 2025 MTEF is further reason why we need a budget better for disasters.

6.3 PROVINCIAL OWN RECEIPTS

Speaker,

Provincial own revenue comprises **less than 5 per cent** of the total revenue envelope but is still a significant supplementary source of revenue for the Western Cape Government.

The **most significant sources of provincial own specific revenue** contributing to the budget, are from the **Department of Health and Wellness, contributing 66.0 per cent**, and the **Department of Infrastructure contributing 15.5 per cent**.

Liquor license fees and gambling taxes are projected to **average R56.067 million and R1.077 billion per annum** respectively over the 2025 MTEF period.

Provincial own receipts raised by departments are estimated to increase at an average annual growth rate (AAGR) of **3.6 percent** from the **2024/25 adjusted estimate of R658 million to R731.1 million in 2027/28**, representing an increase of **R73.1 million**. PRF tax receipts are **projected to increase at an AAGR of 4.5 per cent** from **R1.037 billion** in the **2024/25 Adjusted Budget** to **R1.184 billion in 2027/28**.

Motor Vehicle License (MVL) fees

It is anticipated that MVL fees will increase from **R2.2 billion** in the **2024/25 Adjusted Budget** to **R2.5 billion** in **2027/28** at an **AAGR of 4.5 per cent**. This growth is primarily due to the implementation of revenue efficiency measures, growth in the population of motor vehicles, and below-inflation adjustments to MVL tariffs across the various motor vehicle tare categories.

Gambling Taxes

Gambling taxes are largely comprised of taxes from casino, horseracing, sports betting and taxes from limited payout machines. Gambling taxes trends have shown a steady growth, mainly from sports betting, resulting in an AAGR **increase of 4.5 per cent** from **R985.5 million** in the **2024/25 Adjusted Budget** to **R1.125 billion** in **2027/28**.

Hospital Patient Fees

Hospital patient fees are estimated to **increase** at an AAGR of **4.5 per cent** from **R326.975 million** in the **2024/25 Adjusted Budget** to **R373.098 million** in **2027/28**.

Liquor License Fees

The WCLA is presently developing a **differentiated pricing model** which will allow the entity to categorise the liquor licensing market according to, for example, turnover, volume and location of outlets. This new approach will contribute towards the WCLA becoming **self-sustaining** while implementing an **equitable and cost-reflective tariff regime**.

Liquor licence fees are projected to register an AAGR growth of **4.5 per cent from R51.307 million** in the **2024/25 Adjusted Budget** to **R58.556 million in 2027/28** driven mainly by **inflation**.

6.4 PROVINCIAL ROLLOVERS

Speaker, we will rollover **R84.9 million**, mainly for –

- **R20.3 million** for ICT services;
- **R27.9 million** for Infrastructure;
- **R11.7 million** for the MOD feeding scheme; and
- **R9.7 million** for Agricultural programmes and equipment.

6.5 PROVINCIAL RESERVES

Speaker, I am proud of the Provincial Treasury's work to keep our reserves stable to ensure the availability of sufficient financial resources to address unforeseen circumstances, including economic, operational, or external disruptions that could potentially affect the continuity of service delivery.

The utilisation of these reserves enables the Western Cape Government to maintain a stable level of service delivery despite external financial pressures. However, such pressures may still constrain the ability to fully meet operational demands.

In response to unpredictable fiscal constraints at the national level, the Western Cape Government is drawing on its reserves to mitigate the potential effects of fiscal consolidation measures that could compromise service delivery.

The Western Cape Government continues to be committed to rebuilding and restoring its financial reserves in spite of economic constraints. Rebuilding provincial reserves aims to maintain long-term fiscal sustainability and the province's ability to

cover future unforeseen and unavoidable expenditure demands, which is becoming more and more important as, for example, the severity of weather events in the Western Cape increases.

In order to weather future storms, we have raised R2.8 billion from various sources in this financial year to respond to fiscal risks.

Of this, we will set aside approximately **R922 million** for the **unforeseen, unavoidable, and external expenditure demands** – in particular for the **disasters** on the provinces.

We will **set aside R678.9 million** from our **provincial revenue raised** for **preparation for the 2025 MTEF**; and

We will **bolster the current 2024 budget** with **R616 million from the PRF**.

6.6 WEATHERING THE STORM

Speaker, it is during the worst storms of our lives that we get to see the true colours of the people who say they care for you.

To weather the storms we face, the Western Cape 2024 Adjustment Budget will respond to –

- **Infrastructure**
- **Flood Disasters, and Preparation for fire season;**
- **Jobs and Safety;**
- **Energy and Water Security; and**
- **In-Year Fiscal Risks.**

Speaker, we will thus be allocating and adjusting **R1.72 billion** in funding for the **2024 Adjustment Budget**.

Infrastructure

Speaker, we will allocate **R1.198 billion** for Infrastructure in the 2024/25 adjustment budget, consisting of –

- **R947 million** for **disaster-related infrastructure reconstruction and rehabilitation of infrastructure** from **national conditional grants**; and

- **R251 million** for the **Rapid School Build programme**.

We will further allocate **R38 million** on the **Human Settlements acceleration projects**, to accelerate service delivery for our residents.

We will allocate **R12.6 million** on **Agriculture infrastructure and operations**;

We will further allocate **R27.8 million** for the **continuation of Transport Infrastructure and Human Settlements projects**; and

We will allocate **R4.9 million** for the **acquisition of property**.

Finally, we will add **R190 million** to the **Asset Reserve** to prepare for the **2025 MTEF**.

Flood Disaster Response & Preparation for Fire Season

Over and above provision in our reserves for the **2025 MTEF**, we will budget **allocate over R21 million for Disasters** in the **current 2024/25 financial year**, consisting of –

- Allocating **R7 million** for **integrated fire and water response** from the **PRF**;
- Reprioritising **R5 million** for **alien vegetation clearing**;
- Reprioritising **R3 million** for **aerial fire support**; and
- Allocating from the **PRF** and Reprioritising **R6.2 million** for **humanitarian emergency relief and nutritional support**.

Jobs and Safety

We will adjust **R10.4 million** for **expanding peace officer training, youth resilience, and neighbourhood watch programmes**.

Energy and Water Security

We are investing in 5.5 GW of renewable energy projects over the next three years, supported by our focus on green hydrogen and gas-to-power capacity. These efforts will reduce our carbon footprint while creating jobs and driving economic growth.

To support these efforts we will allocate **R4.7 million** for the **Green Hydrogen master plan** and revise our **Energy reserve** in order to include **future provision for water**

security. Therefore, over the 2024 and 2025 MTEF, R694.3 million is allocated towards energy and water security in the province of which R73.5 million remains in the reserve.

In-Year Risks

As at **30 September 2024**, the Western Cape Government faced in-year pressures of **R896.4 million**, largely due to increasing service delivery demands.

To address service delivery pressures, we will allocate and reprioritise to bolster the 2024 Budget with a total **in-year funding of R650 million** to ensure uninterrupted service delivery.

We will allocate –

- **R77 million** to the Department of the Premier for Microsoft Licencing shortfall which includes the impact of the Rand/Dollar exchange rate;
- **R25 million** for the Saldanha IDZ Freeport for operations;
- **R68 million to the Department of Mobility of which** R25 million to the Department of Mobility to enhance public transport systems, R32 million towards George Integrated Public Transport Network, and R11 million towards the procurement of tasers for traffic law enforcement officers.

Health

Speaker, as at **30 September 2024**, the Department of Health and Wellness faced a reported pressure of **R266.7 million** due to the medical inflation on goods and services they are facing.

To respond to this pressure we are allocating **R230.5 million** from the Provincial Revenue Fund.

Further, we are **unearmarking R193 million provincial equitable share** within the Department's infrastructure budget allocation to provide further manoeuvrability for the vote.

Education

Speaker, as at **30 September 2024**, the Education Department faced a reported pressure of **R405.8 million**, mainly due to COE, having already brought this down from **R687 million** reported pressure as at **31 July 2024**.

Through a reduction exercise, the Education Department could **mitigate** projected overspending by approximately **R270 million**, leaving a **residual risk of R135 million**.

Further projected risks included approximately **R220 million** for the **placement of an estimated 11 000 additional learners and 'walk-in's' in January 2025**; therefore increasing the projected 2024/25 pressure for Education to approximately **R355 million**.

To respond to this pressure the Provincial Treasury is **allocating R250 million** to the Western Cape Education Department from the **Provincial Revenue Fund** to deal with their COE pressure.

The **residual spending pressure** amounting to **R105 million** will be covered through **acceleration of matching and placing of teachers** which has the potential to decrease the current pressure in the system, and **reprioritising slow spending items within the department**.

Further, the Provincial Treasury will **unearmark R600 million in provincial equitable share** within the WCED's infrastructure allocation to provide further manoeuvrability within the Department's vote.

Speaker, what this means is there will be **enough funding** within the Department's budget to **deal with its current projected pressure**.

Provincial Treasury handed over the compass; the Western Cape Education Department will now need to steer the ship.

Total Additional Provincial Funding

Speaker, of the **total additional funding** allocated from the **Provincial Revenue Fund**, **R487 million (75%)** of the **provincial funding** will contribute to core frontline services in **Health, Education and Social Development**.

This adjustment reflects our commitment to balancing service delivery needs, with sustainable financial management, while keeping the Western Cape on course to weather the storm by budgeting better for climate change and disasters.

7 ACKNOWLEDGEMENTS

Speaker, to every official and every government department, thank you for the teamwork in bringing our Policy Statement to life. Thank you to each of my colleagues for their support throughout this adjustment budget process.

Speaker, this budget is the product of the collective labour of our Provincial Treasury for which I express my gratitude and thanks.

The diligence, relentless efforts, and skilful leadership our Head of Treasury, Julinda Gantana, must be commended, supported by the senior management team Analiese Pick, Taryn van de Rhee, Paul Pienaar, Michelle Nicholas, Ziyaad Majiet and Malcolm Booyen and their respective teams must be thanked for their essential contributions. These officials are unquestionably committed to ensuring that our province's budget process is protected and that the best interests of the residents are advanced.

I would also like to thank my team in the Finance Ministry – Grant Caswell, Marshallé Frederiks for your key technical insights and expertise; and to Christian Marnewick, Sandra Francisco, Igshaan Davids, Edwina Herman, and Gaynor Lucas for your hard work, efficient operations, and logistical arrangements.

Thank you to Team Finance's unwavering commitment to trust and transparency, fairness, value-for-money and innovation.

8. CONCLUSION

Speaker, this budget is not merely an accounting of revenue and expenditure; it is a roadmap to resilience. It is a declaration of our resolve to protect the vulnerable, to build a stronger province, and to chart a course toward a brighter future.

Though the storm may rage, the Western Cape will not falter. We are stewards of this province, and together, we will weather this storm and emerge stronger, more resilient than ever – for storms make trees take deeper roots.

TABLING

Speaker, for discussion and deliberation before the Western Cape Provincial Parliament today, I accordingly table:

- The Western Cape Adjustments Appropriation Bill, 2024;
- The Western Cape Adjusted Estimates of Provincial Revenue and Expenditure, 2024;
- Overview of Adjusted Provincial and Municipal Infrastructure Investment, 2024
- The Western Cape 2024 Draft Notice: Additional and Amended Allocations to Municipalities; and
- The 2024 Western Cape Medium Term Budget Policy Statement.

I thank you.